

**Comprehensive Annual  
Financial Report**

**of the**

**Township of Stafford Board of Education**

**Manahawkin, New Jersey**

**For the Fiscal Year Ended June 30, 2017**



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# **Introductory Section**







# STAFFORD TOWNSHIP SCHOOL DISTRICT

Administrative Offices  
250 North Main Street  
Manahawkin, NJ 08050

[www.staffordschools.org](http://www.staffordschools.org)

George J. Chadic  
Superintendent

Daniel Smith  
Business Administrator  
Voice: 609.978.5700 x1032  
Fax: 609.597.4377

*"BUILDING A BETTER WORLD ONE STUDENT AT A TIME"*

September 15, 2017

Honorable President and  
Members of the Board of Education  
Stafford Township School District  
Ocean County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Stafford Township School District for the fiscal year ended June 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and 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 management's discussion and analysis, 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 Single Audit Act of 1996 and the US. Office of Management and Budget Circular Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations, and the New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments.

Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, are included in the single audit section of this report.

## **1.) REPORTING ENTITY AND ITS SERVICES:**

The Stafford Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA statement No. 3. All funds and account groups of the district are included in this report. The Stafford Township Board of Education and all its schools constitute the district's report entity.

The operating district provides a full range of educational services appropriate to grade levels preschool through sixth. Stafford Township is a member of Southern Regional School District for grade levels 7 through 12. Educational services are provided for regular and special education programs for handicapped youngsters.

## Annual Audit Transmittal Letter 2017

### 2.) **ECONOMIC CONDITIONS AND OUTLOOK:**

The Stafford Township School District has five schools and a performing arts theater, for its population of students from pre-school through sixth grade. The area continues to recover from the effects of Hurricane Sandy, which occurred on October 29, 2012. The community's economic condition appears to have stabilized from the prior year. New growth and development are occurring.

### 3.) **MAJOR INITIATIVES:**

The Stafford Township School District worked toward the goals set by the board of education for the 2016-2017 school year. The budget was cooperatively developed by the staff, administration and board of education.

The district continues to work toward effective differentiation of instruction to provide for the needs of every child. Professional development opportunities for all staff continued and focused to provide for the needs of all students.

Despite the continued lack of state funding, the Stafford Township School District is proud of the achievements it has accomplished in the areas of educational efficiency and effectiveness during the 2016-2017 school year. The hope continues that the state will meet its obligations under the established funding formula.

The Achieve NJ initiative was continued to improve student achievement, the district established a Behavioral Disabilities program in K-2 and enhanced all special education programs. We have made significant progress toward 21<sup>st</sup> Century Classrooms by providing Google Chrome books for each student in each classroom with full implementation in 2016-2017.

#### a) **Oxycocus Elementary School**

For the 2016-17 school year, 168 students attended the Oxycocus School. (We are given \$224,400 in preschool aid for those students.)

#### b) **Ronald L Meinders Primary Learning Center**

The Ronald L. Meinders Primary Learning Center houses the youngest students in the Stafford Township School District. Our school motto is "Imagine, Explore & Discover." The overall goal of the school is to provide a student-centered environment that empowers children to realize and develop their own style of learning. We have twelve kindergarten classes, and two self-contained special education classes; with a total of 270 students. Special Area integrated instruction includes: Language Experience, Music Experience, Physical Education Experience, Art Experience, and Social Skills Experience. Additional services offered include: speech therapy, early intervention support, enrichment supports, guidance counseling, and resource center assistance.

Technology is available in each classroom with four student computers and one interactive whiteboard for instruction, as well as a computer lab. Additionally, teacher, school and district web pages serve as effective tools for communicating calendars of events, special projects, and valuable educational information for all.

#### c) **Ocean Acres**

The Ocean Acres Elementary School houses our first and second graders with a total enrollment of 523 students. Special Areas included art, music, library, computer instruction and physical education. Additional services that are offered include guidance lessons (whole class, small group and individual), resource center, speech services, occupational therapy and physical therapy.

## Annual Audit Transmittal Letter 2017

Classroom experiences are authentic, and promote a developmental continuum of literacy, mathematics, science, social studies, creative arts, socialization, and fine/gross/sensory motor skills. Small group instruction and intervention is available to students as needed during the school day. The building also utilizes a building-based behavior management model providing students with clear and consistent expectations for behaviors throughout the entire school day.

### d) McKinley Avenue School

The McKinley Avenue staff continued to provide detailed instruction to our third and fourth grade students. Both staff and students had a very successful year.

### e) Stafford Intermediate School

The Stafford Intermediate School provides a unique and challenging learning experience for all of our fifth and sixth graders. Our highly qualified teachers differentiate their instruction so each student can maximize their learning potential through a variety of methods and materials. Lessons are creative, student-centered, and extended by our 1:1 technology. Our school community is highly motivated to provide enriching opportunities utilizing current research and practices. Each child truly has an individualized learning experience at the Intermediate School. Our committed staff provides students the opportunity to further their skills and knowledge through our afterschool enrichment program in both the arts and academic areas.

The Stafford Intermediate School focuses on educating the whole child. In order to achieve this goal we provide a multitude of programs for our students. The students of the Intermediate School are granted the opportunity to participate in vocal and instrumental music, computers, art, drama and media. This is accomplished in addition to the students continuing in our health and physical education classes.

Our school family at Intermediate includes parents/guardians and community members. There are ample opportunities for parents and community members to visit and/or volunteer in our school. Some of these programs include: Back to School Night, Parent Advisory Committee, American Education Week, Career Day, DARE Day, Project Aware and Parent Teacher Conferences. Our Home/School Liaison works together with parents, teachers, and administrators to offer informative workshops throughout the school year that will benefit our students. Additionally, our PTO sponsors many activities throughout the school year that helps us to provide opportunities to our students to complement their educational program.

The Intermediate School constantly seeks to provide the best educational program for all students. We are committed to lifelong learning for staff and students alike!

### f) Stafford Township Art Center ISTAC)

The Stafford Township Arts Center continues to be used by Stafford students and outside rentals of the facility. The goal is to operate this facility without a loss. That goal was obtained this year, a profit was made. The Community School Manager continues to work diligently to maximize the use and increase the potential income possibilities of the facility. Maintenance of the facility is continuous, this year all of the stage curtains were cleaned and treated with flame retardant. Through a donation from Southern Regional School District, a Steinway piano is now a fixture in STAG. Upgrades made to the facility this year through donations from Producers include all new aisle lighting throughout the theater, new audio console with digital snake and new wireless microphones.

### g) Special Services

The behavioral disabilities class continued at the Ocean Acres School, which helped us keep our students in district. While IDEA was able to pay a majority of the costs, there was still a cost in the local budget that raised our contracted services line item. We were able to use some IDEA money to help with related services to help offset the high cost in this area.

## Annual Audit Transmittal Letter 2017

### **h) Curriculum & Instruction**

The Achieve 3000 program was implemented during the 2015-2016 school year for all students in Grades 3-6. Achieve 3000 is an online program which provides differentiated online literacy instruction for each student at his or her Lexile/reading level. The program delivers differentiated reading and writing assignments- using high-quality, non-fiction content based on each student's reading/interest level - and automatically adapts content via ongoing, real-time Lexile assessment.

The Go Math program was implemented during the 2015-2016 school year for all students in Grades K-6. Go Math presents Common-Core aligned materials and resources to help teachers meet the District Curriculum. The program features both hard copy materials as well as online resources for teachers and students.

The Schoolwide Fundamentals program was implemented during the 2016-2017 school year for all students in Grades K-6. Schoolwide Fundamentals is a comprehensive resource for Language Arts Literacy. The program encompasses tangible books, lesson plans, evaluation tools, and online books for teachers and students.

### **4.) 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 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.

### **5.) BUDGETARY CONTROL:**

Written control procedures have been instituted for the business operations of the district, and are monitored to conform to changing GAAP procedures. The finance committee meets monthly to review financial updates, reports and bills for payment. The district administrative team, which includes the Superintendent of Schools, School Business Administrator, School Principals and District Supervisors meet monthly, to review financial records for each department. The Superintendent of Schools and Business Administrator scrutinize each purchase order prior to processing and meet monthly to review the overall financial state of the district to ensure that a need exists to purchase specific goods and services, and that funds are available to pay for these items.

An encumbrance accounting system continues to be used to record outstanding purchase order commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts re-appropriated are reported as reservations of fund balance as June 30, 2017.

### **6.) ACCOUNTING SYSTEM AND REPORTS:**

The district's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements".

## Annual Audit Transmittal Letter 2017

### 7.) **DEBT ADMINISTRATION:**

On June 30, 2017, the district's outstanding debt issues are \$7,899,000.00 which will be fully retired during school year 2020-2021.

### 8-) **CASH MANAGEMENT:**

Public funds used in the operation of the school district deposited in public depositories are protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with failed banking institutions 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.

### 9-) **RISK MANAGEMENT:**

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

### 10.) **OTHER INFORMATION:**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott and Associates, L.C.C., CPAs was selected by the Board of Education to perform the 2016-2017 audit.

In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the US. Office of Management and Budget Circular Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations, and the New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments. The auditor's report on the basic financial statements 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.

### 11.) **ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Stafford Township School Board of Education for their concern, cooperation and support.

Also, this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

*George Chidiac*

George Chidiac  
Superintendent of Schools

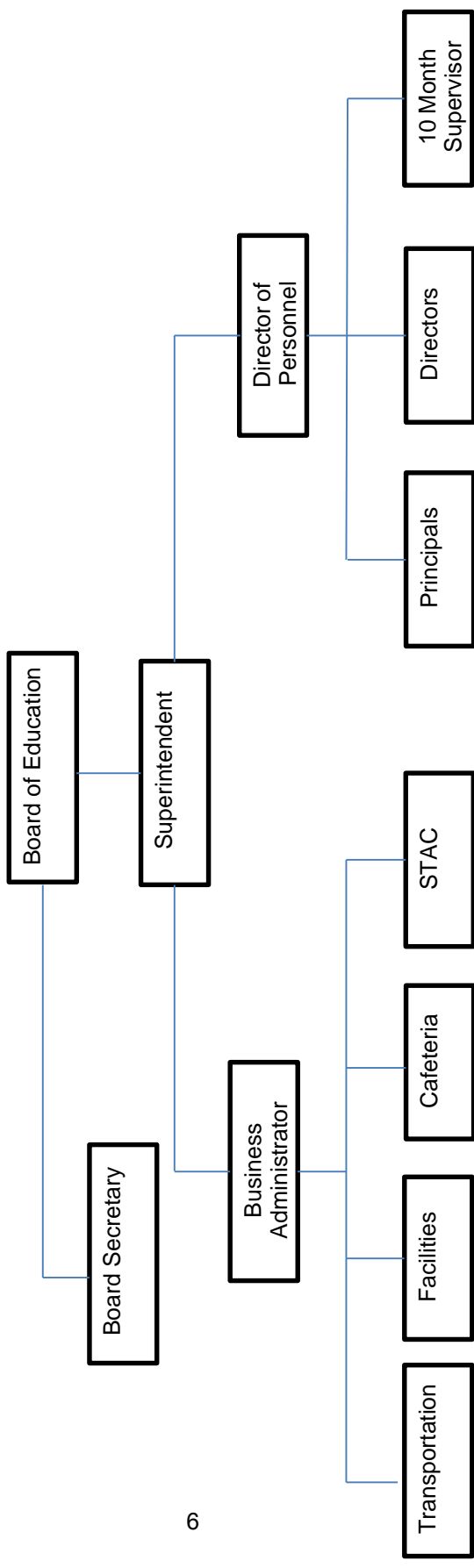
*Daniel Smith*

Daniel Smith  
School Business Administrator/Board Secretary

GC/DS/km

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# Stafford Township Board of Education Organizational Chart



**STAFFORD TOWNSHIP  
BOARD OF EDUCATION  
MANAHAWKIN, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2017**

<b>Members of the Board of Education</b>		<b>Term</b>
Michael Hemenway	President	2018
Richard Czajkowski	Vice President	2019
Wendy Cotter	Member	2017
Tammy Nicolini	Member	2018
Joseph Mangino	Member	2019
Deborah Lyons	Member	2017
Michael Benson	Member	2017
Beth Sicoli	Member	2018
Walter Jauch	Member	2019

**SUPERINTENDENT**

George Chidiac

**BOARD SECRETARY / SCHOOL BUSINESS ADMINISTRATOR**

Daniel Smith

**TREASURER OF SCHOOL MONIES**

Stephen J Brennan

**ATTORNEY**

Laura M. Benson, Esquire



**STAFFORD TOWNSHIP  
BOARD OF EDUCATION  
MANAHAWKIN, NEW JERSEY**

**CONSULTANTS AND ADVISORS  
JUNE 30, 2017**

**INDEPENDENT AUDITOR**

Ford, Scott & Associates, L.L.C.  
Certified Public Accountants  
1535 Haven Avenue  
Ocean City, New Jersey 08223

**OFFICIAL DEPOSITORIES**

TD Bank  
Shore Community Bank  
Wells Fargo Bank  
Sun National  
Ocean First  
Bank of America

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## **Financial Section**





# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

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## **Independent Auditor's Report**

Honorable President and  
Members of the Board of Education  
Stafford Township School District  
County of Ocean, New Jersey

### **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 Stafford Township School District, in the County of Ocean, New Jersey, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the 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 audit requirements as prescribed by the Office of School 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe 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 Stafford Township School District, 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 Required Supplementary Information identified 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 Stafford Township School District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards 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 the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance and the schedule of state financial assistance as required by NJ OMB 15-08 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject 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 it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2017 on our consideration of the Stafford 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 Stafford Township School District's internal control over financial reporting and compliance.

*Ford, Scott & Associates, L.L.C.*  
FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Michael S. Garcia*

Michael S. Garcia  
Certified Public Accountant  
Licensed Public School Accountant  
No. 2080

September 15, 2017

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## **Required Supplementary Information – Part I**



**STAFFORD TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED**

The discussion and analysis of Stafford Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999.

### **Financial Highlights**

Key financial highlights for 2017 are as follows:

- In total, net position increased \$1,452,309.33 which represents a 24% increase from 2016.
- The State of New Jersey reimbursed the District \$994,197.69 during the fiscal year ended June 30, 2017 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, which is not budgeted, is included as both a revenue and appropriation in the financial statements
- General revenues accounted for \$39,298,146.43 in revenue or 72 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$15,115,535.65 or 28 percent of total revenues of \$54,413,682.08.
- Total assets of governmental activities increased by \$6,508,589.65 as Cash and Cash Equivalents increased by \$6,047,732.74, Cash Held by Fiscal Agents increased by \$1,297,742.39, and net capital assets decreased by \$930,002.08.
- The School District had \$51,021,582.50 in expenses; only \$12,993,317.43 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid) of \$39,423,146.43 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$44,976,275.28 in revenues, and \$42,147,686.30 expenditures. The General Fund's fund balance increased \$2,828,588.98 over 2016.

### **Using this Comprehensive Annual Financial Report (CAFR)**

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

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED (CONTINUED)**

**Reporting the School District as a Whole**

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District, as a whole looks at all financial transactions and ask the question, "How did we do financially during 2017?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

**Reporting the School District's Most Significant Funds**

Fund Financial Statements

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

Governmental Funds

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED (CONTINUED)**

Enterprise Fund

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

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

**The School District as a Whole**

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

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

Table 1 provides a summary of the School District's net position for 2017 and 2016.

		<u>2017</u>	<u>2016</u>
<b>Table 1</b>			
<b>Net Position</b>			
Assets			
Current and Other Assets	\$	12,354,470.76	4,955,016.47
Capital Assets		<u>29,331,494.59</u>	<u>30,271,127.50</u>
Total Assets		<u>41,685,965.35</u>	<u>35,226,143.97</u>
Deferred Outflow of Resources			
Deferred outflows related to Pensions		6,070,338.00	2,489,362.00
Loss on Refunding of Long Term Debt		<u>-</u>	<u>30,168.04</u>
Total Deferred Outflow of Resources		<u>6,070,338.00</u>	<u>2,519,530.04</u>
Liabilities			
Long-Term Liabilities		35,954,305.00	31,727,088.36
Other Liabilities		<u>5,213,687.20</u>	<u>779,364.83</u>
Total Liabilities		<u>41,167,992.20</u>	<u>32,506,453.19</u>
Deferred Inflows of Resources			
Deferred inflows related to Pensions		<u>496,159.00</u>	<u>599,378.00</u>
Total Deferred Inflows of Resources		496,159.00	599,378.00
Net Position			
Invested in Capital Assets, Net of Debt		19,328,873.04	19,337,196.65
Restricted		6,303,972.38	3,612,712.61
Unrestricted		<u>(19,540,693.27)</u>	<u>(18,310,066.44)</u>
Total Net Position	\$	<u>6,092,152.15</u>	<u>4,639,842.82</u>

The District's combined net position was \$6,092,152.15 on June 30, 2017. This was an increase of \$1,452,309.33 or 24 percent from the prior year.

**STAFFORD TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED (CONTINUED)**

Table 2 shows changes in net position for fiscal year's 2017 and 2016.

**Table 2  
Changes in Net Position**

	2017	2016
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 1,887,723.86	\$ 1,851,047.44
Operating Grants and Contributions	12,762,255.79	10,139,478.53
Capital Grants & Contributions	465,556.00	437,570.05
General Revenues:		
Property Taxes	28,943,151.00	27,672,843.00
Grants and Entitlements	9,848,360.21	9,663,920.74
Other	506,635.22	591,965.84
Total Revenues	54,413,682.08	50,356,825.60
<b>Program Expenses</b>		
Instruction	26,578,175.60	29,460,532.31
Support Services:		
Tuition	230,676.00	254,085.47
Related Services - Pupils and Instructional Staff	9,124,528.83	9,675,774.66
General Administration, School Administration, Central Services and Maintenance of Facilities	3,283,706.28	3,771,767.36
Pupil Transportation	8,599,455.06	5,310,746.22
Capital Outlay	-	-
Interest on Debt	377,113.31	439,980.34
Business-Type Activities	1,939,065.24	1,882,544.92
Total Expenses	52,960,647.74	55,035,427.53
Increases in Net Position	\$ 1,453,034.34	\$ (4,678,601.93)

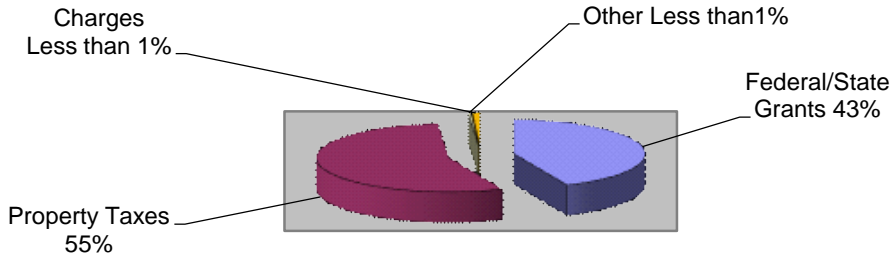
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**STAFFORD TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED (CONTINUED)**

**Governmental Activities**

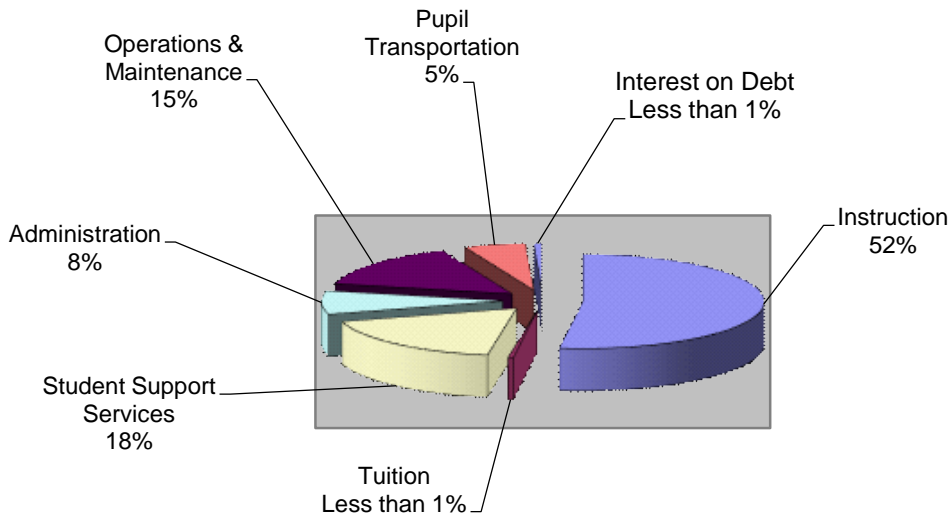
The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 55 percent of revenues for governmental activities for the Stafford Township School District for fiscal year 2016. The District's total revenues were \$52,291,463.86 for the year ended June 30, 2017. Federal, state, and local grants accounted for another 43 percent of revenue.

**Sources of Revenue for Fiscal Year 2017**



The total cost of all program and services was \$51,021,582.50. Instruction comprises 52 percent of District expenses, Student Support Services comprises 18 percent of District expenses and Operations and Maintenance comprises 15 percent of District expenses.

**Expenses for Fiscal Year 2017**



**STAFFORD TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED (CONTINUED)**

**Business-Type Activities**

Revenues for the District's business-type activities were comprised of charges for services and federal and state reimbursements.

- Business-type revenues exceeded expenses by \$183,152.98.
- Charges for business-type activities represent \$1,717,719.98 of revenue. This represents amounts paid by patrons for services.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$404,498.24.

**Governmental Activities**

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

**Table 3**

	<u>Total Cost of Services 2017</u>	<u>Net Cost of Services 2017</u>	<u>Total Cost of Services 2016</u>	<u>Net Cost of Services 2016</u>
Instruction	\$ 26,578,175.60	\$ 17,381,696.64	\$ 29,460,532.31	\$ 22,178,077.00
Support Services:				
Tuition	230,676.00	230,676.00	254,085.47	254,085.47
Pupils and Instructional Staff	9,124,528.83	5,796,909.95	9,675,774.66	7,034,985.05
General Administration	1,651,534.78	1,651,534.78	1,888,127.63	1,888,127.63
School Administration	1,632,171.50	1,632,171.50	1,883,639.73	1,883,639.73
Central Services and Maintenance of Facilities	8,599,455.06	8,595,791.47	5,310,746.22	5,310,746.22
Pupil Transportation	2,827,927.42	2,827,927.42	4,239,996.25	4,239,996.25
Interest and Finance Charges	377,113.31	(9,469.69)	439,980.34	56,682.34
Capital Outlay	-	(78,973.00)	-	(54,272.05)
Total Expenses	<u>\$ 51,021,582.50</u>	<u>\$ 38,028,265.07</u>	<u>\$ 53,152,882.61</u>	<u>\$ 42,792,067.64</u>

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

Tuition is predominately made up of charges for private schools for disabled students.

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

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

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

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

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

"Other" includes special schools.



**STAFFORD TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED (CONTINUED)**

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$44,976,275.28 and expenditures were \$42,147,686.30. The net decrease in fund balance for the year was \$2,828,588.98.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2017 and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2016	Percent of Increase (Decrease)
Local Sources	\$ 29,582,732.93	65.77%	\$ 1,354,339.29	4.80%
State Sources	14,373,539.25	31.96%	441,509.90	3.17%
Federal Sources	1,020,003.10	2.27%	31,633.54	3.20%
Total	<u>\$ 44,976,275.28</u>	100.00%	<u>\$ 1,827,482.73</u>	5.92%

Local sources increased by \$1,354,339.29 due an increase in the tax levy. State sources increased by \$441,509.90 predominantly due to an increase in the State's contribution for TPAF on-behalf payments.

The following schedule represents a summary of the governmental funds expenditures for the fiscal year ended June 30, 2017, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2016	Percent of Increase (Decrease)
Current expense:				
Instruction	\$ 14,523,034.50	32.67%	\$ (331,729.73)	-2.23%
Undistributed expenditures	25,441,125.65	57.22%	818,086.34	3.32%
Capital Outlay	1,687,462.87	3.80%	438,251.83	35.08%
Debt Service	2,808,342.51	6.32%	(56,033.76)	-1.96%
Total	<u>\$ 44,459,965.53</u>	100.00%	<u>\$ 868,574.68</u>	1.99%

Changes in expenditures were the results of varying factors. Capital Outlay Expenditures usually fluctuate from one year to the next; however, a significant portion of the increase in expenditures was due to several capital projects that are on-going and purchase of Equipment for various departments.

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**STAFFORD TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED (CONTINUED)**

**General Fund Budgeting Highlights**

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

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

- Some Salaries were reallocated to or from the lines they were originally budgeted in.
- Some Undistributed Expenses such as Cleaning for Care and Upkeep of Grounds were reallocated to other line items.

**Capital Assets**

At the end of the fiscal year 2017, the School District had \$29,331,494.59 invested in land, building, furniture and equipment and vehicles. Table 4 shows fiscal year 2017 balances compared to 2016.

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

	<b>2017</b>	<b>2016</b>
Land	\$ 500,000.00	\$ 500,000.00
Building and Building Improvements	27,056,417.82	28,319,188.48
Machinery and Equipment	1,775,076.77	1,451,939.02
Total	\$ 29,331,494.59	\$ 30,271,127.50

Overall capital assets decreased \$939,632.91 from fiscal year 2016 to fiscal year 2017. The decrease in capital assets is due depreciation being in excess of additions of capital purchases. For more detailed information, please refer to the Notes to the Financial Statements.

**Debt Administration**

At June 30, 2017, the School District had \$17,606,112.45 of outstanding debt. Of this amount, \$3,598,290.45 is for compensated absences, \$6,059,000.00 for serial bonds for school construction, \$4,009,800.00 is for a Bond Anticipation Note that matures on 9/29/1, and capital leases in the amount of \$3,939,022.00.

**Table 5  
Outstanding Debt at June 30,**

	<b>2017</b>	<b>2016</b>
2005 Refunding Issue	\$ 1,380,000.00	\$ 2,040,000.00
2006 Refunding Issue	-	1,455,000.00
2010 Issue	1,709,000.00	2,094,000.00
2015 Refunding Issue	2,970,000.00	2,970,000.00
Bond Anticipation Note	4,009,800.00	-
Capital Leases	3,939,022.00	2,405,098.89
Compensated Absences	3,598,290.45	3,486,165.47
Total	\$ 17,606,112.45	\$ 14,450,264.36

At December 31, 2017, the School District was within its legal debt margin. For more detailed information, please refer to the Notes to the Financial Statements.

**STAFFORD TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED (CONTINUED)**

**For the Future**

The Stafford Township School District is in good financial condition presently. The School District is proud of its community support of the public schools.

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

**Contacting the School District's Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Daniel Smith Business Administrator/Board Secretary at Stafford Township School District, 250 North Main Street, Manahawkin, New Jersey 08050-2895. Please visit our website at [www.staffordschools.org](http://www.staffordschools.org).

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# **Basic Financial Statements**



## DISTRICT – WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of changes in net position display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business – type activities of the District.





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

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 9,404,010.10	817,477.97	10,221,488.07
Cash Held by Fiscal Agents	1,298,889.15		1,298,889.15
SREC Investment	266,044.35		266,044.35
Receivables, Net	531,964.91	24,615.02	556,579.93
Internal Balances	104,741.28	(104,741.28)	-
Inventory		11,469.26	11,469.26
Capital Assets, Not Being Depreciated	500,000.00		500,000.00
Capital Assets, Net of Depreciation	28,754,338.41	77,156.18	28,831,494.59
Total Assets	<u>40,859,988.20</u>	<u>825,977.15</u>	<u>41,685,965.35</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred Outflows Related to Pensions	6,070,338.00		6,070,338.00
Total Deferred Outflow of Resources	<u>6,070,338.00</u>	<u>-</u>	<u>6,070,338.00</u>
<b>LIABILITIES</b>			
Accounts Payable	985,187.38	5,225.76	990,413.14
Accrued Interest Payable	99,085.64		99,085.64
Bond Anticipation Note Payable	4,009,800.00		4,009,800.00
Unearned Revenue	-	114,388.42	114,388.42
Noncurrent Liabilities			
Due Within One Year	2,608,454.48		2,608,454.48
Due Beyond One Year	10,992,457.52		10,992,457.52
Net Pension Liability	22,353,393.00		22,353,393.00
Total Liabilities	<u>41,048,378.02</u>	<u>119,614.18</u>	<u>41,167,992.20</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	496,159.00		496,159.00
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	19,251,716.86	77,156.18	19,328,873.04
Restricted for:			
Capital Projects	5,266,412.38		5,266,412.38
Other Purposes	1,037,560.00		1,037,560.00
Unrestricted (Deficit)	(20,169,900.06)	629,206.79	(19,540,693.27)
Total Net Position	<u>\$ 5,385,789.18</u>	<u>706,362.97</u>	<u>6,092,152.15</u>

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Year Ended June 30, 2017**

Function/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position	
	Direct Expenses	Allocated Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
<b>Governmental Activities:</b>						
<b>Instruction:</b>						
Regular	\$ 12,913,585.79	4,192,605.82	-	5,293,552.05		(11,812,639.56)
Special Education	6,137,108.02	2,000,543.50	170,003.88	3,318,469.80		(4,649,177.84)
Other Special Instruction	1,006,076.70	328,255.77		414,453.23		(919,879.24)
<b>Support Services:</b>						
Tuition	230,676.00					(230,676.00)
Student & Instruction Related Services	6,880,428.04	2,244,100.79		3,327,618.88		(5,796,909.95)
School Administrative Services	1,196,670.36	435,501.14				(1,632,171.50)
General Administrative Services	1,196,389.91	455,144.87				(1,651,534.78)
Central Services	594,783.68	225,177.42				(819,961.10)
Plant Operation and Maintenance	6,082,337.90	1,697,156.06		3,663.59		(7,775,830.37)
Pupil Transportation	2,093,509.66	734,417.76				(2,827,927.42)
Unallocated Benefits	12,312,903.13	(12,312,903.13)				-
Capital Outlay					78,973.00	78,973.00
Interest on Long-Term Debt					386,583.00	386,583.00
Total Governmental Activities	51,021,582.50	-	170,003.88	12,357,757.55	465,556.00	(38,028,265.07)
<b>Business-Type Activities:</b>						
Food Service	847,821.89		421,094.65	404,498.24		(22,229.00)
Other	1,091,243.35		1,296,625.33			205,381.98
Total Business-Type Activities	1,939,065.24		1,717,719.98	404,498.24		183,152.98
Total Primary Government	\$ 52,960,647.74		1,887,723.86	12,762,255.79	465,556.00	(37,845,112.09)
<b>General Revenues:</b>						
Taxes:						
Property Taxes, Levied for General Purposes, Net					\$ 26,563,906.00	26,563,906.00
Taxes Levied for Debt Service					2,379,245.00	2,379,245.00
Federal and State Aid not Restricted					9,848,360.21	9,848,360.21
Miscellaneous Income					506,635.22	506,635.22
Transfers					125,000.00	125,000.00
Total General Revenues, Special Items, Extraordinary Items and Transfers					39,423,146.43	39,298,146.43
Change in Net Position					1,394,881.36	1,453,034.34
Adjustment to Fixed Assets						(725.01)
Net Position - Beginning					3,990,907.82	4,639,842.82
Net Position - Ending					\$ 5,385,789.18	6,092,152.15

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

## FUND FINANCIAL STATEMENTS

The individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.



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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 5,280,946.64	-	4,090,497.78	32,565.68	9,404,010.10
Cash Held by Fiscal Agents			1,298,889.15		1,298,889.15
Due from Other Funds	246,760.56				246,760.56
Receivables - Other		34,003.79			34,003.79
Receivables from Other Governments	280,966.50	179,375.06	37,619.56		497,961.12
<b>Total Assets</b>	<u>5,808,673.70</u>	<u>213,378.85</u>	<u>5,427,006.49</u>	<u>32,565.68</u>	<u>11,481,624.72</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	886,531.51	63,321.84			949,853.35
Interfund Payable		137,162.98	4,856.30		142,019.28
Bond Anticipation Note			4,009,800.00		4,009,800.00
Due to State of NJ		35,334.03			35,334.03
Deferred Revenue					-
<b>Total Liabilities</b>	<u>886,531.51</u>	<u>235,818.85</u>	<u>4,014,656.30</u>	<u>-</u>	<u>5,137,006.66</u>
Fund Balances:					
Restricted for:					
Excess Surplus	310,000.00				310,000.00
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	250,000.00				250,000.00
Capital Projects			(1,389,569.44)		(1,389,569.44)
Committed to:					
Capital Reserve	3,854,062.19				3,854,062.19
Maintenance Reserve	500,000.00				500,000.00
Designated for Subsequent Year's Expenditures				32,565.00	32,565.00
Assigned to:					
Encumbrances	246,155.24		2,801,919.63		3,048,074.87
Unassigned Fund Balance	(238,075.24)	(22,440.00)		0.68	(260,514.56)
<b>Total Fund Balances</b>	<u>4,922,142.19</u>	<u>(22,440.00)</u>	<u>1,412,350.19</u>	<u>32,565.68</u>	<u>6,344,618.06</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 5,808,673.70</u>	<u>213,378.85</u>	<u>5,427,006.49</u>	<u>32,565.68</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.  
The cost of the assets is \$57,786,919.12 and the accumulated depreciation is \$28,532,580.71.

29,254,338.41

Pension Liabilities Net of Deferred Outflows & Inflows

(16,779,214.00)

Non current investment balances

266,044.35

Long - term liabilities, including bonds and capital leases payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(13,699,997.64)

Net Position of governmental activities

\$ 5,385,789.18

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2017**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 26,563,906.00			2,379,245.00	28,943,151.00
Tuition Charges	170,003.88				170,003.88
Miscellaneous	456,572.64	13,005.41			469,578.05
Total Local Sources	27,190,482.52	13,005.41	-	2,379,245.00	29,582,732.93
State Sources	13,525,811.69	382,171.56	78,973.00	386,583.00	14,373,539.25
Federal Sources	124,683.21	895,319.89			1,020,003.10
Total Revenues	<u>40,840,977.42</u>	<u>1,290,496.86</u>	<u>78,973.00</u>	<u>2,765,828.00</u>	<u>44,976,275.28</u>
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	9,336,846.60				9,336,846.60
Special Education Instruction	3,662,570.20	792,598.87			4,455,169.07
Other Special Instruction	731,018.83				731,018.83
Support Services:					
Tuition	230,676.00				230,676.00
Student & Instruction Related Serv.	4,503,331.71	494,234.40			4,997,566.11
School Administrative Services	969,852.04				969,852.04
General Administrative Services	1,013,598.22				1,013,598.22
Central Services	501,465.46				501,465.46
Plant Operation and Maintenance	3,779,531.50				3,779,531.50
Pupil Transportation	1,635,533.19				1,635,533.19
Unallocated Employee Benefits	12,312,903.13				12,312,903.13
Debt Service:					
Principal				2,500,000.00	2,500,000.00
Interest and Other Charges				308,342.51	308,342.51
Capital Outlay	292,593.73	3,663.59	1,391,205.55		1,687,462.87
Total Expenditures	<u>38,969,920.61</u>	<u>1,290,496.86</u>	<u>1,391,205.55</u>	<u>2,808,342.51</u>	<u>44,459,965.53</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,871,056.81</u>	<u>-</u>	<u>(1,312,232.55)</u>	<u>(42,514.51)</u>	<u>516,309.75</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond Proceeds					-
Transfer in	125,000.00		236,001.91		361,001.91
Transfer out	(236,001.91)				(236,001.91)
ESIP Lease Proceeds			2,181,500.00		2,181,500.00
Excess COI Funds				5,779.23	5,779.23
Total Other Financing Sources and Uses	<u>(111,001.91)</u>	<u>-</u>	<u>2,417,501.91</u>	<u>5,779.23</u>	<u>2,312,279.23</u>
Net Changes in Fund Balance	1,760,054.90	-	1,105,269.36	(36,735.28)	2,828,588.98
Fund Balance (Deficit) - July 1	3,162,087.29	(22,440.00)	307,080.83	69,300.96	3,516,029.08
Fund Balance (Deficit) - June 30	<u>\$ 4,922,142.19</u>	<u>(22,440.00)</u>	<u>1,412,350.19</u>	<u>32,565.68</u>	<u>6,344,618.06</u>

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2017**

Total Net Change in Fund Balance - Governmental Funds (from B-2)		\$ 2,828,588.98
<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, on 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 current fiscal year.</p>		
Depreciation expense	\$ (2,169,228.78)	
Capital Outlay, Net of Deletions	<u>1,239,226.70</u>	<u>(930,002.08)</u>
<p>Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.</p>		
District pension contributions - PERS	673,779.00	
Cost of benefits earned net of employee contributions	<u>(2,066,153.00)</u>	<u>(1,392,374.00)</u>
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long - term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
Bonds Paid		2,500,000.00
Capital Lease Payments		1,173,027.79
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not a revenue in the statement of activities; issuing debt increases long - term liabilities in the statement of Net Position.</p>		
Capital lease proceeds		(2,706,950.90)
Non-current SREC Investments		44,283.35
Amortization of Net Losses on Refunding		(34,767.59)
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.</p>		
		(112,124.98)
<p>In the statement of activities, interest on long - term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.</p>		
		25,200.79
Change in Net Position of Governmental Activities		<u><u>\$ 1,394,881.36</u></u>

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

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

	Business-Type Activities - Enterprise Fund		
	Food Service	Other	Total
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ -	817,477.97	817,477.97
Accounts Receivable	22,178.24	2,436.78	24,615.02
Inventory	11,469.26	-	11,469.26
Total Current Assets	<u>33,647.50</u>	<u>819,914.75</u>	<u>853,562.25</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	432,613.76	4,486.40	437,100.16
Less: Accumulated Depreciation	<u>(359,495.34)</u>	<u>(448.64)</u>	<u>(359,943.98)</u>
Total Noncurrent Assets	<u>73,118.42</u>	<u>4,037.76</u>	<u>77,156.18</u>
Total Assets	<u><u>106,765.92</u></u>	<u><u>823,952.51</u></u>	<u><u>930,718.43</u></u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	279.70	4,946.06	5,225.76
Interfunds Payable	49,730.77	55,010.51	104,741.28
Unearned Revenue	1,316.63	113,071.79	114,388.42
Total Current Liabilities	<u>51,327.10</u>	<u>173,028.36</u>	<u>224,355.46</u>
<b>NET POSITION</b>			
Invested in Capital Assets Net of Related Debt	73,118.42	4,037.76	77,156.18
Unrestricted (Deficit)	(17,679.60)	646,886.39	629,206.79
Total Net Position	<u><u>\$ 55,438.82</u></u>	<u><u>650,924.15</u></u>	<u><u>706,362.97</u></u>

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



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

	Business-Type Activities - Enterprise Fund		
	Food Service	Other	Total
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable	\$ 250,560.53	-	250,560.53
Daily Sales - Non - Reimbursable	106,843.29	-	106,843.29
STAC Gate Receipts	-	42,441.35	42,441.35
STAC Rental Fees	-	196,503.38	196,503.38
STAC Miscellaneous	-	25,988.00	25,988.00
Tuition	-	1,031,692.60	1,031,692.60
Miscellaneous	63,690.83	-	63,690.83
<b>Total Operating Revenue</b>	<b>421,094.65</b>	<b>1,296,625.33</b>	<b>1,717,719.98</b>
Operating Expenses:			
Cost of Sales - reimburseable programs	132,302.47	-	132,302.47
Cost of Sales - non-reimbursable programs	111,155.82	-	111,155.82
Salaries	351,825.14	933,497.05	1,285,322.19
Employee Benefits	112,734.03	96,636.55	209,370.58
Management Fee	59,998.38	-	59,998.38
Insurance	10,184.89	-	10,184.89
General Supplies	4,454.36	19,642.32	24,096.68
Miscellaneous	49,823.22	41,018.79	90,842.01
Depreciation	15,343.58	448.64	15,792.22
<b>Total Operating Expenses</b>	<b>847,821.89</b>	<b>1,091,243.35</b>	<b>1,939,065.24</b>
<b>Operating Income (Loss)</b>	<b>(426,727.24)</b>	<b>205,381.98</b>	<b>(221,345.26)</b>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	7,127.15	-	7,127.15
Federal Sources:			
National School Lunch Program	264,796.78	-	264,796.78
Federal Breakfast Program	73,006.69	-	73,006.69
Food Distribution Program	59,567.62	-	59,567.62
<b>Total Nonoperating Revenues (Expenses)</b>	<b>404,498.24</b>	<b>-</b>	<b>404,498.24</b>
<b>Income (Loss) before Contributions &amp; Transfers</b>	<b>(22,229.00)</b>	<b>205,381.98</b>	<b>183,152.98</b>
Contributions & Transfers			
Transfers	-	(125,000.00)	(125,000.00)
Net Adjustments to Fixed Assets	(725.01)	-	(725.01)
<b>Changes in Net Position</b>	<b>(22,954.01)</b>	<b>80,381.98</b>	<b>57,427.97</b>
<b>Total Net Position - Beginning</b>	<b>78,392.83</b>	<b>570,542.17</b>	<b>648,935.00</b>
<b>Total Net Position (Deficit) - Ending</b>	<b>\$ 55,438.82</b>	<b>650,924.15</b>	<b>706,362.97</b>

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

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

	Business-Type Activities - Enterprise Fund		
	Food Service	Other	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	\$ 417,571.20	1,281,902.75	1,699,473.95
Payments for Operations	(881,987.60)	(1,075,703.29)	(1,957,690.89)
Net Cash Provided by (Used for) Operating Activities	<u>(464,416.40)</u>	<u>206,199.46</u>	<u>(258,216.94)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	7,284.19	-	7,284.19
Federal Sources	404,662.88	-	404,662.88
Operating Subsidies and Transfers to Other Funds	49,730.77	(125,000.00)	(75,269.23)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>461,677.84</u>	<u>(125,000.00)</u>	<u>336,677.84</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Equipment Purchased	(2,400.00)	(4,486.40)	(6,886.40)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(2,400.00)</u>	<u>(4,486.40)</u>	<u>(6,886.40)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net Increase (Decrease) in Cash and Cash Equivalents	(5,138.56)	76,713.06	71,574.50
Balance - Beginning of Year	5,138.56	740,764.91	745,903.47
Balance - End of Year	<u>-</u>	<u>817,477.97</u>	<u>817,477.97</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	(426,727.24)	205,381.98	(221,345.26)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Net Amortization	15,343.58	448.64	15,792.22
(Increase) Decrease in Inventories	3,569.56	-	3,569.56
(Increase) Decrease in Accounts Receivable	(3,523.45)	(1,524.28)	(5,047.73)
Increase (Decrease) in Deferred Revenue	(1,754.35)	(13,198.30)	(14,952.65)
Increase (Decrease) in Interfunds Payable	-	24,849.46	24,849.46
Increase (Decrease) in Accounts Payable	(51,324.50)	(9,758.04)	(61,082.54)
Total Adjustments	<u>(37,689.16)</u>	<u>817.48</u>	<u>(36,871.68)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (464,416.40)</u>	<u>206,199.46</u>	<u>(258,216.94)</u>

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

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

	Unemployment Compensation	Agency Fund
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 322,164.94	106,975.84
Total Assets	322,164.94	106,975.84
<b>LIABILITIES</b>		
Accounts Payable	283.87	-
Payable to Student Groups	-	72,942.92
Payroll Deductions and Withholdings	-	34,032.92
Total Liabilities	283.87	106,975.84
<b>NET POSITION</b>		
Held in Trust for Unemployment Claims and Other Purposes	\$ 321,881.07	

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

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

	Unemployment Compensation
<b>ADDITIONS</b>	
Contributions:	
Plan Members	\$ 40,764.10
Board of Education Contribution	85,000.00
Total Contributions	125,764.10
Investment Earnings:	
Interest	365.50
Less: Investment Expense	
Net Investment Earnings	365.50
Total Additions	126,129.60
<b>DEDUCTIONS</b>	
Unemployment Claims	5,765.27
Total Deductions	5,765.27
Changes in Net Position	120,364.33
Net Position - Beginning of the Year	201,516.74
Net Position - End of the Year	\$ 321,881.07

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

## **NOTES TO THE FINANCIAL STATEMENTS**



**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education (Board) of Stafford Township School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

The financial statements of the Stafford Township School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

**A. Reporting Entity**

The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The purpose of the district is to educate students in grades K-6. The District operates three elementary schools and one intermediate school located in Manahawkin. Stafford Township is a member of the Southern Regional School District for Grades 7-12. Southern Regional School District is a separate legal entity from the Stafford Township School District. The Stafford Township School District had an enrollment at June 30, 2017 of 2176 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name);
- the District holds the corporate powers of the organization;
- the District appoints a voting majority of the organization's board;
- the District is able to impose its will on the organization;
- the organization has the potential to impose a financial benefit/burden on the District;
- there is a fiscal dependency by the organization on the District;

**B. Basis of Presentation, Measurement Focus and Basis of Accounting**

**Basis of Presentation**

The School District's basic financial statements consist of District-wide statements (i.e. statement of net position and a statement of activities) and fund financial statements, which provide a more detailed level of financial information.

*District-Wide Financial Statements:* The statement of net position and the statement of activities display information about the district as a whole. These statements report the financial activities of the overall District, except for fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by property taxes, intergovernmental revenues, and other non-exchange transactions from business-type activities, generally financed in whole or in part with fees charged to external parties.

**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges and fees paid by the recipients of goods or services offered by the programs; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing, or draws from the general revenues of the School District.

*Fund Financial Statements:* During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education ("Department") has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The Department believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

Governmental Funds

The District reports the following governmental funds:

General Fund - The General Fund is the general operating fund of the District and is used to account for all expendable 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, which are classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.



**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

**Fund Balances – Governmental Funds**

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

The details of the fund balances are included in the Governmental Funds Balance Sheet. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business operations – where the intent of the District is that the costs of providing goods or services be financed or recovered primarily through user charges.

The District's Enterprise Funds are comprised of the Food Service Fund, which accounts for all revenues and expenses pertaining to the District's cafeteria operations.

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**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position, and is reported using accounting principles similar to proprietary funds.

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include the Unemployment Compensation Insurance Trust.

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. Currently, the District does not maintain this type of fund.

Agency Funds - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

**Measurement Focus and Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the 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. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets less total liabilities) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased Net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Revenue from federal, state and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as Unearned Revenues until earned. 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.

The District applies only those applicable pronouncements of the Financial Accounting Standards Board issued on or before November 30, 1989 in accounting and reporting for its proprietary operations.

**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

**B. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for special revenue funds. 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:23-2.2(g). All budget amendments/transfers must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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 last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting 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

Significant transfers approved by the Board of Education during the fiscal year were as follows:

<b>Instruction :</b>		
Grades 1 - 5 Salaries of Teachers	\$	339,757.00
Resource room/Resource Center - Salaries		298,184.00
Basic Skills - Salaries of Teachers		(331,032.00)
<b>Undist. Expend. - Student Transportation Serv:</b>		
Lease Purchase Payments - School Buses		(199,381.00)
<b>Unallocated Benefits :</b>		
Health Benefits		(580,717.00)
Other Employee Benefits		(254,309.00)
<b>Capital Outlay:</b>		
Land Improvements		250,000.00

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 grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting 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.

**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

**D. Encumbrance Accounting**

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as Unearned Revenues at fiscal year end.

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

**E. Assets, Liabilities and Equity**

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, bank deposits and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

For the purpose of determining cash equivalents the District considers all investments with an original maturity of three months or less as cash equivalents.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that 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.

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 Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks 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 full amount of their deposits to the governmental units.

Investments

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized as a reserve to pay future debt service or transferred to the general fund.

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**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

Inter-fund Transactions

Transfers between governmental and business-type activities on the District-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 the Enterprise Fund. Repayments from funds responsible for particular expenditure/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories

Inventories, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Inventories in the Enterprise Fund are recorded at cost, computed on a first-in, first out method. In the fund based financial statements, commodities received from the U.S. Department of Agriculture are recorded as unearned revenue until consumed.

Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.00.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over their estimated useful lives. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 20 years for equipment.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

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**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

Compensated Absences

The District accounts for compensated absences (e.g., unused sick, vacation leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the 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 District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

For the district-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received in the Special Revenue Fund before they have been earned are recorded as unearned revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide 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, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets.

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. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

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.
- 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.

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

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**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

Revenues – Exchange and Nonexchange Transactions

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlement, and donations is recognized in the period in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes as an advance, interest and tuition.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, worker's compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. The final cost is based on an agreement with the sending districts with a negotiated amount up to the final cost as determined by State of New Jersey.



**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

Tuition Payable

Tuition charges for the fiscal years 2016/17 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**F. Recent Accounting Pronouncements Not Yet Effective**

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement is effective for fiscal periods beginning after June 30, 2017. Although not determinable, the impact of this statement on the net position of the entity is anticipated to be significant.

In January 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 80, "Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14". This statement is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 81, "Irrevocable Split-Interest Agreements". This statement is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the District's financial reporting.

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, "Certain Asset Retirement Obligations". This statement is effective for fiscal periods beginning after June 15, 2018, will not have any effect on the District's financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, "Fiduciary Activities". This statement is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the District's financial reporting.

In March 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 85, "Omnibus 2017". This statement is effective for fiscal periods beginning after June 15, 2017, will have an effect on the District's financial reporting and will affect the disclosure of pension related items.

In May 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 86, "Certain Debt Extinguishment Issues". This statement is effective for fiscal periods beginning after June 15, 2017, will have an effect on the District's financial reporting and will affect the disclosure of pension related items. Although not determinable, the impact of this statement on the net position of the entity is not anticipated to be significant.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 86, "Leases". This statement is effective for fiscal periods beginning after December 15, 2019, will have an effect on the District's financial reporting and will affect the disclosure of pension related items. Although not determinable, the impact of this statement on the net position of the entity is not anticipated to be significant.

**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

**NOTE 2 – CONTINGENT LIABILITIES**

Federal and State Grants

The District participates in a number of federal and state grant programs. The grant programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance would result in the disallowance of program expenditures.

**NOTE 3 – CASH AND CASH EQUIVALENTS AND INVESTMENTS**

GASB Statement No. 3 amended by Statement No. 40 requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments.

The cash deposits not covered by depository insurance held at financial institutions are categorized as follows:

- a. Deposits are uncollateralized.
- b. Deposits are collateralized with securities held by the pledging financial institution.
- c. Deposits collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.

At June 30, 2017, the carrying amount of the District's deposits (cash and cash equivalents) was \$11,949,518.00 and the bank balance was \$12,984,238.71.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The State of New Jersey has certain collateral requirements for governmental units. These requirements are disclosed in detail as part of Note 1E.

As of June 30, 2017, the District's bank balance was exposed to custodial credit risk as follows:

	<u>Cash and Cash Equivalents</u>
Insured	\$ 500,000.00
Uninsured and collateral held by pledging bank's trust department not in the District's name	12,009,336.83
Uninsured	<u>474,901.88</u>
	<u>\$ 12,984,238.71</u>

Bank balances of cash amounted to \$12,984,238.71 as of June 30, 2017, of which \$500,000.00 was FDIC insured. (TD Bank-Ocean First) Bank balances in excess of the insured amounts that are collateralized in accordance with the Governmental Deposit Protection Act (GUDPA) adopted by the State of New Jersey were \$12,009,336.83, as of June 30, 2017, \$474,901.88 was uninsured and uncollateralized.

Investments

The District did not have any investments at June 30, 2017.

**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

**NOTE 4 – RECEIVABLES**

Receivables at June 30, 2017, consisted of accounts (tuition), interfund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund Financial Statements</u>	<u>Government Wide Financial Statements</u>
State and Federal Aid	\$ 437,269.12	\$ 455,013.29
Tuition and Transportation	60,692.00	63,128.78
Other	34,003.79	38,437.86
	<u>531,964.91</u>	<u>556,579.93</u>
Gross Receivables		
Less: Allowance for Uncollectibles		
Total Receivables, Net	<u>\$ 531,964.91</u>	<u>\$ 556,579.93</u>

**NOTE 5 – INTERFUND TRANSFERS AND BALANCES**

Transfers between funds are used to (1) move investment income earned in the Capital Projects Fund that is required to be expended in the Debt Service Fund or General Fund; (2) repay expenses paid by another fund; (3) make a Board contribution to the Unemployment Compensation Trust Fund; and (4) transfer federal and state food subsidies received in the General Fund to the Food Service Fund.

The following interfund balances remained on the fund financial statements at June 30, 2017:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 246,760.56	\$ -
Special Revenue Fund	-	137,161.92
Capital Projects Fund	-	4,857.36
Food Service Fund		49,730.77
Proprietary Fund	-	55,010.51
Total	<u>\$ 246,760.56</u>	<u>\$ 246,760.56</u>

**NOTE 6 – INVENTORY**

Inventory in the Food Service Enterprise Fund at June 30, 2017, consisted of the following:

Food & Supplies	\$ 10,152.63
USDA	<u>1,316.63</u>
	<u>\$ 11,469.26</u>

**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

**NOTE 7 – DEFERRED LOSS ON REFUNDING ISSUES**

In governmental funds, debt issuance costs are recognized in the current period. For the District-wide financial statements, governmental activity debt Net Refunding Losses are amortized using the bonds outstanding method over the life of the specific bonds (14 years) for the 2007 Refunding Bonds and (5 years) for the 2015 Refunding Bonds. Amortization expense for the year ended June 30, 2017 was \$34,767.59. The balance of the net deferred losses at June 30, 2017 for all issues is (4,599.55).

**NOTE 8 – CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 500,000.00	\$	\$	\$ 500,000.00
Total capital assets not being depreciated	<u>500,000.00</u>	<u>-</u>	<u>-</u>	<u>500,000.00</u>
Capital assets being depreciated:				
Land Improvements	-	2,117,050.30	15,200.00	2,101,850.30
Buildings and building improvements	48,837,269.49	-	-	48,837,269.49
Equipment	8,234,315.26	762,005.13	2,648,521.06	6,347,799.33
Total capital assets being depreciated at historical cost	<u>57,071,584.75</u>	<u>2,879,055.43</u>	<u>2,663,721.06</u>	<u>57,286,919.12</u>
Less accumulated depreciation for:				
Land Improvements	-	(102,102.52)	513,759.00	(615,861.52)
Buildings and improvements	(20,518,081.01)	(1,643,172.42)	1,105,587.02	(23,266,840.45)
Equipment	(6,869,163.25)	(423,953.84)	(2,643,238.35)	(4,649,878.74)
Subtotal accumulated depreciation	<u>(27,387,244.26)</u>	<u>(2,169,228.78)</u>	<u>(1,023,892.33)</u>	<u>(28,532,580.71)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>29,684,340.49</u>	<u>709,826.65</u>	<u>1,639,828.73</u>	<u>28,754,338.41</u>
Governmental activity capital assets, net	<u>30,184,340.49</u>	<u>709,826.65</u>	<u>1,639,828.73</u>	<u>29,254,338.41</u>
<b>Business-type activities:</b>				
Capital assets being depreciated:				
Equipment	588,232.00	4,486.40	155,618.24	437,100.16
Less accumulated depreciation	(501,444.99)	(448.64)	(141,949.65)	(359,943.98)
Enterprise Fund capital assets, net	<u>86,787.01</u>	<u>4,037.76</u>	<u>13,668.59</u>	<u>77,156.18</u>
Entity Wide Total	<u>\$ 30,271,127.50</u>	<u>\$ 713,864.41</u>	<u>\$ 1,653,497.32</u>	<u>\$ 29,331,494.59</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 64,045.60
Special Instruction	5,608.24
Other Special Instruction	-
Student & Instruction Related Services	2,445.42
Gen Administration Services	48,303.72
School Administration Services	3,612.08
Plant Operation & Maintenance	1,796,373.71
Pupil Transportation	246,404.40
Central Services	2,884.25
	<u>\$ 2,169,677.42</u>

**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

**NOTE 9 – LONG-TERM OBLIGATIONS**

Changes in long-term obligations for the year ended June 30, 2017 are as follows:

	Balance July 1, 2016	Issues or Additions	Payments or Expenditures	Balance June 30, 2017	Amounts Due Within One Year
Compensated Absences \$	3,486,165.47	112,124.98	-	3,598,290.45	-
Capital Leases	2,405,098.89	2,706,950.90	1,173,027.79	3,939,022.00	188,454.48
Net Pension Liability	17,276,824.00	5,747,074.00	670,505.00	22,353,393.00	-
Bonds Payable	8,559,000.00	-	2,500,000.00	6,059,000.00	2,420,000.00
	<u>\$ 31,727,088.36</u>	<u>8,566,149.88</u>	<u>4,343,532.79</u>	<u>35,949,705.45</u>	<u>2,608,454.48</u>

Compensated absences and capital leases will be liquidated in the General Fund. Bonds Payable will be liquidated in the Debt Service Fund.

**Bonds Payable**

Bonds 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 District are general obligation bonds.

**Description of Bonds Payable**

At June 30, 2017, bonds payable consisted of the following issues:

\$6,580,000 Refunding School Bonds dated July 28, 2005, due in annual installments through September 1, 2018, bearing interest at rates of 3.50% through 5.00% per annum. The balance remaining as of June 30, 2017 is \$1,380,000.00.

\$3,654,000 School Bonds dated September 1, 2010, due in annual installments through March 1, 2021, bearing interest at rates of 2.00% through 2.625% per annum. The balance remaining as of June 30, 2017 is \$1,709,000.00.

\$2,970,000 Refunding School Bonds dated December 17, 2015, due in annual installments through March 15, 2020, bearing interest at the rate of 4.00% per annum. The balance remaining as of June 30, 2017 is \$2,970,000.

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**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

**Refunding Bonds Issued**

On December 17, 2015, the Board of Education issued Refunding Bonds in the amount of \$2,970,000.00 to refund the callable 2006 Refunding Bonds. The Debt retired in the amount of \$3,080,000.00 was replaced with the Refunding Issue. The required cash flow for the 2006 Refunding Bonds for Principal and Interest prior to the refunding was \$3,480,200.00 and the cash flow requirements after the refunding is \$3,324,240.00 resulting in net savings in the amount of \$155,960.00.

Debt service requirements on serial bonds payable at June 30, 2017 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2018	\$ 2,420,000.00	199,305.00	2,619,305.00
2019	2,185,000.00	110,430.00	2,295,430.00
2020	990,000.00	44,792.50	1,034,792.50
2021	464,000.00	12,180.00	476,180.00
	\$ 6,059,000.00	366,707.50	6,425,707.50

**Capital Leases**

The District is leasing under capital leases, Solar equipment totaling \$1,753,908.00, Various Equipment totaling \$2,180,000.00, and five 54-Passenger Buses totaling \$526,951.00 respectively. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2017:

Fiscal Year Ending June 30,	Payments
2018	\$ 529,585.80
2019	377,292.04
2020	371,916.38
2021	388,591.76
2022	308,967.86
2023-2027	1,577,733.50
2028-2032	1,070,945.09
Total minimum lease payments	4,625,032.43
Less amount representing interest	686,010.43
Present value of lease payments	\$ 3,939,022.00

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**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

**NOTE 10 – PENSION PLANS**

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System, the Teachers' Pension and Annuity Fund or the Defined Contribution Retirement Program which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at [http://www.state.nj.us/treasury/pensions/annrpts\\_achive.htm](http://www.state.nj.us/treasury/pensions/annrpts_achive.htm).

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of 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 cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. 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. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay period are required to be transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District had 41 employees enrolled in the Defined Contribution Retirement Program (DCRP) during fiscal year ended June 30, 2017.

**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. 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.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.06% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 11.26% and the PERS rate is 12.32% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2017, 2016 and 2015 are listed below, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2017, 2016 and 2015 are also listed below, equal to the required contributions for each year.

Three Year Trend Information for PERS			
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2017	\$ 673,779.00	100%	\$ -
6/30/2016	661,682.00	100%	-
6/30/2015	651,169.00	100%	-

During the fiscal years ended June 30, 2017, 2016, and 2015, the State of New Jersey contributed \$2,807,937.00, \$2,491,625.00, and \$2,071,542.00, respectively, to the TPAF for post-retirement Medical benefits and NCGI Premium on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$994,167.99, \$1,014,412.84, and \$1,033,586.85 during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

Three Year Trend Information for TPAF (Paid on behalf of the District)			
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2017	\$ 1,530,306.00	100%	\$ -
6/30/2016	1,137,352.00	100%	-
6/30/2015	800,595.00	100%	-



**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Teacher's Pension and Annuity Fund (TPAF) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS and TPAF hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the systems is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years. For fiscal year 2013, the member contribution rates increased in October 2012. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to  $\frac{1}{60}$ <sup>th</sup> from  $\frac{1}{55}$ <sup>th</sup>, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a  $\frac{1}{7}$ <sup>th</sup> of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS and TPAF with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

**NOTE 11 – PUBLIC EMPLOYEES RETIREMENT SYSTEM**

At June 30, 2017, the District reported a liability of \$22,353,393.00 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 that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the District's proportion was 0.07547453620% which was a decrease of 1.93% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$1,392,374.00. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 415,705.00	
Changes of assumptions	4,630,429.00	
Net difference between projected and actual earnings on pension plan investments	852,355.00	
Changes in proportion and differences between District contributions and proportionate share of contributions	171,849.00	496,159.00
District contributions subsequent to the measurement date		
	\$ 6,070,338.00	\$ 496,159.00
Total		

\$670,505.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2016) will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2018	\$ 1,261,471.00
2019	1,261,471.00
2020	1,442,121.00
2021	1,206,815.00
2022	402,301.00
Total	\$ 5,574,179.00

**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all period in the measurement:

Inflation rate	3.08%
Salary increases:	
Through 2026	1.65% - 4.15% (based on age)
Thereafter	2.65% - 5.15% (based on age)
Investment rate of return:	7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, 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 2014 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).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more experience deviates, the larger the impact on future financial statements.

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**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

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 inflations. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt (Except US)	5.00%	-0.25%
REIT	5.25%	5.63%

*Discount Rate*

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was 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 rate 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. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the collective net pension liability of the participated employers as of June 30, 2016, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
District's proportionate share of the net pension liability	\$ 26,788,390	22,353,393	18,695,849.87

*Pension plan fiduciary net position.*

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

**NOTE 12 - TEACHERS' PENSION AND ANNUITY FUND (TPAF)**

At June 30, 2017, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		111,749,967.00
Total	\$	111,749,967.00

The net pension liability was measured as of June 30, 2016 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2016, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2015.

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**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

For the year ended June 30, 2017, the District recognized pension expense of \$7,265,126.00 and revenue of \$7,265,126.00 for support provided by the State. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to TPAF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 393,808.57	191,111.06
Changes of assumptions	22,306,634.46	
Net difference between projected and actual earnings on pension plan investments	\$ 2,038,112	
Changes in proportion and differences between District contributions and proportionate share of contributions	\$ 1,874,749	
District contributions subsequent to the measurement date	1,131,329.00	
Total	\$ 27,744,633.21	191,111.06

\$1,131,329.00 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2016) will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2018	\$ 3,881,541.00
2019	3,881,541.00
2020	4,547,149.00
2021	4,252,590.00
2022	3,592,263.00
Thereafter	6,267,110.00
Total	\$ 26,422,194.00

*Actuarial assumptions.* The total pension liability in the June 30, 2016 actuarial valuation was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all period included in the measurement:

Inflation Rate	2.50%
Salary increases	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.65%

Pre-retirement, post-retirement and disable 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.

**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 20012 to June 30, 2015.

***Long-Term Expected Rate of Return***

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 real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
US Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign Developed Equity	13.25%	5.91%
Emerging market equities	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - Multi Strategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

*Discount rate.* The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was 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 rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of employers' contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.22% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.22%) or 1-percentage point higher (4.22%) than the current rate:

	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
District's proportionate share of the net pension liability	\$ -	-	-

*Pension plan fiduciary net position.*

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

**NOTE 13 – POST-RETIREMENT BENEFITS**

The School District contributes to the New Jersey State Health Benefits Program ("the SHBP"), a cost sharing multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP provides medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program is found in the 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 Division of Pension and Benefits issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

P.L. 1987, Chapter 384 and P.L. 1990 Chapter 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 post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for funding and payment of post-retirement medical benefits for retired State employees and educational employees. As of June 30, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 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 benefits 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 employer paid health benefits to members of PERS and the Alternate Benefit Program who retired 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 State also makes on-behalf payment for Teachers Pension and Annuity program retirees for health benefits. The on-behalf amount paid by the State of New Jersey in fiscal year 2017 was \$2,807,937.00.



**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

**NOTE 14 – COMPENSATED ABSENCES**

The 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.

District employees are granted varying amounts of vacation, personal, and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years as long as it does not violate Title 18A. Upon retirement employees shall be paid by the District for unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for vested compensated absences for the governmental fund types is recorded in current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2017, no liability existed for compensated absences in the Food Service Enterprise Fund.

**NOTE 15 – DEFERRED COMPENSATION**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by outside entities, 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 for the District are as follows:

Equitable  
Lincoln  
Valic  
MetLife

**NOTE 16 – CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by Stafford Township Board of Education by the inclusion of \$3,000.00 in September 2000 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. There is a total balance of \$3,854,062.19 at June 30, 2017.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve account at any time upon board resolution through the transfer of undesignated, unreserved general fund balance or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its LRFP.

During the fiscal year ended June 30, 2017, the District had no actual interest earnings and deposited and funded \$1,182,558.86 in the capital reserve.

**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

**NOTE 17 – MAINTENANCE RESERVE ACCOUNT**

New Jersey Statute 18A7G-9 permits districts to accumulate funds for the required maintenance of a facility in accordance with the Educational Facilities Construction and Financing Act (EFCFA). The balance may be increased through an appropriation in the annual general fund budget certified for taxes or a resolution of the Board at the June meeting. This reserve may be used at any time during the year, by resolution, to transfer to the required maintenance budget lines for the use on required maintenance activities for a school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted for use on required maintenance appropriations and may not be transferred to any other line-item account.

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

Beginning balance, July 1, 2016	\$	250,000.00
Deposits:		
Board Resolution passed on 06/16/16		250,000.00
		250,000.00
Ending balance, June 30, 2017	\$	500,000.00

**NOTE 18 – RISK MANAGEMENT**

The 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 District maintains commercial insurance coverage for property, liability 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 District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the 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 District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior year:

Fiscal Year	Interest on Investments	Employee Contributions	Board Contribution	Amount Reimbursed	Ending Balance
2016-2017	\$ 365.50	40,764.10	85,000.00	(5,765.27)	321,881.07
2015-2016	236.97	40,876.47	30,000.00	(39,386.71)	201,516.74
2014-2015	215.71	39,662.87	104,000.00	(129,344.42)	169,790.01

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**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

**NOTE 19 – CONTINGENT LIABILITIES**

Federal and State Grants

The District participates in a number of federal and state grant programs. The grant programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance would result in the disallowance of program expenditures.

**NOTE 20 – ECONOMIC DEPENDENCY**

The District receives support from federal government and from the state governments through local school districts. A significant reduction in the level of support, if this were to occur, would have an effect on the District's programs and activities.

**NOTE 21 – LITIGATION**

The Board of Education is not involved in any pending litigation or threatened litigation, claims, or assessments at this time.

**NOTE 22 – DEFICIT UNRESTRICTED NET POSITION**

The School District had a deficit in unrestricted net position of \$19,540,693.27 as of June 30, 2017. This deficit was attributable to the allocation of the unpaid liability for compensated absences, the June State Aid Payment and the net Pension Liability.

**NOTE 23 - FUND BALANCE APPROPRIATED**

General Fund – Of the \$4,922,142.19 General Fund Fund balance at June 30, 2017, \$246,155.24 is reserved for encumbrances, \$560,000.00 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7, \$250,000.00 of the total reserve for excess surplus has been appropriated and also included as anticipated revenue for the year ending June 30, 2017); \$3,854,062.19 has been reserved in the Capital Reserve Account, \$500,000.00 has been reserved for in the Maintenance Reserve Account, and (\$238,075.24) is classified as Unassigned.

**NOTE 24 - CALCULATION OF EXCESS SURPLUS**

In accordance with NJSA 18A:7F-7, as amended by P.L. 2004, C.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation. New Jersey school districts are required to reserve General Fund 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 \$560,000.00, of which \$250,000.00 has been appropriated and included as anticipated revenue for the year ended June 30, 2018.

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**STAFFORD TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

**NOTE 25 - DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$22,440.00 in the Special Revenue Fund as of June 30, 2017, as reported in the fund statements (modified accrual basis). N.J.S.A.18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment 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. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties. The District has a deficit in Food Service Fund of \$17,679.60.

**NOTE 26 – SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2017 through September 15, 2017 the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to attention of the District that would require disclosure.

## **Required Supplementary Information – Part II**



# **Budgetary Comparison Schedules**





**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 26,563,906.00	-	26,563,906.00	26,563,906.00	-
Tuition	25,000.00	-	25,000.00	170,003.88	145,003.88
Interest Earned on Capital Reserve	500.00	-	500.00	500.00	-
Sale of Property (Pine Street Bldg)	230,000.00	-	230,000.00	224,250.00	(5,750.00)
Miscellaneous	56,500.00	-	56,500.00	231,822.64	175,322.64
<b>Total Local Sources</b>	<b>26,875,906.00</b>	<b>-</b>	<b>26,875,906.00</b>	<b>27,190,482.52</b>	<b>314,576.52</b>
State Sources:					
School Choice Aid	281,706.00	-	281,706.00	281,706.00	-
Categorical Special Education Aid	1,288,981.00	-	1,288,981.00	1,288,981.00	-
Equalization Aid	7,039,555.00	-	7,039,555.00	7,039,555.00	-
Extraordinary Aid	225,000.00	-	225,000.00	247,607.00	22,607.00
Categorical Security Aid	238,635.00	-	238,635.00	238,635.00	-
Categorical Transportation Aid	533,435.00	-	533,435.00	533,435.00	-
Additional Adjustment Aid	19,428.00	-	19,428.00	19,428.00	-
PARCC Readiness Aid	20,730.00	-	20,730.00	20,730.00	-
Per Pupil Growth Aid	20,730.00	-	20,730.00	20,730.00	-
Professional Learning Community Aid	20,250.00	-	20,250.00	20,250.00	-
Non Public Transportation Aid	-	-	-	13,266.00	13,266.00
TPAF (On-Behalf - Non-Budgeted) :					
Post Retirement Medical Contributions	-	-	-	1,275,093.00	1,275,093.00
Pension Costs	-	-	-	1,530,306.00	1,530,306.00
Long Term Disability	-	-	-	2,538.00	2,538.00
TPAF Social Security (Reimbursed- Non-Budgeted)	-	-	-	994,197.69	994,197.69
<b>Total State Sources</b>	<b>9,688,450.00</b>	<b>-</b>	<b>9,688,450.00</b>	<b>13,526,457.69</b>	<b>3,838,007.69</b>
Federal Sources:					
SEMI	27,774.00	-	27,774.00	116,517.45	88,743.45
ARRA - Extension Period	-	-	-	8,165.76	8,165.76
<b>Total Federal Sources</b>	<b>27,774.00</b>	<b>-</b>	<b>27,774.00</b>	<b>124,683.21</b>	<b>96,909.21</b>
<b>Total Revenues</b>	<b>36,592,130.00</b>	<b>-</b>	<b>36,592,130.00</b>	<b>40,841,623.42</b>	<b>4,249,493.42</b>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
<b>REGULAR PROGRAMS - INSTRUCTION</b>					
Kindergarten- Salaries of Teachers	1,046,947.00	9,778.00	1,056,725.00	1,052,881.50	3,843.50
Grades 1 - 5 Salaries of Teachers	5,394,788.00	339,757.00	5,734,545.00	5,729,192.67	5,352.33
Grades 6 - 8 Salaries of Teachers	1,128,614.00	30,549.00	1,159,163.00	1,157,390.35	1,772.65
Regular Programs - Home Instruction					
Salaries of Teachers	15,000.00	-	15,000.00	7,542.81	7,457.19
Regular Programs - Undistributed Instruction					
Purchased Professional Educational Services	279,862.30	(85,268.00)	194,594.30	190,922.18	3,672.12
Other Purchased Services (400-500 series)	190,111.00	(139,511.00)	50,600.00	48,304.33	2,295.67
General Supplies	773,860.44	102,828.73	876,689.17	814,099.04	62,590.13
Textbooks	344,500.00	(20,187.75)	324,312.25	320,650.20	3,662.05
Other Objects	35,036.00	(13,367.00)	21,669.00	15,863.52	5,805.48
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>9,208,718.74</b>	<b>224,578.98</b>	<b>9,433,297.72</b>	<b>9,336,846.60</b>	<b>96,451.12</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
Learning and/or Language Disabilities					
Salaries of Teachers	581,461.00	19,744.00	601,205.00	601,127.10	77.90
Other Salaries for Instruction	108,868.00	29,072.00	137,940.00	135,410.39	2,529.61
General Supplies	2,800.00	3,886.00	6,686.00	6,684.54	1.46
Other Objects	1,000.00	-	1,000.00	946.00	54.00
<b>Total Learning and/or Language Disabilities</b>	<b>694,129.00</b>	<b>52,702.00</b>	<b>746,831.00</b>	<b>744,168.03</b>	<b>2,662.97</b>

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Behavior Disabilities</b>					
Salaries of Teachers	112,309.00	5,951.00	118,260.00	117,705.55	554.45
Other Salaries for Instruction	98,160.00	16,485.00	114,645.00	113,566.20	1,078.80
General Supplies	400.00	371.00	771.00	769.46	1.54
Other Objects	1,500.00	(499.00)	1,001.00	1,001.00	-
<b>Total Behavior Disabilities</b>	<b>212,369.00</b>	<b>22,308.00</b>	<b>234,677.00</b>	<b>233,042.21</b>	<b>1,634.79</b>
<b>Multiple Disabilities</b>					
Salaries of Teachers	257,126.00	3,200.00	260,326.00	251,456.76	8,869.24
Other Salaries for Instruction	80,005.00	(2,000.00)	78,005.00	40,222.47	37,782.53
General Supplies	800.00	150.00	950.00	925.67	24.33
Other Objects	1,500.00	1,000.00	2,500.00	1,851.78	648.22
<b>Total Multiple Disabilities</b>	<b>339,431.00</b>	<b>2,350.00</b>	<b>341,781.00</b>	<b>294,456.68</b>	<b>47,324.32</b>
<b>Resource Room/Resource Center</b>					
Salaries of Teachers	1,385,315.00	298,184.00	1,683,499.00	1,674,606.76	8,892.24
Other Salaries for Instruction	203,977.00	(19,497.00)	184,480.00	183,009.85	1,470.15
General Supplies	3,800.00	977.00	4,777.00	4,730.24	46.76
<b>Total Resource Room/Resource Center</b>	<b>1,593,092.00</b>	<b>279,664.00</b>	<b>1,872,756.00</b>	<b>1,862,346.85</b>	<b>10,409.15</b>
<b>Autism</b>					
Salaries of Teachers	68,667.00	(38,794.00)	29,873.00	3,665.48	26,207.52
Other Salaries for Instruction	-	-	-	-	-
General Supplies	200.00	150.00	350.00	318.09	31.91
Other Objects	1,400.00	(1,000.00)	400.00	399.17	0.83
<b>Total Autism</b>	<b>70,267.00</b>	<b>(39,644.00)</b>	<b>30,623.00</b>	<b>4,382.74</b>	<b>26,240.26</b>
<b>Preschool Disabilities - Full-Time</b>					
Salaries of Teachers	297,926.00	7,996.00	305,922.00	304,753.90	1,168.10
Other Salaries for Instruction	246,065.00	(760.00)	245,305.00	167,536.70	77,768.30
General Supplies	1,200.00	(401.00)	799.00	798.65	0.35
Other Objects	-	-	-	-	-
<b>Total Preschool Disabilities - Full -Time</b>	<b>545,191.00</b>	<b>6,835.00</b>	<b>552,026.00</b>	<b>473,089.25</b>	<b>78,936.75</b>
<b>Home Instruction - Preschool</b>					
Salaries of Teachers	25,000.00	19,500.00	44,500.00	44,431.30	68.70
Purchased Professional Educational Services	26,000.00	(11,500.00)	14,500.00	6,653.14	7,846.86
<b>Total Home Instruction - Preschool</b>	<b>51,000.00</b>	<b>8,000.00</b>	<b>59,000.00</b>	<b>51,084.44</b>	<b>7,915.56</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>3,505,479.00</b>	<b>332,215.00</b>	<b>3,837,694.00</b>	<b>3,662,570.20</b>	<b>175,123.80</b>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	719,559.00	(331,032.00)	388,527.00	388,526.50	0.50
Other Salaries for Instruction	199,954.00	37,525.00	237,479.00	236,646.25	832.75
General Supplies	1,000.00	(783.00)	217.00	199.96	17.04
<b>Total Basic Skills/Remedial - Instruction</b>	<b>920,513.00</b>	<b>(294,290.00)</b>	<b>626,223.00</b>	<b>625,372.71</b>	<b>850.29</b>
<b>School-Sponsored Co/Extra-Curr. Activities - Instruction</b>					
Salaries	97,536.00	8,111.00	105,647.00	105,646.12	0.88
<b>Total School-Spon. Cocurricular Activities - Inst.</b>	<b>97,536.00</b>	<b>8,111.00</b>	<b>105,647.00</b>	<b>105,646.12</b>	<b>0.88</b>
<b>TOTAL INSTRUCTION</b>	<b>13,732,246.74</b>	<b>270,614.98</b>	<b>14,002,861.72</b>	<b>13,730,435.63</b>	<b>272,426.09</b>

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>UNDISTRIBUTED EXPENDITURES</b>					
Undistributed Expenditures - Instruction					
Tuition to other LEA's within State - Regular	121,200.00		133,251.00	133,251.00	-
Tuition to County Spec. Services & Reg Day	139,511.00	(32,100.00)	107,411.00	-	107,411.00
Tuition to Private Schools for the Disabled - Within State	139,957.00	(20,000.00)	119,957.00	97,425.00	22,532.00
State Facilities	-	-	-	-	-
<b>Total Undistributed Expenditures - Instruction</b>	<b>400,668.00</b>	<b>(40,049.00)</b>	<b>360,619.00</b>	<b>230,676.00</b>	<b>129,943.00</b>
Undistributed Expend. - Attend. & Social Worker					
Salaries	26,772.00	(5,000.00)	21,772.00	20,779.41	992.59
Workshops/Travel	-	500.00	500.00	150.00	350.00
<b>Total Undist. Expend. - Attend. &amp; Social Worker</b>	<b>26,772.00</b>	<b>(4,500.00)</b>	<b>22,272.00</b>	<b>20,929.41</b>	<b>1,342.59</b>
Undistributed Expend. - Health Services					
Salaries	345,302.00	(5,713.00)	339,589.00	333,520.73	6,068.27
Purchased Professional and Technical Services	17,900.00	6,000.00	23,900.00	12,404.78	11,495.22
Other Purchased Services (400-500 series)	1,250.00	-	1,250.00	637.00	613.00
Supplies & Materials	18,338.00	1,324.18	19,662.18	17,190.38	2,471.80
<b>Total Undistributed Expend. - Health Services</b>	<b>382,790.00</b>	<b>1,611.18</b>	<b>384,401.18</b>	<b>363,752.89</b>	<b>20,648.29</b>
Undist. Expend. - Other Support Serv. Students - Related Services					
Salaries	628,541.00	34,162.00	662,703.00	614,862.71	47,840.29
Purchased Professional Educational Services	230,400.00	93,166.00	323,566.00	297,489.75	26,076.25
Supplies & Materials	4,800.00	(375.00)	4,425.00	3,750.98	674.02
Other Objects	150.00	375.00	525.00	375.00	150.00
<b>Total Undist. Expend. - Other Support Services Student - Related Services</b>	<b>863,891.00</b>	<b>127,328.00</b>	<b>991,219.00</b>	<b>916,478.44</b>	<b>74,740.56</b>
Undist. Expend. - Other Support Serv. Students - Extraordinary Services					
Salaries	991,762.00	185,427.00	1,177,189.00	1,173,885.75	3,303.25
Supplies & Materials	-	-	-	-	-
Purchased Professional Educational Services	75,000.00	(18,334.00)	56,666.00	32,703.00	23,963.00
Supplies & Materials	-	-	-	-	-
<b>Total Undist. Expend. - Other Support Services Students - Extraordinary Services</b>	<b>1,066,762.00</b>	<b>167,093.00</b>	<b>1,233,855.00</b>	<b>1,206,588.75</b>	<b>27,266.25</b>
Undist. Expend. Guidance					
Salaries of Other Professional Staff	263,005.00	24,103.00	287,108.00	287,107.20	0.80
Workshops/Travel	-	500.00	500.00	-	500.00
Supplies & Materials	800.00	-	800.00	796.12	3.88
<b>Total Undist. Expend. - Other Support Services Students - Guidance</b>	<b>263,805.00</b>	<b>24,603.00</b>	<b>288,408.00</b>	<b>287,903.32</b>	<b>504.68</b>
Undist. Expend. - Other Support Serv. Child Study Teams					
Salaries of Other Professional Staff	530,436.00	609.00	531,045.00	527,008.00	4,037.00
Salaries of Secretarial and Clerical Assistants	137,863.00	(500.00)	137,363.00	131,739.80	5,623.20
Other Purchased Professional and Technical Serv	41,700.00	10,000.00	51,700.00	44,441.95	7,258.05
Miscellaneous Purchased Services	1,075.00	-	1,075.00	499.98	575.02
Supplies & Materials	10,000.00	2,212.00	12,212.00	11,259.44	952.56
<b>Total Undist. Expend. - Other Support Services Students - Special - Child Study Teams</b>	<b>721,074.00</b>	<b>12,321.00</b>	<b>733,395.00</b>	<b>714,949.17</b>	<b>18,445.83</b>

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Improvement of Instr. Services					
Salaries of Supervisor of Instruction	356,979.00	13,947.00	370,926.00	368,799.24	2,126.76
Salaries of Other Professional Staff	139,181.00	(52,160.00)	87,021.00	84,473.72	2,547.28
Salaries of Secretarial and Clerical Assistants	49,750.00	(2,270.00)	47,480.00	47,379.75	100.25
Other Salaries	288,185.00	17,797.00	305,982.00	305,981.02	0.98
Salary Facilitators, Math, Literacy Coaches	70,358.00	18,213.00	88,571.00	88,570.92	0.08
Other Purchased Professional and Technical Serv	1,000.00	7,939.00	8,939.00	8,551.18	387.82
Other Purchased Services (400-500 series)	2,750.00	4,900.00	7,650.00	7,075.69	574.31
Supplies & Materials	15,277.32	12,204.00	27,481.32	24,091.63	3,389.69
Other Objects	5,702.00	-	5,702.00	5,081.50	620.50
Total Undist. Expend. - Improvement of Inst. Serv.	<u>929,182.32</u>	<u>20,570.00</u>	<u>949,752.32</u>	<u>940,004.65</u>	<u>9,747.67</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	-	-	-	-	-
Purchased Professional and Technical Services	2,700.00	-	2,700.00	2,550.00	150.00
Other Purchased Services (400-500 series)	300.00	-	300.00	270.00	30.00
Supplies & Materials	27,583.00	(6,770.16)	20,812.84	20,805.42	7.42
Other Objects	1,060.00	(668.00)	392.00	317.75	74.25
Media Services - School Library	<u>31,643.00</u>	<u>(7,438.16)</u>	<u>24,204.84</u>	<u>23,943.17</u>	<u>261.67</u>
Undist. Expend. - Staff Training					
Salaries	-	2,269.00	2,269.00	-	2,269.00
Purchased Professional Educational Services	5,000.00	8,370.00	13,370.00	13,370.00	-
Other Purchase Professional and Tech Services	5,000.00	(4,970.00)	30.00	-	30.00
Other Purchased Services (400-500 series)	5,000.00	150.00	5,150.00	3,874.73	1,275.27
Supplies and Materials	10,000.00	1,613.00	11,613.00	11,537.18	75.82
Total Undist. Expend. - Staff Training	<u>25,000.00</u>	<u>7,432.00</u>	<u>32,432.00</u>	<u>28,781.91</u>	<u>3,650.09</u>
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	490,569.00	12,837.00	503,406.00	503,404.40	1.60
Salaries of Attorneys	-	-	-	-	-
Legal Services	40,000.00	68,261.00	108,261.00	108,259.64	1.36
Audit Fees	33,000.00	(3,000.00)	30,000.00	30,000.00	-
Architectural and Engineering Fees	41,000.00	28,555.00	69,555.00	68,417.85	1,137.15
Other Purchased Professional Services	22,000.00	31,830.00	53,830.00	53,829.25	0.75
Purchased Professional & Tech Services	10,370.00	5,432.00	15,802.00	15,801.23	0.77
Communications/Telephone	142,200.00	6,255.00	148,455.00	147,557.82	897.18
BOE Other Purchased Professional Services	1,000.00	(1,000.00)	-	-	-
Misc Purchased Services (400-500 series)	60,636.00	(19,707.00)	40,929.00	35,198.83	5,730.17
General Supplies	16,335.00	9,591.00	25,926.00	23,795.00	2,131.00
Judgement Against School District	-	-	-	-	-
Miscellaneous Expenditures	10,324.00	(162.00)	10,162.00	9,152.35	1,009.65
BOE Memberships and Dues	18,500.00	(318.00)	18,182.00	18,181.85	0.15
Total Undistributed Expenditures - Support Services - General Administration	<u>885,934.00</u>	<u>138,574.00</u>	<u>1,024,508.00</u>	<u>1,013,598.22</u>	<u>10,909.78</u>
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistance Principals	437,996.00	21,388.00	459,384.00	450,167.18	9,216.82
Salaries of Secretarial and Clerical Assistants	437,030.00	58,035.00	495,065.00	482,026.04	13,038.96
Purchased Professional & Tech Services	2,765.00	-	2,765.00	1,620.00	1,145.00
Other Purchased Services	2,000.00	350.00	2,350.00	763.30	1,586.70
Supplies & Materials	23,812.11	7,858.00	31,670.11	31,663.77	6.34
Other Objects	4,820.00	(165.00)	4,655.00	3,611.75	1,043.25
Total Undistributed Expenditures - Support Services - School Administration	<u>908,423.11</u>	<u>87,466.00</u>	<u>995,889.11</u>	<u>969,852.04</u>	<u>26,037.07</u>

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Central Services					
Salaries	405,718.00	14,000.00	419,718.00	415,402.07	4,315.93
Purchased Professional Educational Services	35,800.00	39,095.00	74,895.00	65,769.08	9,125.92
Purchased Technical Services	4,000.00	5,282.00	9,282.00	9,282.00	-
Misc Purchased Services (400-500 series)	-		-		-
Supplies and Materials	22,285.90	(12,858.00)	9,427.90	7,322.31	2,105.59
Miscellaneous Expenditures	2,209.00	1,481.00	3,690.00	3,690.00	-
Total Undistributed Expenditures - Support Services - Central Services	<u>470,012.90</u>	<u>47,000.00</u>	<u>517,012.90</u>	<u>501,465.46</u>	<u>15,547.44</u>
Undist. Expend. - Required Maint. School Fac.					
Salaries	182,368.00	-	182,368.00	179,428.78	2,939.22
Cleaning, Repair, & Maint Services	140,300.00	49,050.00	189,350.00	83,281.53	106,068.47
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	40,000.00	(40,000.00)	-	-	-
Total Undistributed Expenditures - Required Maintenance for School Facilities	<u>362,668.00</u>	<u>9,050.00</u>	<u>371,718.00</u>	<u>262,710.31</u>	<u>109,007.69</u>
Undist. Expend. - Custodial Services					
Salaries	1,160,799.00	(93,582.00)	1,067,217.00	1,047,118.83	20,098.17
Salaries - Other	159,887.00	32,958.00	192,845.00	190,756.47	2,088.53
Purchased Professional and Technical Services	14,215.00	126,142.00	140,357.00	126,053.52	14,303.48
Cleaning, Repair, & Maint Services	330,975.00	(62,893.00)	268,082.00	208,924.15	59,157.85
Other Purchased Property Services	113,000.00	(14,800.00)	98,200.00	92,876.95	5,323.05
Insurance	180,821.00	(97,458.00)	83,363.00	83,363.00	-
Travel/Postage Meter Lease	-	4,775.00	4,775.00	4,367.14	407.86
Miscellaneous Purchased Services	80,600.00	(23,200.00)	57,400.00	40,718.29	16,681.71
General Supplies	160,119.32	27,787.00	187,906.32	172,343.64	15,562.68
Energy (Natural Gas)	257,345.00	(72,938.00)	184,407.00	174,207.21	10,199.79
Facilities Gasoline	-	8,058.00	8,058.00	6,319.18	1,738.82
Other Objects	10,000.00	(2,700.00)	7,300.00	6,764.53	535.47
Principal - Energy Savings Bond	129,249.00	218,507.00	347,756.00	347,709.39	46.61
Interest - Energy Savings Bond	60,469.00	(27,265.00)	33,204.00	33,015.92	188.08
Energy - (Energy and Electricity)	600,000.00	(15,200.00)	584,800.00	530,858.20	53,941.80
Total Undistributed Expenditures - Custodial Services	<u>3,257,479.32</u>	<u>8,191.00</u>	<u>3,265,670.32</u>	<u>3,065,396.42</u>	<u>200,273.90</u>
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	96,000.00	19,935.00	115,935.00	115,934.59	0.41
Cleaning Repair & Maintenance Services	327,879.80	(172,875.00)	155,004.80	152,410.00	2,594.80
General Supplies	64,600.00	(5,625.00)	58,975.00	58,191.36	783.64
Total Undistributed Expenditures - Care & Upkeep of Grounds	<u>488,479.80</u>	<u>(158,565.00)</u>	<u>329,914.80</u>	<u>326,535.95</u>	<u>3,378.85</u>
Undist. Expend. - Security					
Salaries	105,000.00	21,830.00	126,830.00	124,888.82	1,941.18
Total Undistributed Expenditures - Security	<u>105,000.00</u>	<u>21,830.00</u>	<u>126,830.00</u>	<u>124,888.82</u>	<u>1,941.18</u>
Total Undistributed Expenditures Operations and Maintenance of Plant	<u>4,213,627.12</u>	<u>(119,494.00)</u>	<u>4,094,133.12</u>	<u>3,779,531.50</u>	<u>314,601.62</u>

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Student Transportation Serv.					
Salaries - Non Instructional Aides	164,601.00	42,000.00	206,601.00	194,297.71	12,303.29
Sal.- Pup. Trans. (Bet. Home & School) - Reg.	942,359.00	50,145.00	992,504.00	984,817.23	7,686.77
Other Purchased Prof. and Technical Serv.	15,500.00	1,000.00	16,500.00	14,853.31	1,646.69
Cleaning Repair & Maintenance Services	127,042.28	(4,800.00)	122,242.28	26,233.50	96,008.78
Lease Purchase Payments - School Buses	388,441.00	(199,381.00)	189,060.00	83,379.00	105,681.00
Other Purchased Services (400-500 series)			-		-
Contract Services (Aid-In-Lieu) Choice Students	1,770.00	3,568.05	5,338.05	5,337.77	0.28
Contr Serv (Other Bet. Home & School) - Vendors	7,000.00	-	7,000.00	120.00	6,880.00
Contr Serv (Bet. Home & School) - Joint Agrmnts	264,397.00	(102,404.00)	161,993.00	105,026.41	56,966.59
Misc. Purchased Service - Transportation	36,012.00	2,500.00	38,512.00	30,380.41	8,131.59
General Supplies	4,496.92	4,000.00	8,496.92	5,691.55	2,805.37
Transportation Supplies	342,050.50	(25,013.05)	317,037.45	184,132.35	132,905.10
Other Objects	5,300.00	(1,500.00)	3,800.00	1,263.95	2,536.05
Total Undistributed Expenditures - Student Transportation Services	<u>2,298,969.70</u>	<u>(229,885.00)</u>	<u>2,069,084.70</u>	<u>1,635,533.19</u>	<u>433,551.51</u>
Unallocated Benefits					
Social Security Contribution	600,000.00	68,667.00	668,667.00	619,732.46	48,934.54
Other Retirement Contributions - PERS	680,000.00	(6,221.00)	673,779.00	673,779.00	-
Unemployment Compensation	60,000.00	-	60,000.00	60,000.00	-
Worker's Compensation	266,000.00	10,548.00	276,548.00	276,548.00	-
Health Benefits	6,592,753.00	(580,717.00)	6,012,036.00	5,899,198.78	112,837.22
Tuition Reimbursement	10,000.00	(10,000.00)	-	-	-
Other Employee Benefits	1,145,200.00	(254,309.00)	890,891.00	857,690.22	33,200.78
Unused Sick Time to terminated /Retired Staff	120,000.00	3,820.00	123,820.00	123,819.98	0.02
Total Unallocated Benefits	<u>9,473,953.00</u>	<u>(768,212.00)</u>	<u>8,705,741.00</u>	<u>8,510,768.44</u>	<u>194,972.56</u>
On-Behalf Contributions					
On-Behalf TPAF Contribution (non-bud)					
Post Retirement Medical Contributions	-	-	-	1,275,093.00	(1,275,093.00)
Pension Costs	-	-	-	1,530,306.00	(1,530,306.00)
Long Term Disability	-	-	-	2,538.00	(2,538.00)
Reimbursed TPAF Social Security Cont.(non-bud)	-	-	-	994,197.69	(994,197.69)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,802,134.69</u>	<u>(3,802,134.69)</u>
Total Personal Services - Employee Benefits	<u>9,473,953.00</u>	<u>(768,212.00)</u>	<u>8,705,741.00</u>	<u>12,312,903.13</u>	<u>(3,607,162.13)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>22,962,507.15</u>	<u>(535,579.98)</u>	<u>22,426,927.17</u>	<u>24,946,891.25</u>	<u>(2,519,964.08)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>36,694,753.89</u>	<u>(264,965.00)</u>	<u>36,429,788.89</u>	<u>38,677,326.88</u>	<u>(2,247,537.99)</u>
CAPITAL OUTLAY					
Equipment					
PreSchool-Kindergarten Equipment	\$ -	\$ 2,272.00	\$ 2,272.00	\$ -	\$ 2,272.00
Grades 1-5	-	15,196.00	15,196.00	15,096.00	100.00
Land and Improvements	-	250,000.00	250,000.00	-	250,000.00
Child Study Team Equipment	-	2,027.00	2,027.00	2,026.87	0.13
Board Office Equipment	-	20,985.00	20,985.00	20,985.00	-
Undistributed Expenditures - Custodial Services	9,500.00	1,265.00	10,765.00	10,764.54	0.46
Undistributed Expenditures - Care & Unkeep of Gro	78,542.00	18,117.00	96,659.00	86,058.57	10,600.43
Transportation Equipment	-	11,271.00	11,271.00	8,200.75	3,070.25
Undistributed Expenditures - Non-Inst. Serv. Tech	133,000.00	(42,742.00)	90,258.00	90,258.00	-
Total Equipment	<u>221,042.00</u>	<u>278,391.00</u>	<u>499,433.00</u>	<u>233,389.73</u>	<u>266,043.27</u>
Facilities Acquisition and Construction Services					
SDA Debt Service Assessment	59,204.00	-	59,204.00	59,204.00	-
Total Facilities Acquisition and Construction Services	<u>59,204.00</u>	<u>-</u>	<u>59,204.00</u>	<u>59,204.00</u>	<u>-</u>
TOTAL CAPITAL OUTLAY	<u>280,246.00</u>	<u>278,391.00</u>	<u>558,637.00</u>	<u>292,593.73</u>	<u>266,043.27</u>
TOTAL EXPENDITURES	<u>36,974,999.89</u>	<u>13,426.00</u>	<u>36,988,425.89</u>	<u>38,969,920.61</u>	<u>(1,981,494.72)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(382,869.89)</u>	<u>(13,426.00)</u>	<u>(396,295.89)</u>	<u>1,871,702.81</u>	<u>2,267,998.70</u>

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Other Financing Sources:					
Operating Transfers In:					
Capital Project Fund Interest	(500.00)		(500.00)		500.00
Enterprise Fund - STAC	125,000.00		125,000.00	125,000.00	-
Operating Transfers Out:					
Capital Project Fund	(210,000.00)		(210,000.00)	(236,001.91)	(26,001.91)
<b>Total Other Financing Sources:</b>	<u>(85,500.00)</u>	<u>-</u>	<u>(85,500.00)</u>	<u>(111,001.91)</u>	<u>(25,501.91)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(468,369.89)	(13,426.00)	(481,795.89)	1,760,700.90	2,242,496.79
Fund Balance July 1	4,143,465.29		4,143,465.29	4,143,465.29	-
Fund Balance June 30	<u>\$ 3,675,095.40</u>	<u>(13,426.00)</u>	<u>3,661,669.40</u>	<u>5,904,166.19</u>	<u>2,242,496.79</u>
Recapitulation:					
Restricted Fund Balance:					
Reserve for Excess Surplus				\$ 310,000.00	
Excess Surplus - Designated for Subsequent Year's Expenditures				250,000.00	
Committed Fund Balance:					
Capital Reserve				3,854,062.19	
Maintenance Reserve				500,000.00	
Assigned Fund Balance:					
Reserve for Encumbrances				246,155.24	
Unassigned Fund Balance				<u>743,948.76</u>	
				5,904,166.19	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				982,024.00	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 4,922,142.19</u>	

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	\$ 388,889.00	28,612.00	417,501.00	382,171.56	(35,329.44)
Federal Sources	760,723.00	155,102.83	915,825.83	895,319.89	(20,505.94)
Local Sources		8,300.00	8,300.00	8,300.00	-
<b>Total Revenues</b>	<b>1,149,612.00</b>	<b>192,014.83</b>	<b>1,341,626.83</b>	<b>1,285,791.45</b>	<b>(55,835.38)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Teachers Salaries	163,067.00	30,933.00	194,000.00	194,000.00	-
Purchased Professional - Educational Services	338,720.00	(73,970.00)	264,750.00	256,995.98	7,754.02
Purchased Professional - Technical Services	18,513.00	3,087.00	21,600.00	20,458.61	1,141.39
Other Purchased Services (400-500 series)	125,000.00	(50,000.00)	75,000.00	75,000.00	-
Textbooks	11,745.00	2,089.00	13,834.00	13,795.45	38.55
Supplies	48,740.00	185,598.85	234,338.85	232,348.83	1,990.02
<b>Total Instruction</b>	<b>705,785.00</b>	<b>97,737.85</b>	<b>803,522.85</b>	<b>792,598.87</b>	<b>10,923.98</b>
Support Services:					
Other Support Services - Employee Benefits	22,008.00	28,432.00	50,440.00	50,440.00	-
Purchased Professional - Technical Services		4,200.00	4,200.00	4,200.00	-
Purchased Professional - Educational Services	181,001.00	36,153.83	217,154.83	173,567.97	43,586.86
Contracted Pre-K	224,400.00		224,400.00	224,400.00	-
Supplies & Materials	16,418.00	21,827.56	38,245.56	36,921.02	1,324.54
<b>Total Support Services</b>	<b>443,827.00</b>	<b>90,613.39</b>	<b>534,440.39</b>	<b>489,528.99</b>	<b>44,911.40</b>



**STAFFORD TOWNSHIP SCHOOL DISTRICT  
Special Revenue Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES(cont'd):</b>					
Facilities Acquisitions and Construction Services:					
Instructional Equipment		\$ 3,663.59	\$ 3,663.59	\$ 3,663.59	\$ -
Total Facilities Acquisitions and Const. Services:	-	3,663.59	3,663.59	3,663.59	-
Transfer to Charter Schools					
None			-		-
Other Financing Sources (Uses)					
None			-		-
Total Outflows	1,149,612.00	192,014.83	1,341,626.83	1,285,791.45	55,835.38
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-



## **Notes to the Required Supplementary Information**



**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to RSI**  
**For the Year Ended June 30, 2017**

Note A - Explanation of Differences Between Budgetary Inflows and Outflows GAAP Revenue and Expenditures

		General Fund		Special Revenue Fund
<b>Sources / inflows of resources</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 40,841,623.42	[C-2]	1,285,791.45
<b>Difference - budget to GAAP:</b>				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		4,705.41
The Final State Aid payment for the Year Ended June 30, 2016 that was delayed until July 2016 was recorded as budgetary revenue for the Year Ended June 30, 2016 but is not recognized under GAAP until the Year Ended June 30, 2017.		981,378.00		22,440.00
The Final State Aid payment for the Year Ended June 30, 2017 that was delayed until July 2017 was recorded as budgetary revenue for the Year Ended June 30, 2017 but is not recognized under GAAP until the Year Ended June 30, 2018.		(982,024.00)		(22,440.00)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	40,840,977.42	[B-2]	1,290,496.86
<b>Uses / outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	38,969,920.61	[C-2]	1,285,791.45
<b>Difference - budget to GAAP:</b>				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for GAAP financial reporting purposes.		-		4,705.41
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	\$ 38,969,920.61	[B-2]	1,290,496.86

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## **Required Supplementary Information – Part III**





**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employee Retirement System**  
**Last Four Fiscal Years**

	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.0754745362%	0.0769637690%	0.0789884028%	0.0773050816%
District's proportionate of the net pension liability (asset)	\$ 22,353,393.00	\$ 17,276,824.00	\$ 14,788,789.00	\$ 14,774,537.00
District's covered payroll	\$ 5,363,015.00	\$ 4,984,846.00	\$ 5,211,837.00	\$ 5,981,745.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	416.81%	346.59%	283.75%	246.99%
Plan fiduciary net position as a percentage of the total pension liability	40.14%	47.93%	52.08%	48.72%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period. However, information is only currently available for two years. Additional years will be presented as they become available.

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Schedule of District Contributions**  
**Public Employee Retirement System**  
**Last Four Fiscal Years**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 670,505.00	\$ 661,682.00	\$ 651,169.00	\$ 582,478.00
Contributions in relation to the contractually required contribution	<u>670,505.00</u>	<u>661,682.00</u>	<u>651,169.00</u>	<u>582,478.00</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 5,363,015.00	\$ 4,984,846.00	\$ 5,211,837.00	\$ 5,981,745.00
Contributions as a percentage of covered-employee payroll	12.50%	13.27%	12.49%	9.74%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period.  
However, information is only currently available for two years.  
Additional years will be presented as they become available.

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teachers' Pension and Annuity Fund**  
**Last Four Fiscal Years**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>111,749,967.00</u>	<u>93,595,259.00</u>	<u>75,841,044.00</u>	<u>70,466,068.00</u>
Total	<u>\$ 111,749,967.00</u>	<u>\$ 93,595,259.00</u>	<u>\$ 75,841,044.00</u>	<u>\$ 70,466,068.00</u>
District's covered payroll	\$ 13,661,414.00	\$ 13,948,136.00	\$ 13,959,085.00	\$ 14,459,729.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	22.33%	28.71%	33.64%	33.76%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period. However, information is only currently available for two years. Additional years will be presented as they become available.

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## **Other Supplementary Information**



## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.





**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2017**

	Title I	IDEA		Title IIA	Non Public	
		IDEA	Preschool		193	192
<b>REVENUES:</b>						
State Sources	\$ 254,013.00	529,471.88	39,734.00	72,101.01	24,325.61	29,561.17
Federal Sources						
Local Sources						
<b>Total Revenues</b>	<b>254,013.00</b>	<b>529,471.88</b>	<b>39,734.00</b>	<b>72,101.01</b>	<b>24,325.61</b>	<b>29,561.17</b>
<b>EXPENDITURES:</b>						
Instruction:						
Teachers Salaries	194,000.00					
Purchased Professional - Educational Services		200,000.00	15,000.00		24,325.61	
Purchased Professional - Technical Services		75,000.00				
Other Purchased Services (400-500 series)						
Textbooks						
Supplies	9,573.00	186,803.93	24,734.00			
<b>Total Instruction</b>	<b>203,573.00</b>	<b>461,803.93</b>	<b>39,734.00</b>	<b>-</b>	<b>24,325.61</b>	<b>-</b>
Support Services:						
Other Support Services - Employee Benefits	50,440.00					
Purchased Professional - Technical Services		49,458.80		62,315.00		29,561.17
Purchased Professional - Educational Services						
Contracted Pre-K						
Supplies & Materials		14,545.56		9,786.01		
<b>Total Support Services</b>	<b>50,440.00</b>	<b>64,004.36</b>	<b>-</b>	<b>72,101.01</b>	<b>-</b>	<b>29,561.17</b>
Facilities Acquisitions and Construction Services:						
Instructional Equipment		3,663.59				
<b>Total Facilities Acquisitions and Const. Services:</b>	<b>-</b>	<b>3,663.59</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Outflows</b>	<b>254,013.00</b>	<b>529,471.88</b>	<b>39,734.00</b>	<b>72,101.01</b>	<b>24,325.61</b>	<b>29,561.17</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-	-

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2017**

	Non Public					
	Textbooks	Nursing	Corrective Speech	Technology Aid	Security Aid	Examination & Classification
<b>REVENUES:</b>						
State Sources	13,795.45	20,458.61	17,670.37	6,237.90	13,489.45	32,233.00
Federal Sources						
Local Sources						
<b>Total Revenues</b>	<b>13,795.45</b>	<b>20,458.61</b>	<b>17,670.37</b>	<b>6,237.90</b>	<b>13,489.45</b>	<b>32,233.00</b>
<b>EXPENDITURES:</b>						
Instruction:						
Teachers Salaries						
Purchased Professional - Educational Services			17,670.37			
Purchased Professional - Technical Services		20,458.61				
Other Purchased Services (400-500 series)						
Textbooks	13,795.45			6,237.90		
Supplies						
<b>Total Instruction</b>	<b>13,795.45</b>	<b>20,458.61</b>	<b>17,670.37</b>	<b>6,237.90</b>	<b>-</b>	<b>-</b>
Support Services:						
Other Support Services - Employee Benefits					1,200.00	32,233.00
Purchased Professional - Technical Services						
Purchased Professional - Educational Services						
Contracted Pre-K						
Supplies & Materials					12,289.45	
<b>Total Support Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,489.45</b>	<b>32,233.00</b>
Facilities Acquisitions and Construction Services:						
Instructional Equipment						
<b>Total Facilities Acquisitions and Const. Services:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Outflows</b>	<b>13,795.45</b>	<b>20,458.61</b>	<b>17,670.37</b>	<b>6,237.90</b>	<b>13,489.45</b>	<b>32,233.00</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2017**

	Game Plan Grant	Anti Bullying Grant	EDCAMP 2017	Preschool Education Aid	Totals
<b>REVENUES:</b>					
State Sources				224,400.00	382,171.56
Federal Sources	5,000.00	3,000.00	300.00		895,319.89
Local Sources					8,300.00
<b>Total Revenues</b>	<b>5,000.00</b>	<b>3,000.00</b>	<b>300.00</b>	<b>224,400.00</b>	<b>1,285,791.45</b>
<b>EXPENDITURES:</b>					
Instruction:					
Teachers Salaries					194,000.00
Purchased Professional - Educational Services					256,995.98
Purchased Professional - Technical Services					20,458.61
Other Purchased Services (400-500 series)					75,000.00
Textbooks					13,795.45
Supplies	5,000.00				232,348.83
<b>Total Instruction</b>	<b>5,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>792,598.87</b>
Support Services:					
Other Support Services - Employee Benefits					50,440.00
Purchased Professional - Technical Services		3,000.00			4,200.00
Purchased Professional - Educational Services				224,400.00	173,567.97
Contracted Pre-K					224,400.00
Supplies & Materials			300.00		36,921.02
<b>Total Support Services</b>	<b>-</b>	<b>3,000.00</b>	<b>300.00</b>	<b>224,400.00</b>	<b>489,528.99</b>
Facilities Acquisitions and Construction Services:					
Instructional Equipment					3,663.59
<b>Total Facilities Acquisitions and Const. Services:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,663.59</b>
<b>Total Outflows</b>	<b>5,000.00</b>	<b>3,000.00</b>	<b>300.00</b>	<b>224,400.00</b>	<b>1,285,791.45</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**STAFFORD TOWNSHIP SCHOOL DISTRICT  
Special Revenue Fund  
Schedule of Preschool Education Aid  
Budgetary Basis  
For the Year Ended June 30, 2017**

<u>District-Wide Total</u>	<u>Total</u>		
	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
None	\$		-
Total Instruction	<u>-</u>	<u>-</u>	<u>-</u>
Support Services:			
Contracted Pre-K	224,400.00	224,400.00	-
Total Support Services	<u>224,400.00</u>	<u>224,400.00</u>	<u>-</u>
Facilities Acquisition and Construction Services			
None			-
Total Facilities Acquisition and Construction Ser.	<u>-</u>	<u>-</u>	<u>-</u>
Contribution to Charter Schools			
None			-
Total Expenditures	<u>\$ 224,400.00</u>	<u>224,400.00</u>	<u>-</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total 2016-17 Preschool Education Aid Allocation	\$ 224,400.00
Add: Actual Carryover June 30, 2016	<u>224,400.00</u>
Add: Budgeted Transfer from the General Fund	
Total Preschool Education Aid Funds Available for 2016/2017 Budget	<u>224,400.00</u>
Less: 2016/2017 Budgeted Preschool Education Aid - Prior Year Budget Carryover Available & Unbudgeted Preschool Education Aid Funds, June 30, 2017	<u>(224,400.00)</u>
Add: June 30, 2017 Unexpended Preschool Education Aid	-
2016-2017 Carryover - Preschool Education Aid	<u>\$ -</u>
2016-17 Preschool Education Carryover Budgeted for Preschool Programs 2017-2018	<u>\$ -</u>

## **CAPITAL PROJECTS FUND DETAIL STATEMENTS**

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.



**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis**  
**For the Year Ended June 30, 2017**

**Revenues and Other Financing Sources**

State Sources - SDA Grant	\$ 78,973.00
ESIP Lease Proceeds	2,181,500.00
Bond Proceeds	-
Transferred to Debt Service Fund	-
Transfer between Projects	10,110,938.71
Transfer From Capital Reserve	236,001.91
Total Revenues	<u>12,607,413.62</u>

**Expenditures and Other Financing Uses**

Purchased Professional and Technical Services	15,895.84
Construction Services	4,122,945.50
Total Expenditures	<u>4,138,841.34</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	8,468,572.28
Fund Balance - Beginning	<u>281,256.28</u>
Fund Balance Ending	<u>\$ 8,749,828.56</u>

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenue, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**McKinley Renovations**  
**From Inception and for the Year Ended June 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ -	-	-	-
Clean Energy Rebate / SREC's	-	-	-	-
Transfer between Projects	-	-	-	-
Bond Proceeds	-	-	-	-
Transferred to Debt Service Fund	-	-	-	-
Transfer From Capital Reserve	481,601.70	8,515.62	490,117.32	490,117.32
Transfer From Capital Outlay	-	-	-	-
Total Revenues	<u>481,601.70</u>	<u>8,515.62</u>	<u>490,117.32</u>	<u>490,117.32</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	31,275.00	-	31,275.00	31,275.00
Construction Services	214,121.42	-	214,121.42	458,842.32
Total Expenditures	<u>245,396.42</u>	<u>-</u>	<u>245,396.42</u>	<u>490,117.32</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 236,205.28</u>	<u>8,515.62</u>	<u>244,720.90</u>	<u>-</u>
<b>Additional Project Information:</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	\$ -			
Bonds Issued	-			
Original Authorized Costs	494,117.32			
Revised Authorized Cost	490,117.32			
Percentage Increase over Original Authorized Cost	-0.81%			
Percentage Completion	0.00%			
Original Target Completion Date	2015			
Revised Target Completion Date	2018			



**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Oxycocus Parking Lot Paving & Water Rention Projects**  
**From Inception and for the Year Ended June 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ -		-	
Clean Energy Rebate / SREC's	176,087.73		176,087.73	176,087.73
Transfer between Projects	154,631.54	-	154,631.54	154,631.54
Bond Proceeds	-		-	-
Transfer From Capital Reserve	1,415,493.00	(28,459.29)	1,387,033.71	1,387,033.71
Transfer From Capital Outlay	-		-	-
Total Revenues	<u>1,746,212.27</u>	<u>(28,459.29)</u>	<u>1,717,752.98</u>	<u>1,717,752.98</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	98,373.99	-	98,373.99	98,373.99
Construction Services	1,619,378.99	-	1,619,378.99	1,619,378.99
Total Expenditures	<u>1,717,752.98</u>	<u>-</u>	<u>1,717,752.98</u>	<u>1,717,752.98</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 28,459.29</u>	<u>(28,459.29)</u>	<u>-</u>	<u>-</u>
<b>Additional Project Information:</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Costs	176,087.73			
Revised Authorized Cost	1,717,752.98			
Percentage Increase over Original Authorized Cost	876%			
Percentage Completion	100%			
Original Target Completion Date	2012			
Revised Target Completion Date	2016			

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Installation of Energy Saving Equipment**  
**From Inception and for the Year Ended June 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ -		-	
ESIP Lease Proceeds	2,086,557.20	2,181,500.00	4,268,057.20	4,268,057.20
Clean Energy Rebate / SREC's	-		-	
Transfer between Projects	-		-	
Bond Proceeds	-		-	
Transfer From Capital Reserve	-	124,384.00	124,384.00	124,384.00
Transfer From Capital Outlay	-		-	-
Total Revenues	<u>2,086,557.20</u>	<u>2,305,884.00</u>	<u>4,392,441.20</u>	<u>4,392,441.20</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	206,182.20	10,000.00	216,182.20	244,125.07
Construction Services	1,880,375.00	998,587.00	2,878,962.00	4,148,316.13
Total Expenditures	<u>2,086,557.20</u>	<u>1,008,587.00</u>	<u>3,095,144.20</u>	<u>4,392,441.20</u>
Excess (Deficiency) of Revenues 0 Over (Under) Expenditures	<u>\$ -</u>	<u>1,297,297.00</u>	<u>1,297,297.00</u>	<u>-</u>
<b>Additional Project Information:</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Costs	1,903,087.50			
Revised Authorized Cost	4,392,441.20			
Percentage Increase over Original Authorized Cost	131%			
Percentage Completion	70%			
Original Target Completion Date	2015			
Revised Target Completion Date	2018			

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Security Vestibule Renovations & Canopy Additions**  
**From Inception and for the Year Ended June 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ -		-	
ESIP Lease Proceeds	-		-	
Clean Energy Rebate / SREC's	-		-	
Transfer between Projects	-		-	
Bond Proceeds	-		-	
Transfer From Capital Reserve	225,000.00	(8,344.44)	216,655.56	216,655.56
Transfer From Capital Outlay	-		-	
Total Revenues	<u>225,000.00</u>	<u>(8,344.44)</u>	<u>216,655.56</u>	<u>216,655.56</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	26,798.95		26,798.95	26,798.95
Construction Services	189,856.61		189,856.61	189,856.61
Total Expenditures	<u>216,655.56</u>	<u>-</u>	<u>216,655.56</u>	<u>216,655.56</u>
Excess (Deficiency) of Revenues 0 Over (Under) Expenditures	<u>\$ 8,344.44</u>	<u>(8,344.44)</u>	<u>-</u>	<u>-</u>
<b>Additional Project Information:</b>				
Project Number	5020-060-15-1000			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Costs	225,000.00			
Revised Authorized Cost	216,655.56			
Percentage Increase over Original Authorized Cost	-4%			
Percentage Completion	100%			
Original Target Completion Date	2015			
Revised Target Completion Date	2018			

**STAFFORD TOWNSHIP SCHOOL DISTRICT  
Capital Projects Fund  
Window Replacement - Mckinley ROD  
From Inception and for the Year Ended June 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 115,034.00	-	115,034.00	115,034.00
ESIP Lease Proceeds	-		-	
Clean Energy Rebate / SREC's	-		-	
Transfer between Projects	-		-	
Bond Proceeds	-		-	
Transfer From Capital Reserve	330,950.30	5,051.00	336,001.30	336,001.30
Transfer From Capital Outlay	-		-	
Total Revenues	<u>445,984.30</u>	<u>5,051.00</u>	<u>451,035.30</u>	<u>451,035.30</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	33,734.30		33,734.30	33,734.30
Construction Services	412,250.00	5,051.00	417,301.00	417,301.00
Total Expenditures	<u>445,984.30</u>	<u>5,051.00</u>	<u>451,035.30</u>	<u>451,035.30</u>
Excess (Deficiency) of Revenues 0 Over (Under) Expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Additional Project Information:</b>				
Project Number	5020-060-14-G2LA			
Grant Date	2015			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Costs	287,584.00			
Revised Authorized Cost	451,035.30			
Percentage Increase over Original Authorized Cost	57%			
Percentage Completion	100%			
Original Target Completion Date	2015			
Revised Target Completion Date	2017			

**STAFFORD TOWNSHIP SCHOOL DISTRICT  
Capital Projects Fund  
EIFS Repair / Replacement - Oxycocus ROD  
From Inception and for the Year Ended June 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ -		-	-
ESIP Lease Proceeds	-		-	
Clean Energy Rebate / SREC's	-		-	
Transfer between Projects	-		-	
Bond Proceeds	-		-	
Transfer From Capital Reserve	13,500.00	(2,390.27)	11,109.73	11,109.73
Transfer From Capital Outlay	-		-	
Total Revenues	<u>13,500.00</u>	<u>(2,390.27)</u>	<u>11,109.73</u>	<u>11,109.73</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	11,109.73	-	11,109.73	11,109.73
Construction Services	-		-	-
Total Expenditures	<u>11,109.73</u>	<u>-</u>	<u>11,109.73</u>	<u>11,109.73</u>
Excess (Deficiency) of Revenues 0 Over (Under) Expenditures	<u>\$ 2,390.27</u>	<u>(2,390.27)</u>	<u>-</u>	<u>-</u>
<b>Additional Project Information:</b>				
Project Number	5020-050-14-G2KW			
Grant Date	2015			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Costs	229,200.00			
Revised Authorized Cost	11,109.73			
Percentage Increase over Original Authorized Cost	-95%			
Percentage Completion	100%			
Original Target Completion Date	2015			
Revised Target Completion Date	2017			

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Window Replacement - Oxycocus ROD**  
**From Inception and for the Year Ended June 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ -	78,973.00	78,973.00	78,973.00
ESIP Lease Proceeds	-		-	
Clean Energy Rebate / SREC's	-		-	
Transfer between Projects	-		-	
Bond Proceeds	-		-	
Transfer From Capital Reserve	24,750.00	113,247.00	137,997.00	137,997.00
Transfer From Capital Outlay	-		-	
Total Revenues	<u>24,750.00</u>	<u>192,220.00</u>	<u>216,970.00</u>	<u>216,970.00</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	23,000.00	-	23,000.00	23,000.00
Construction Services	354.00	170,447.00	170,801.00	193,970.00
Total Expenditures	<u>23,354.00</u>	<u>170,447.00</u>	<u>193,801.00</u>	<u>216,970.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,396.00</u>	<u>21,773.00</u>	<u>23,169.00</u>	<u>-</u>
<b>Additional Project Information:</b>				
Project Number	5020-50-14-G2KX			
Grant Date	2015			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Costs	204,720.00			
Revised Authorized Cost	216,970.00			
Percentage Increase over Original Authorized Cost	6%			
Percentage Completion	89%			
Original Target Completion Date	2015			
Revised Target Completion Date	2017			

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Bus Garage Electric Project**  
**From Inception and for the Year Ended June 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ -		-	
ESIP Lease Proceeds	-		-	
Clean Energy Rebate / SREC's	-		-	
Transfer between Projects	-		-	
Bond Proceeds	-		-	
Transfer From Capital Reserve	25,000.00	(4,461.00)	20,539.00	20,539.00
Transfer From Capital Outlay	-		-	
Total Revenues	<u>25,000.00</u>	<u>(4,461.00)</u>	<u>20,539.00</u>	<u>20,539.00</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	-		-	
Construction Services	20,539.00		20,539.00	20,539.00
Total Expenditures	<u>20,539.00</u>	<u>-</u>	<u>20,539.00</u>	<u>20,539.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 4,461.00</u>	<u>(4,461.00)</u>	<u>-</u>	<u>-</u>
<b>Additional Project Information:</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Costs	25,000.00			
Revised Authorized Cost	20,539.00			
Percentage Increase over Original Authorized Cost	-18%			
Percentage Completion	100%			
Original Target Completion Date	2015			
Revised Target Completion Date	2017			

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Renovations, Alterations and Improvements at McKinley Avenue Elementary School, Oxycocus Elementary School, Stafford**  
**Intermediate School & Ronald L. Meinders Primary Learning Center**  
**From Inception and for the Year Ended June 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$		-	
ESIP Lease Proceeds			-	
Clean Energy Rebate / SREC's			-	
Transfer between Projects			-	
Bond Proceeds		10,139,398.00	10,139,398.00	10,139,398.00
Transfer From Capital Reserve			-	
Transfer From Capital Outlay			-	
Total Revenues	<u>-</u>	<u>10,139,398.00</u>	<u>10,139,398.00</u>	<u>10,139,398.00</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	-	5,895.84	5,895.84	5,896.00
Construction Services	-	2,948,860.50	2,948,860.50	10,133,502.00
Total Expenditures	<u>-</u>	<u>2,954,756.34</u>	<u>2,954,756.34</u>	<u>10,139,398.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	<u>7,184,641.66</u>	<u>7,184,641.66</u>	<u>-</u>
<b>Additional Project Information:</b>				
Project Number		N/A		
Grant Date		N/A		
Bond Authorization Date		12/13/2016		
Bonds Authorized		10,139,398		
Bonds Issued		-		
Original Authorized Costs		10,139,398.00		
Revised Authorized Cost		10,139,398.00		
Percentage Increase over Original Authorized Cost		0%		
Percentage Completion		29%		
Original Target Completion Date		2018		
Revised Target Completion Date		2018		



**PROPRIETARY FUND DETAIL  
STATEMENTS**

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

**Food Service Fund** - This fund provides for the operation of food services in all schools within the school district.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS  
B-4, B-5 AND B-6.**



## **FIDUCIARY FUNDS DETAIL STATEMENTS**

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

**Unemployment Compensation Fund** - This Trust Fund is an expendable trust fund and limits expenses set aside for this purpose in current and prior budgets and contributions from employee withholding in prior years.

Agency funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

**Student Activity Fund** - This agency fund is used to account for student funds held at the schools.

**Payroll Fund** - This agency fund is used to account for the payroll transactions of the school district.



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

	<u>Unemployment Compensation Trust</u>	<u>Agency Funds</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 322,164.94	106,975.84	429,140.78
Total Assets	<u>322,164.94</u>	<u>106,975.84</u>	<u>429,140.78</u>
<b>LIABILITIES</b>			
Accounts Payable	283.87	-	283.87
Payable to Student Groups	-	72,942.92	72,942.92
Payroll Deductions & Withholdings	-	34,032.92	34,032.92
Total Liabilities	<u>283.87</u>	<u>106,975.84</u>	<u>107,259.71</u>
<b>NET POSITION</b>			
Held in Trust for Unemployment Claims and Other Purposes	\$ <u><u>321,881.07</u></u>		321,881.07
Total Net Position			<u>321,881.07</u>
Total Liabilities and Net Position			<u><u>429,140.78</u></u>

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

	Unemployment Compensation Trust	Totals
	<u>Trust</u>	<u>Totals</u>
<b>ADDITIONS</b>		
Contributions:		
Plan Members	\$ 40,764.10	40,764.10
Board of Education Contribution	85,000.00	85,000.00
Total Contributions	<u>125,764.10</u>	<u>125,764.10</u>
Investments Earnings:		
Interest	365.50	365.50
Net Investment Earnings	<u>365.50</u>	<u>365.50</u>
Total Additions	<u>126,129.60</u>	<u>126,129.60</u>
Deductions		
Unemployment Claims	5,765.27	5,765.27
Total Deductions	<u>5,765.27</u>	<u>5,765.27</u>
Change in Net Position	120,364.33	120,364.33
Net Position - Beginning of the Year	<u>201,516.74</u>	<u>201,516.74</u>
Net Position - End of the Year	<u>\$ 321,881.07</u>	<u>321,881.07</u>

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**As of June 30, 2017**

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>
Oxycocus	\$ 2,410.64	1,324.42	-	3,735.06
McKinley	9,235.07	29,099.84	21,691.77	16,643.14
PLC	10,339.29	4,374.30	4,394.10	10,319.49
Ocean Acres	12,313.33	13,756.07	9,029.26	17,040.14
Intermediate School	18,232.57	19,282.02	12,309.50	25,205.09
Total Assets	\$ <u>52,530.90</u>	<u>67,836.65</u>	<u>47,424.63</u>	<u>72,942.92</u>

**STAFFORD TOWNSHIP SCHOOL DISTRICT  
Payroll Agency Fund  
Schedule of Receipts and Disbursements  
As of June 30, 2017**

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 38,896.37	24,773,209.54	24,778,072.99	34,032.92
<b>Total Assets</b>	<u>38,896.37</u>	<u>24,773,209.54</u>	<u>24,778,072.99</u>	<u>34,032.92</u>
<b>LIABILITIES:</b>				
Payroll Deductions & Withholding	38,605.84	11,183,702.80	11,188,510.91	33,797.73
Net Pay	290.53	13,589,506.74	13,589,562.08	235.19
<b>Total Liabilities</b>	<u>38,896.37</u>	<u>24,773,209.54</u>	<u>24,778,072.99</u>	<u>34,032.92</u>



### **LONG-TERM DEBT SCHEDULES**

The long-term debt schedules are used to reflect the outstanding principal balance of the general long-term liabilities of the school district. This includes serial bonds outstanding, the outstanding principal balance on capital leases.



**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Schedule of General Serial Bonds**  
**As of June 30, 2017**

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding June 30, 2016				Interest Rate	Balance July 1, 2016	Refunded	Decreased	Balance June 30, 2017
			Date	Amount	Interest Rate	Balance July 1, 2016					
Refunding School Bonds	7/28/2005	\$ 6,580,000	9/1/2017	180,000	3.750%	\$ 2,040,000.00	-	660,000.00	1,380,000.00		
			9/1/2017	500,000	4.000%						
			9/1/2018	400,000	3.750%						
			9/1/2018	300,000	4.000%						
Refunding School Bonds	12/13/2006	6,110,000				1,455,000.00	-	1,455,000.00	-		
Refunding School Bonds	11/17/2015	2,970,000	3/15/2018	1,340,000	4.000%	2,970,000.00	-	-	2,970,000.00		
			3/15/2019	1,070,000	4.000%						
			3/15/2020	560,000	4.000%						
School Bonds	9/1/2010	3,654,000	3/1/2018	400,000	2.100%	2,094,000.00	-	385,000.00	1,709,000.00		
			3/1/2019	415,000	2.250%						
			3/1/2020	430,000	2.375%						
			3/1/2021	464,000	2.625%						
						\$ 8,559,000.00	\$ -	\$ 2,500,000.00	\$ 6,059,000.00		

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Obligations Under Capital Lease**  
**As of June 30, 2017**

Description	Amount of Original Issue	Balance July 1, 2016	Issued Current Year	Retired Current Year	Balance June 30, 2017
9 Digital Copiers	\$ 499,916	\$ 118,552.25	-	118,552.25	-
ESIP Equipment #1	1,753,908	1,490,858.05	-	50,762.48	1,440,095.57
ESIP Equipment #2	332,650	296,956.90	-	296,956.90	-
ESIP Equipment #3	2,180,000	-	2,180,000.00	-	2,180,000.00
3, 54 Passenger School Buses	311,820	123,564.84	-	123,564.84	-
6, 54 Passenger School Buses	619,160	375,166.85	-	375,166.85	-
5, 54 Passenger School Buses	526,951	-	526,950.90	208,024.47	318,926.43
		<u>\$ 2,405,098.89</u>	<u>2,706,950.90</u>	<u>1,173,027.79</u>	<u>3,939,022.00</u>

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 2,379,245.00		2,379,245.00	2,379,245.00	-
State Sources:					
Debt Service Aid Type II	386,583.00		386,583.00	386,583.00	-
Total - State Sources	386,583.00	-	386,583.00	386,583.00	-
Total Revenues	2,765,828.00	-	2,765,828.00	2,765,828.00	-
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	308,343.00		308,343.00	308,342.51	0.49
Redemption of Principal	2,500,000.00		2,500,000.00	2,500,000.00	-
Total Regular Debt Service	2,808,343.00	-	2,808,343.00	2,808,342.51	0.49
Total Expenditures	2,808,343.00	-	2,808,343.00	2,808,342.51	0.49
Excess (Deficiency) of Revenues Over (Under) Expenditures	(42,515.00)	-	(42,515.00)	(42,514.51)	0.49
Other Financing Sources (Uses):					
Excess COI Funds	5,779.00		5,779.00	5,779.23	0.23
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(36,736.00)	-	(36,736.00)	(36,735.28)	0.72
Fund Balance, July 1	69,300.96		69,300.96	69,300.96	-
Fund Balance, June 30	32,564.96	-	32,564.96	32,565.68	0.72

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## **Statistical Section**





**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Net Assets by Component,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-1

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014*	2015	2016	2017
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 9,491,322.26	\$ 10,896,097.65	\$ 13,663,840.23	\$ 12,839,867.22	\$ 15,782,786.64	\$ 18,948,291.55	\$ 19,264,997.32	\$ 22,893,679.17	\$ 19,250,408.64	\$ 19,251,716.86
Restricted	(197,335.46)	(104,896.55)	(922,076.50)	2,045,880.07	2,496,675.06	122,721.07	3,903,992.04	3,472,110.77	3,612,712.61	6,303,972.38
Unrestricted	(2,071,486.36)	(2,051,055.72)	(3,094,412.36)	(2,679,306.20)	(3,015,990.02)	(2,061,076.28)	(18,073,245.82)	(17,511,544.06)	(18,872,214.43)	(20,169,900.06)
Total governmental activities net assets	\$ 7,222,491.44	\$ 8,740,145.38	\$ 9,667,351.37	\$ 12,206,441.09	\$ 15,263,471.68	\$ 17,009,936.34	\$ 5,095,743.54	\$ 8,854,245.88	\$ 3,990,907.82	\$ 5,385,789.18
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 48,748.00	\$ 41,463.67	\$ 87,487.98	\$ 83,220.21	\$ 87,698.30	\$ 76,955.39	\$ 66,212.48	\$ 23,707.00	\$ 86,787.01	\$ 77,156.18
Restricted	(65,175.00)	(56,317.16)	(25,227.91)	2,853.29	19,539.29	(38,698.22)	231,904.85	393,992.95	562,147.99	629,206.79
Unrestricted	(18,427.00)	(14,853.49)	(62,260.07)	(96,073.50)	(107,237.59)	(38,257.17)	(298,117.33)	(417,699.95)	(648,935.00)	(706,362.97)
Total business-type activities net assets	\$ (18,427.00)	\$ (14,853.49)	\$ (62,260.07)	\$ (96,073.50)	\$ (107,237.59)	\$ (38,257.17)	\$ (298,117.33)	\$ (417,699.95)	\$ (648,935.00)	\$ (706,362.97)
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 9,540,070.26	\$ 10,937,561.32	\$ 13,771,328.21	\$ 12,933,087.43	\$ 15,870,484.94	\$ 19,025,246.94	\$ 19,331,209.80	\$ 22,917,386.17	\$ 19,337,196.65	\$ 19,328,873.04
Restricted	(197,335.46)	(104,896.55)	(922,076.50)	2,045,880.07	2,496,675.06	122,721.07	3,903,992.04	3,472,110.77	3,612,712.61	6,303,972.38
Unrestricted	(2,136,670.36)	(2,107,372.88)	(3,119,640.27)	(2,676,452.91)	(2,996,450.73)	(2,099,774.50)	(17,841,340.97)	(17,117,551.11)	(18,310,066.44)	(19,540,693.27)
Total district net assets	\$ 7,206,064.44	\$ 8,725,291.89	\$ 9,729,611.44	\$ 12,302,514.59	\$ 15,370,709.27	\$ 17,048,193.51	\$ 5,393,860.87	\$ 9,271,945.83	\$ 4,639,842.82	\$ 6,082,152.15

\* - Restated Unrestricted in 2014 for the effects of GASB 68

Source: CAFR, Schedule A-1

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Changes in Net Assets,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-2

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Governmental activities:										
Instruction:										
Regular	13,706,228.88	13,727,554.36	13,019,247.49	13,069,671.43	13,503,714.33	13,247,530.95	12,637,088.74	14,475,608.48	19,387,687.55	17,106,191.61
Special education	5,676,340.22	4,477,988.85	5,609,590.82	5,227,361.40	5,163,060.01	6,011,480.32	5,230,638.17	6,773,491.30	8,511,503.18	8,137,651.52
Other special education	1,462,218.20	1,378,605.65	1,079,663.14	1,181,898.07	1,065,038.82	1,874,772.76	2,144,302.82	1,471,486.68	1,561,361.58	1,334,332.47
Support Services:										
Tuition	189,262.57	240,542.56	359,056.93	321,639.74	314,111.59	324,117.84	341,978.70	156,598.85	254,085.47	230,676.00
Student & instruction related services	4,412,165.52	6,056,220.07	5,906,990.85	6,649,317.55	6,341,725.20	6,964,609.76	6,835,050.78	7,800,533.14	9,675,774.66	9,124,528.83
General administrative services	1,765,832.36	1,690,383.48	1,289,758.79	1,249,532.22	1,149,263.92	1,711,749.69	1,511,547.70	1,326,085.00	1,888,127.63	1,632,171.50
School administrative services	1,332,570.45	1,331,743.69	1,630,379.92	1,355,402.13	1,443,688.65	1,195,230.03	1,206,501.53	1,375,161.38	1,883,639.73	1,651,534.78
Central services	1,394,915.64	1,187,114.14	844,619.47	814,731.35	765,893.96	789,412.34	602,004.04	682,280.38	896,394.56	819,961.10
Plant operations and maintenance	3,712,939.36	3,922,214.47	6,460,430.98	3,744,672.77	4,038,262.09	4,243,380.46	4,380,791.26	4,767,632.03	4,414,351.68	7,779,483.96
Pupil transportation	2,325,163.47	2,005,988.39	2,032,917.19	1,757,150.67	2,388,758.72	2,117,814.38	2,365,775.95	3,337,545.87	4,239,996.25	2,827,927.42
Special Schools	287,147.09	294,205.34	934.57	-	-	-	-	-	-	-
Capital Outlay	937,619.22	925,779.14	792,073.86	736,442.03	722,094.46	627,046.13	59,204.00	514,446.32	439,980.34	377,113.31
Interest on long-term debt	37,272,402.98	37,238,350.14	38,925,664.01	36,107,819.36	36,895,611.75	39,087,744.86	37,848,088.12	42,680,869.43	53,152,862.61	51,021,582.50
Total governmental activities expenses	680,837.66	617,600.14	563,879.19	692,746.89	789,656.02	794,946.80	775,339.96	785,254.76	809,843.09	847,821.89
Business-type activities:										
Food service	680,837.66	617,600.14	563,879.19	692,746.89	789,656.02	794,946.80	775,339.96	785,254.76	809,843.09	847,821.89
Other	37,893,240.64	37,855,950.28	39,489,543.20	36,800,566.25	37,799,007.02	40,964,258.20	39,641,195.15	44,487,098.33	55,035,427.53	52,960,647.74
Total business-type activities expenses	37,893,240.64	37,855,950.28	39,489,543.20	36,800,566.25	37,799,007.02	40,964,258.20	39,641,195.15	44,487,098.33	55,035,427.53	52,960,647.74
Total district expenses	37,893,240.64	37,855,950.28	39,489,543.20	36,800,566.25	37,799,007.02	40,964,258.20	39,641,195.15	44,487,098.33	55,035,427.53	52,960,647.74

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Changes in Net Assets,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-2

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
Operating grants and contributions	2,014,739.42	2,031,225.51	2,218,113.92	2,014,289.58	2,238,638.46	1,859,486.93	30,262.16	65,974.27	172,002.78	170,003.88
Capital grants and contributions						1,859,486.93	1,659,375.73	7,640,402.82	9,751,242.14	12,357,757.55
Total governmental activities program revenues	2,014,739.42	2,031,225.51	2,218,113.92	2,014,289.58	2,238,638.46	1,910,736.06	1,689,637.89	8,846,921.09	10,360,814.97	12,893,317.43
Business-type activities:										
Charges for services:										
Food service	428,216.19	376,474.85	354,816.79	421,236.54	422,934.63	412,580.73	401,734.18	405,234.24	410,077.80	421,094.65
Other	223,780.43	242,698.80	286,175.96	305,323.78	150,164.21	1,038,929.65	1,272,354.20	1,177,474.28	1,268,966.86	1,296,625.33
Operating grants and contributions	651,996.62	619,173.65	640,982.75	726,580.32	341,460.52	356,622.74	378,878.81	378,188.48	388,236.39	404,498.24
Total business-type activities program revenue	2,666,736.04	2,650,399.16	2,859,106.67	2,740,849.90	914,559.36	1,808,133.12	2,052,967.19	1,960,897.00	2,067,281.05	2,122,218.22
Total district program revenue					3,153,197.82	3,718,869.18	3,742,605.08	10,809,818.09	12,428,096.02	15,115,535.65
<b>Net (Expense)/Revenue</b>										
Governmental activities	(35,197,663.56)	(35,207,124.63)	(36,707,550.09)	(34,093,529.78)	(34,656,973.29)	(37,176,408.60)	(36,158,450.23)	(33,831,948.34)	(42,792,067.64)	(38,028,265.07)
Business-type activities	(28,841,041)	1,574.51	77,113.56	33,813.43	11,164.09	(68,990.42)	259,660.16	154,668.10	184,736.13	183,152.98
Total district-wide net expense	(35,226,504.60)	(35,205,551.12)	(36,630,436.53)	(34,059,716.35)	(34,645,809.20)	(37,245,398.02)	(35,898,590.07)	(33,677,280.24)	(42,607,331.51)	(37,845,112.09)

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Changes in Net Assets,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-2

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Property taxes levied for general purposes, net	22,542,559.00	22,807,865.00	22,729,674.00	23,232,029.00	23,039,850.00	23,717,051.00	23,357,323.00	24,486,202.00	25,160,692.00	26,565,906.00
Taxes levied for debt service	2,093,202.00	2,070,154.00	2,280,974.00	2,273,050.00	2,469,393.00	2,488,431.00	2,460,566.00	2,461,316.00	2,512,151.00	2,379,245.00
Unrestricted grants and contributions	11,528,484.51	11,504,723.51	11,812,559.70	10,662,652.65	11,755,877.19	12,522,516.31	12,395,529.04	9,863,405.95	9,663,920.74	9,848,360.21
Tuition revenue	245,010.43	202,405.38	119,551.83	136,291.28	83,740.25	-	-	-	-	-
Miscellaneous income	153,661.46	139,632.68	591,996.55	328,596.57	365,143.44	254,228.38	222,898.39	784,775.73	591,965.84	506,635.22
Adjustment to Fixed Assets	(656,620.83)	-	-	-	-	-	-	-	-	-
Total governmental activities	35,906,296.57	36,724,778.57	37,634,756.08	36,632,619.50	37,714,003.88	38,952,226.69	38,436,316.43	37,697,699.68	37,928,729.58	39,298,146.43
Business-type activities:										
Adjustment to Fixed Assets	-	-	-	-	-	-	-	(42,334.48)	46,488.92	(725.01)
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-	-	(42,334.48)	46,488.92	(725.01)
Total district-wide	35,906,296.57	36,724,778.57	37,634,756.08	36,632,619.50	37,714,003.88	38,952,226.69	38,436,316.43	37,655,365.20	37,975,218.50	39,297,421.42
Changes in Net Assets	708,633.01	1,517,653.94	927,205.99	2,539,089.72	3,057,030.59	1,775,818.09	2,277,866.20	3,765,751.34	(4,863,338.06)	1,269,881.36
Governmental activities	(28,841,041)	1,573,511	77,113,566	33,813,433	11,164,091	(68,990,421)	259,860,161	112,333,622	231,235,095	182,427,971
Business-type activities	679,791,937	1,519,227,451	1,004,319,555	2,572,903,151	3,068,194,688	1,706,837,671	2,537,726,366	3,878,084,966	(4,632,103,011)	1,452,309,333

Source: CAFR Schedule A-2

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

Exhibit J-3

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Fund</b>										
Reserved	\$ 1,127,969.00	\$ 1,928,239.71	\$ 1,195,410.39	\$ 1,682,453.58	\$ 2,814,649.16	\$ 2,080,326.73	\$ 1,977,954.51	\$ 3,595,549.28	\$ 3,431,303.90	\$ 5,160,217.43
Unreserved	213,819.44	(171,516.03)	(257,724.36)	(125,933.82)	(225,939.62)	(16,111.00)	-	(192,374.25)	(269,216.61)	(238,075.24)
<b>Total general fund</b>	<u>\$ 1,341,788.44</u>	<u>\$ 1,756,723.68</u>	<u>\$ 937,686.03</u>	<u>\$ 1,556,519.76</u>	<u>\$ 2,588,709.54</u>	<u>\$ 2,064,215.73</u>	<u>\$ 1,977,954.51</u>	<u>\$ 3,403,175.03</u>	<u>\$ 3,162,087.29</u>	<u>\$ 4,922,142.19</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ -	\$ 47,455.94	\$ 1,357,939.59	\$ 1,715,830.07	\$ 847,929.06	\$ 749,933.58	\$ 2,002,218.33	\$ 697,686.42	\$ 343,816.83	\$ 1,444,915.19
Unreserved, reported in:										
Special revenue fund	(4,085.00)	(22,440.00)	(22,440.00)	-	-	(22,440.00)	(22,440.00)	(22,440.00)	(22,440.00)	(22,440.00)
Capital projects fund	-	(226,908.74)	(2,489,968.05)	-	-	-	-	-	-	-
Debt service fund	42,574.54	1.25	1.96	-	-	0.16	1,492.64	36,736.23	32,564.96	0.68
<b>Total all other governmental funds</b>	<u>\$ 36,489.54</u>	<u>\$ (201,891.55)</u>	<u>\$ (1,154,466.50)</u>	<u>\$ (1,715,830.07)</u>	<u>\$ 847,929.06</u>	<u>\$ 727,493.74</u>	<u>\$ 1,981,270.97</u>	<u>\$ 711,982.65</u>	<u>\$ 353,941.79</u>	<u>\$ 1,422,475.87</u>

Source: CAFR Schedule B-1

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Tax Levy	\$ 24,635,761	24,878,017.00	25,010,648.00	25,505,079.00	25,509,243.00	26,175,482.00	25,817,889.00	26,949,518.00	27,672,843.00	28,943,151.00
Miscellaneous	398,672	342,038.06	711,548.38	464,887.85	448,883.69	305,475.51	2,156,498.05	851,241.08	555,550.64	639,581.93
State sources	12,715,983	12,584,202.37	11,381,004.79	11,290,956.67	12,530,711.25	13,265,819.66	13,099,634.73	12,320,577.90	13,932,029.35	14,373,539.25
Federal sources	827,241	951,746.65	2,749,688.83	1,385,985.56	1,463,804.40	1,116,185.58	955,020.04	973,376.79	988,369.56	1,020,003.10
Total revenue	37,585,451	38,577,657	38,756,004.08	38,646,909.08	39,952,642.34	40,862,962.75	42,029,041.82	41,094,713.77	43,148,792.55	44,976,275.28
<b>Expenditures</b>										
Instruction:										
Regular instruction	9,496,696	9,784,401.21	9,757,633.92	9,106,727.87	9,668,890.99	9,267,819.67	8,801,647.31	8,587,160.96	9,775,764.48	9,336,846.60
Special education instruction	4,141,646	3,422,882.23	4,091,773.56	3,929,064.34	3,696,839.49	4,205,562.16	3,643,104.30	4,018,142.66	4,291,720.73	4,455,169.07
Other special education instruction	899,123	953,612.83	801,826.71	804,821.66	762,586.06	1,311,569.48	1,493,492.49	872,909.28	787,279.02	731,018.83
Support Services:										
Tuition	189,263	240,542.56	359,056.93	321,639.74	314,111.59	324,117.84	341,978.70	156,598.85	254,085.47	230,676.00
Student & instruction related services	3,408,632	4,307,988.06	4,404,687.01	4,730,005.46	4,540,783.98	4,888,434.65	4,760,566.88	4,627,400.20	4,878,776.62	4,997,566.11
General administrative services	1,275,661	1,221,056.12	1,215,731.23	912,071.39	1,033,705.82	1,197,520.41	853,634.81	900,599.41	1,025,972.90	1,013,598.22
School administrative services	894,073	916,021.72	901,225.00	919,661.20	822,882.54	836,169.15	1,058,804.13	935,873.91	892,047.61	969,852.04
Business / Central services	1,006,679	927,975.39	629,810.43	583,437.92	548,393.29	538,271.99	399,955.83	446,828.51	455,834.88	501,465.46
Plant operations and maintenance	3,413,069	3,331,634.75	4,112,068.15	3,271,453.35	3,250,609.50	3,509,162.66	3,114,616.96	3,265,182.02	3,030,565.37	3,779,531.50
Pupil transportation	1,566,294	1,448,865.90	1,495,478.40	1,604,161.89	1,605,623.61	1,642,008.18	1,647,747.03	1,740,028.44	2,377,035.88	1,635,533.19
Unallocated employee benefits	8,241,871	8,241,553.51	8,353,199.77	8,425,064.69	8,391,251.45	9,658,107.77	10,145,176.39	8,668,711.76	11,708,720.58	12,312,903.13
Special Schools	205,721	204,552.82	934.57	-	-	-	-	-	-	-
Capital outlay	976,379	963,301.54	2,925,745.78	1,681,951.74	2,318,601.77	1,294,790.13	1,764,308.46	3,882,165.55	1,249,211.04	1,687,462.87
Debt service:										
Principal	1,670,000	1,730,000.00	1,755,000.00	1,770,000.00	2,070,000.00	2,230,000.00	2,280,000.00	2,340,000.00	2,475,000.00	2,500,000.00
Interest and other charges	980,829	887,061.29	820,311.29	751,717.53	764,063.48	604,357.79	558,492.52	497,180.02	389,376.27	308,342.51
Total Expenditures	38,365,934.05	38,581,449.93	41,624,482.75	38,811,778.78	39,788,353.57	41,507,891.88	40,861,525.81	40,938,781.57	43,591,390.85	44,459,965.53
Excess (Deficiency) of revenues over (under) expenditures	211,722.77	174,554.15	(1,771,612.75)	(164,868.70)	164,288.77	(644,929.13)	1,167,516.01	155,932.20	(442,598.30)	516,309.75
<b>Other Financing Sources (Uses)</b>										
Transfers Out	-	-	-	-	-	-	-	-	(807,740.41)	(236,001.91)
Transfers In	-	-	-	-	-	-	-	-	807,740.41	361,001.91
Capital Leases / Bond Proceeds	-	-	-	3,654,000.00	-	-	-	-	(156,530.30)	2,187,279.23
Total other financing sources (uses)	-	-	-	3,654,000.00	-	-	-	-	(156,530.30)	2,312,279.23
Net change in fund balances	211,722.77	174,554.15	(1,771,612.75)	3,489,130.30	164,288.77	(644,929.13)	1,167,516.01	155,932.20	(599,128.60)	2,828,588.98
Debt service as a percentage of noncapital expenditures	7.09%	6.96%	6.65%	6.79%	7.56%	7.05%	7.25%	7.66%	6.76%	6.57%

Source: CAFR Schedule B-2

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**General Fund Other Local Revenue by Source,**  
**Last Ten Fiscal Years**  
 Unaudited

Exhibit J-5

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Legal Settlement	Lease Purchase Proceeds	Miscellaneous	Totals
2008	123,765.95	245,010.43	-	-	29,895.51	792,885.71
2009	72,279.01	202,405.38	-	-	67,353.67	398,671.89
2010	36,513.42	119,551.83	-	-	82,772.32	342,038.06
2011	41,935.89	136,291.28	-	-	122,151.53	300,378.70
2012	4,656.16	93,740.25	-	-	174,101.26	272,497.67
2013	10,331.72	51,247.13	-	-	243,896.66	305,475.51
2014	8,727.86	30,262.16	-	-	214,170.53	253,160.55
2015	8,381.30	65,974.27	-	-	436,394.43	510,750.00
2016	9,304.23	172,002.78	-	-	360,900.61	542,207.62
2017	11,756.61	170,003.88	-	-	444,816.03	626,576.52

Source: District Records

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Assessed Value and Actual Value of Taxable Property,**  
**Last Ten Fiscal Years**

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Memo Only Tax-exempt Property	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	Estimated County Equalized Value
2008	158,577,700	3,703,660,100	1,061,000	60,200	414,723,900	1,116,400	4,965,400	4,284,164,700	283,626,900	5,775,343	4,289,940,043	0.580	5,099,786,071
2009	144,474,100	3,736,685,000	823,400	63,000	452,982,500	712,700	4,965,400	4,340,716,100	365,410,600	6,082,568	4,346,798,668	0.580	5,172,986,627
2010	131,655,800	3,761,987,100	830,300	64,000	456,964,400	712,700	4,965,400	4,357,179,700	368,266,900	6,504,297	4,363,683,997	0.575	5,030,214,504
2011	124,154,700	3,779,863,900	830,300	64,000	456,476,000	712,700	4,965,400	4,366,067,000	381,723,751	5,806,160	4,371,873,160	0.584	4,855,273,796
2012	Detail Unavailable												
2013	85,750,100	2,988,631,600	906,700	66,700	504,026,100	672,200	5,289,100	3,595,342,500	384,506,851	6,142,881	4,379,755,881	0.598	4,571,977,519
2014	83,046,000	3,072,774,600	906,700	66,000	502,311,300	672,200	5,289,100	3,665,087,900	368,615,851	5,771,621	3,601,114,121	0.717	3,988,206,823
2015	81,794,000	3,207,651,650	931,700	66,400	501,336,900	672,200	5,301,000	3,797,765,850	380,220,251	4,856,102	3,669,924,002	0.801	3,844,978,833
2016	82,398,900	3,264,430,450	933,600	76,700	490,573,100	672,200	5,301,000	3,844,385,950	381,306,101	5,020,393	3,802,776,243	0.793	3,885,357,025
2017	77,666,700	3,316,100,000	561,100	73,000	494,529,500	672,200	5,301,000	3,894,903,500	390,037,828	4,478,413	3,899,381,913	-	4,180,155,817
													N/A

r = reassessment

Source: County Abstract of Rates & Municipal Tax Assessor



**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates,**  
**Last Ten Fiscal Years**  
*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	STAFFORD TOWNSHIP SCHOOL DISTRICT			Overlapping Rates					Total Direct and Overlapping Tax Rate	
	Basic Rate	General Obligation Debt Service	Total Direct	County General	County Library	County Health	County Open Space	Southern Regional		Municipal Local Purpose*
2008	0.534	0.046	0.580	0.294	0.035	0.015	0.014	0.190	0.581	1.709
2009	0.533	0.047	0.580	0.302	0.036	0.015	0.014	0.197	0.619	1.763
2010	0.523	0.052	0.575	0.304	0.036	0.015	0.014	0.194	0.655	1.793
2011	0.532	0.052	0.584	0.313	0.036	0.014	0.014	0.201	0.684	1.846
2012	0.542	0.056	0.598	0.316	0.036	0.013	0.013	0.214	0.717	1.907
2013	0.649	0.068	0.717	0.348	0.040	0.015	0.013	0.238	0.876	2.247
2014	0.734	0.067	0.801	0.360	0.041	0.014	0.013	0.236	0.877	2.342
2015	0.728	0.065	0.793	0.361	0.039	0.014	0.012	0.223	0.870	2.312
2016	0.752	0.065	0.817	0.377	0.041	0.015	0.013	0.236	0.885	2.384
2017					NOT AVAILABLE					

\* = Includes Municipal Open Space Tax of \$0.01 effective in 2003 and every year thereafter.

r = reassessment

Source: District Records and Municipal Tax Collector

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Principal Property Tax Payers,**  
**Current Year and Nine Years Ago**

**Exhibit J-8**

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
ACI Manahawkin LLC	\$ 42,575,400.00	1	1.09%	\$ 16,632,500.00	2	0.39%
72 Associates - Shoprite	32,386,800.00	2	0.83%	23,888,500.00	1	0.56%
LTD Realty Management	20,307,000.00	3	0.52%			0.00%
81 Associates	15,781,900.00	4	0.41%	14,859,500.00	3	0.35%
321 Martin Truex Jr. Blvd. LLC	14,700,000.00	5	0.38%			0.00%
Davis and Associates	14,643,000.00	6	0.38%	11,137,300.00	7	0.26%
Southern Ocean County Hospital	13,694,600.00	7	0.35%			0.00%
Wal-Mart	13,302,500.00	8	0.34%	11,600,000.00	5	0.27%
Manahawkin Plaza & Salem Management	12,569,900.00	9	0.32%			0.00%
151 Route 72 LLC	12,562,200.00	10	0.32%			0.00%
ACI Manahawkin LLC - KMART				10,490,000.00	8	0.24%
JAM Properties, LLC - Holiday Inn				13,618,100.00	4	0.32%
HD Development of Md.				11,182,500.00	6	0.26%
Carol Van Stuart - Pathmark				6,875,500.00	10	0.16%
Stafford Associates				8,680,500.00	9	0.20%
<b>Totals</b>	<b>\$ 192,523,300</b>		<b>4.94%</b>	<b>\$ 128,964,400</b>		<b>3.01%</b>
	<b>District Assessed Value</b>		<b>\$ 3,894,903,500</b>			<b>\$ 4,289,940,043</b>

Source: District CAFR & Municipal Tax Assessor

**STAFFORD TOWNSHIP SCHOOL DISTRICT  
Property Tax Levies and Collections,  
Last Ten Fiscal Years**

**Exhibit J-9**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	24,635,761.00	24,635,761.00	100%	-
2009	24,878,017.00	24,878,017.00	100%	-
2010	25,010,648.00	25,010,648.00	100%	-
2011	25,505,079.00	25,505,079.00	100%	-
2012	25,509,243.00	25,509,243.00	100%	-
2013	26,175,482.00	26,175,482.00	100%	-
2014	25,817,889.00	25,817,889.00	100%	-
2015	26,949,518.00	26,949,518.00	100%	-
2016	27,672,843.00	27,672,843.00	100%	-
2017	28,943,151.00	28,943,151.00	100%	-

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

Exhibit J-10

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Ratios of Outstanding Debt by Type,**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income	Per Capita Personal Income
	General Obligation Bonds	Capital Leases	Bond / Grant Anticipation Notes (BANs)	Capital Leases				
2008	21,700,000.00	1,936,188.00	-	-	25,578,838.90	0.10%	40,975	
2009	19,970,000.00	1,450,646.89	2,000,000.00	-	23,636,188.00	0.11%	39,331	
2010	18,215,000.00	838,752.00	2,000,000.00	-	23,420,646.89	0.11%	40,291	
2011	20,099,000.00	232,661.77	-	-	20,331,661.77	0.20%	40,611	
2012	17,994,000.00	-	-	-	17,994,000.00	0.22%	40,291	
2013	15,764,000.00	418,623.86	-	-	16,182,623.86	0.25%	40,724	
2014	13,484,000.00	2,230,648.00	-	-	15,714,648.00	0.27%	43,200	
2015	11,144,000.00	2,937,529.15	-	-	14,081,529.15	0.31%	43,214	
2016	8,559,000.00	2,405,098.89	-	-	10,964,098.89	0.40%	44,381	
2017	6,059,000.00	3,939,022.00	400,000.00	-	10,398,022.00	0.44%	46,109	

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Ratios of Net General Bonded Debt Outstanding,**  
**Last Ten Fiscal Years**

**Exhibit J-11**

Fiscal Year Ended June 30,	Governmental Activities		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita Personal Income
	General Obligation Bonds	Deductions			
2008	21,700,000.00	-	21,700,000.00	0.51%	40,975
2009	19,970,000.00	-	19,970,000.00	0.46%	39,331
2010	18,215,000.00	-	18,215,000.00	0.42%	40,291
2011	20,099,000.00	-	20,099,000.00	0.46%	40,611
2012	17,994,000.00	-	17,994,000.00	0.41%	40,291
2013	15,764,000.00	-	15,764,000.00	0.44%	40,724
2014	13,484,000.00	-	13,484,000.00	0.37%	43,200
2015	11,144,000.00	-	11,144,000.00	0.29%	43,214
2016	8,559,000.00	-	8,559,000.00	0.22%	44,381
2017	6,059,000.00	-	6,059,000.00	0.16%	46,109

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

**Exhibit J-12**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid with Property Taxes</b>			
Local Municipality	\$ 62,836,978.21	100.00%	\$ 62,836,978.21
<b>Other Debt</b>			
Southern Regional School District	-	20.66%	-
County of Ocean	457,267,841.19	4.31%	19,728,794.38
Subtotal, Overlapping Debt			<u>82,565,772.59</u>
<b>Stafford Township School District Direct Debt</b>	6,059,000.00	100.00%	<u>6,059,000.00</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 88,624,772.59</u></u>

Sources: Annual Debt Statement

STAFFORD TOWNSHIP SCHOOL DISTRICT  
 Legal Debt Margin Information,  
 Last Ten Fiscal Years

Exhibit J-13

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 116,865,506.37	\$ 124,719,780.33	\$ 126,240,053.00	\$ 124,497,427.00	\$ 119,983,827.00	\$ 73,146,288.00	\$ 106,333,249.00	\$ 101,047,236.00	\$ 99,652,558.08	\$ 101,261,459.45
Total net debt applicable to limit	22,105,000.00	18,745,000.00	19,970,000.00	21,324,000.00	19,539,000.00	17,419,000.00	15,174,000.00	11,144,000.00	11,144,000.00	6,059,000.00
Legal debt margin	\$ 79,592,467.00	\$ 94,760,506.37	\$ 105,974,780.33	\$ 103,173,427.00	\$ 100,444,827.00	\$ 55,727,288.00	\$ 91,159,249.00	\$ 89,903,236.00	\$ 88,508,558.08	\$ 95,202,459.45
Total net debt applicable to the limit as a percentage of debt limit	18.91%	15.03%	18.91%	17.13%	16.28%	23.81%	14.27%	11.03%	11.18%	5.98%

	2016	2015	2014
Equalized valuation basis	\$ 4,175,503,367.00	4,052,236,289.00	3,923,635,478.00
Average equalized valuation of taxable property	\$ 4,050,458,378.00		
Debt limit (2.5% of average)	101,261,459.45		
Net bonded school debt	6,059,000.00		
Legal debt margin	\$ 95,202,459.45		

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Demographic and Economic Statistics,**  
**Last Ten Fiscal Years**

**Exhibit J-14**

<u>Fiscal Year Ended June 30,</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2008	26,491	1,085,468.73	40,975	5.30%
2009	26,818	1,054,778.76	39,331	8.80%
2010	26,584	1,071,095.94	40,291	9.50%
2011	26,665	1,082,892.32	40,611	9.40%
2012	26,945	1,085,641.00	40,291	9.50%
2013	26,941	1,097,145.28	40,724	7.70%
2014	26,941	1,163,851.20	43,200	8.10%
2015	26,809	1,158,524.13	43,214	5.10%
2016	26,959	1,196,467.38	44,381	5.90%
2017	27,153	1,251,997.68	46,109	5.30%

Source : New Jersey Department of Labor



**STAFFORD TOWNSHIP SCHOOL DISTRICT  
Principal Employers,  
Current Year and Nine Years Ago**

**Exhibit J-15**

Employer	2017			2008		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Totals	-		Not Available	-		Not Available

**DATA NOT AVAILABLE**

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Full-Time Equivalent District Employees by Function/Program,**  
**Last Ten Fiscal Years**

Exhibit J-16

<u>Function/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Instruction:										
Regular instruction	152	171	173	167	170	182	176	161	156	153
Special education instruction	54	36	35	34	33	36	69	41	68	74
Support Services:										
Student & instruction related services	132	84	84	87	76	112	65	125	89	93
General administrative services	5	2	2	2	2	2	5	8	7	6
School administrative services	40	36	39	39	39	38	33	28	14	16
Business administrative services	17	10	10	10	11	9	6	9	7	7
Plant operations and maintenance / Security	27	18	15	17	22	23	20	24	31	36
Pupil transportation	34	27	26	26	24	23	39	39	43	43
<b>Total</b>	<b>448</b>	<b>461</b>	<b>384</b>	<b>382</b>	<b>377</b>	<b>425</b>	<b>413</b>	<b>435</b>	<b>415</b>	<b>428</b>

Source: District Personnel Records

STAFFORD TOWNSHIP SCHOOL DISTRICT  
 Operating Statistics,  
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADE)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2008	2,481	34,738,726.00	14,002	#REF!	222	1:14	1:14	2,481	2,366	-1.16%	95.36%	
2009	2,508	35,001,087.00	13,956	-0.33%	207	1:12	1:12	2,493	2,375	0.48%	95.27%	
2010	2,471	36,123,426.00	14,619	4.75%	210	1:12	1:12	2,446	2,326	-1.89%	95.09%	
2011	2,389	34,608,110.00	14,486	-0.91%	201	1:12	1:12	2,378	2,257	-2.78%	94.91%	
2012	2,323	34,635,688.00	14,910	2.92%	203	1:11	1:11	2,310	2,202	-2.86%	95.32%	
2013	2,189	37,378,744.00	17,076	14.53%	203	1:11	1:11	2,058	1,961	-10.91%	95.29%	
2014	2,271	36,260,725.00	15,967	-6.49%	203	1:12	1:11	2,271	2,157	10.37%	94.96%	
2015	2,203	34,219,436.00	15,533	-2.72%	202	1:11	1:10	2,203	2,086	-3.01%	94.69%	
2016	2,190	39,477,803.54	18,026	16.05%	204	1:10	1:11	2,188	2,071	-0.68%	94.65%	
2017	2,176	(43,980,767.12)	(20,212)	-212.12%	212	1:10	1:12	2,174	2,051	-0.64%	94.34%	

Source: District records

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**School Building Information,**  
**Last Ten Fiscal Years**

Exhibit J-18

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>District Buildings</b>										
<b>Elementary</b>										
Oxyocous School										
Square Feet	56,528	56,528	56,528	56,528	56,528	56,528	56,528	56,528	56,528	56,528
Capacity (students)	307	307	307	307	307	307	307	307	307	307
Enrollment	233	222	219	122	121	111	182	163	168	167
Ocean Acres School										
Square Feet	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Capacity (students)	744	744	744	744	744	744	744	744	744	744
Enrollment	522	529	516	605	606	602	581	530	523	532
McKinley School										
Square Feet	132,500	132,500	132,500	132,500	132,500	132,500	132,500	132,500	132,500	132,500
Capacity (students)	726	726	726	726	726	726	726	726	726	726
Enrollment	703	719	724	643	593	651	625	589	586	567
RLM - PLC										
Square Feet	49,262	49,262	49,262	49,262	49,262	49,262	49,262	49,262	49,362	49,362
Capacity (students)	339	339	339	339	339	339	339	339	339	339
Enrollment	289	298	313	295	266	300	248	276	270	278
<b>Middle School</b>										
Intermediate School										
Square Feet	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Capacity (students)	734	734	734	734	734	734	734	734	734	734
Enrollment	734	746	699	721	737	702	635	645	643	632
<b>Other</b>										
Administration										
Square Feet	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Curriculum Center										
Square Feet	2,476	2,476	2,476	2,476	2,476	2,476	2,476	2,476	2,476	(A)
Transportation										
Square Feet	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500

Number of Schools at June 30, 2017

Elementary - 4

Middle - 1

Other - 2

(A) Building disposed of 7/1/16 - sold to Township of Stafford

Source: District Records, ASSA

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Schedule of Required Maintenance for School Facilities,**  
**Last Ten Fiscal Years**  
*(Unaudited)*

**Undistributed Expenditures - Required Maintenance for School Facilities**

School Facilities	Project # (s)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Ocean Acres Elementary	N/A	\$ 25,462.00	\$ 29,961.00	\$ 27,666.00	\$ 52,860.00	\$ 31,730.00	\$ 55,292.28	\$ 71,469.59	\$ 105,360.72	\$ 68,786.84	\$ 51,209.52
Oxycoccus Elementary	N/A	14,618.00	16,568.00	17,423.00	32,701.00	17,423.00	65,107.08	60,451.70	89,118.12	58,182.53	43,314.96
McKinley Elementary	N/A	35,992.00	39,558.00	38,797.00	102,504.00	63,897.00	94,090.72	140,697.23	207,416.35	135,415.88	100,812.63
Stafford Intermediate	N/A	26,481.00	25,961.00	26,531.00	50,703.00	29,717.00	64,454.70	65,833.58	97,052.10	63,362.39	47,171.20
Ronald L. Meinders PLC	N/A	12,090.00	14,583.00	14,090.00	27,737.00	14,090.00	62,446.63	26,276.64	38,737.11	25,290.29	18,827.78
<b>Total School Facilities</b>		<b>114,643.00</b>	<b>126,631.00</b>	<b>124,507.00</b>	<b>266,505.00</b>	<b>156,857.00</b>	<b>341,391.42</b>	<b>364,728.75</b>	<b>537,684.41</b>	<b>351,037.94</b>	<b>261,336.10</b>
Other Facilities		2,326.00	2,394.00	3,072.00	6,573.00	178,965.00	5,594.95	1,917.90	2,827.37	1,845.90	1,374.21
<b>Grand Total</b>		<b>\$ 1,16,969.00</b>	<b>\$ 129,025.00</b>	<b>\$ 127,579.00</b>	<b>\$ 273,078.00</b>	<b>\$ 335,822.00</b>	<b>\$ 346,986.37</b>	<b>\$ 366,646.65</b>	<b>\$ 540,511.78</b>	<b>\$ 352,883.84</b>	<b>\$ 262,710.31</b>

Source: District Records

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**Insurance Schedule**  
**For the Fiscal Year ended June 30, 2017**  
*(Unaudited)*

**Exhibit J-20**

Company	Type of Coverage	Amount of Coverage	Deductible
<b>School Package Policy</b>			
	Property	\$ 250,000,000.00	\$ 1,000.00
	Boiler & Machinery limits	100,000,000.00	1,000.00
	Perils Included (Flood/Earthquake)		
	Comprehensive Automotive Liability	15,000,000.00	-
	FDLL	2,500,000.00	-
	Medical Pay	5,000.00	-
	Environmental	1,000,000.00	100,000.00
	Blanket Dishonesty Bond	25,000.00	
	Workers Compensation		
	Employers Liability per occurrence	5,000,000.00	
	School Board Legal Liability	15,000,000.00	Per Coverage Charts
	Defense Cost (Outside Limit)	1,000,000.00	Per Coverage Charts

# **Single Audit Section**







# FORD - SCOTT

& ASSOCIATES, L.L.C.

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## **Independent Auditor's Report**

The Honorable President and  
Members of the Board of Education  
Stafford Township School District  
County of Ocean, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School 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 Stafford Township School District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Stafford Township School District's basic financial statements, and have issued our report thereon dated September 15, 2017.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Stafford Township School District's 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 Stafford Township School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Stafford 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Ford, Scott & Associates, L.L.C.*  
FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Michael S. Garcia*

Michael S. Garcia  
Certified Public Accountant  
Licensed Public School Accountant  
No. 2080

September 15, 2017



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## **Independent Auditor's Report**

Honorable President and  
Members of the Board of Education  
Stafford Township School District  
County of Ocean, New Jersey

### **Report on Compliance for Each Major Federal & State Program**

We have audited the Stafford Township School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Stafford Township School District's major federal and state programs for the year ended June 30, 2017. The Stafford Township School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Stafford Township 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; OMB Uniform Guidance and NJ OMB 15-08. Those standards and the Uniform Guidance 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 Stafford Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Stafford Township School District's compliance.

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

In our opinion, the Stafford Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs as identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned costs for the year ended June 30, 2017.

## Report on Internal Control Over Compliance

Management of the Stafford Township School District's 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 Stafford Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and 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 and state program and to test and report on internal control over compliance in accordance with Uniform Guidance and NJ OMB 15-08, 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 Stafford Township 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 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 NJ OMB 15-08. Accordingly, this report is not suitable for any other purpose.

*Ford, Scott & Associates, L.L.C.*  
FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Michael S. Garcia*

Michael S. Garcia  
Certified Public Accountant  
Licensed Public School Accountant  
No. 2080

September 15, 2017

STATE OF TEXAS  
SCHEDULE OF BUDGETARY EXPENDITURES  
For the Fiscal Year ended June 30, 2017

Federal Grant/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAN Number	Grant or Project Number	Grant Period From To	Percent of Award Amount	Account Receivable	Deferred Revenue	Due to Grantor	Contract/ Warranty Amount	Cash Received	Budgetary Expenditures		Resayment Years' Balances	(Accounts Receivable) at June 30, 2017	Deferred Revenue at June 30, 2017	Due to Grantor at June 30, 2017		
											Pass Through	Total						
<b>U.S. Department of Education</b>																		
<b>Passed-through State Department of Health and Human Services</b>																		
<b>Medical Assistance Program (SEM)</b>																		
83.778	1709JMBAP	N/A	N/A	7/1/2016	6/30/2017	\$ 116,517.45	-	-	-	116,517.45	(116,517.45)	-	-	-	-	-		
83.778	1709JMBAP	N/A	N/A	4/1/2009	12/31/2009	8,165.76	-	-	-	8,165.76	(8,165.76)	-	-	-	-	-		
Total General Fund																		
<b>U.S. Department of Education</b>																		
<b>Passed-through State Department of Education</b>																		
<b>Special Revenue Funds:</b>																		
84.010A	S010A160030	NGLB 17	NGLB 17	7/1/2016	6/30/2017	25,403.00	-	-	-	198,307.00	(254,013.00)	-	(55,706.00)	-	-	-		
84.010A	S010A160030	NGLB 16	NGLB 16	7/1/2015	6/30/2016	21,891.00	(42,176.00)	-	-	42,176.00	-	-	-	-	-	-		
84.027	H027A160100	FT 17	FT 17	7/1/2016	6/30/2017	548,501.83	-	-	-	444,012.83	(529,471.88)	-	(104,459.00)	19,029.95	-	-		
84.027	H027A160100	FT 16	FT 16	7/1/2015	6/30/2016	577,132.55	(89,942.00)	5,811.83	-	75,130.17	-	-	-	-	-	-		
84.173	H173A160114	PT 17	PT 17	7/1/2016	6/30/2017	40,797.00	-	-	-	26,605.00	(39,724.00)	-	(14,292.00)	1,063.00	-	-		
84.173	H173A160114	PT 16	PT 16	7/1/2015	6/30/2016	39,991.00	(13,775.00)	919.00	-	858.00	-	-	-	-	-	-		
84.367A	S367A160029	NGLB 17	NGLB 17	7/1/2016	6/30/2017	72,514.00	-	-	-	47,120.00	(72,101.01)	-	(25,994.00)	412.99	-	-		
84.367A	S367A160029	NGLB 16	NGLB 16	7/1/2015	6/30/2016	76,475.00	(103,100.00)	-	-	10,310.00	-	-	-	-	-	-		
84.412	B413A120008	N/A	N/A	7/1/2015	6/30/2016	-	-	-	-	11.00	-	-	-	-	-	11.00		
Total Special Revenue Fund																		
<b>U.S. Department of Education</b>																		
<b>Passed-through State Department of Education:</b>																		
<b>Enterprise Fund:</b>																		
10.555	171N030N1099	N/A	N/A	7/1/2016	6/30/2017	26,479.78	-	-	-	251,297.38	(284,796.78)	-	(15,499.40)	-	-	-		
10.555	16161N030N1099	N/A	N/A	7/1/2015	6/30/2016	25,154.83	(19,173.88)	-	-	19,375.88	-	-	-	-	-	-		
10.553	171N030N1099	N/A	N/A	7/1/2016	6/30/2017	73,006.67	-	-	-	69,128.85	(73,006.67)	-	(3,877.82)	-	-	-		
10.553	16161N030N1099	N/A	N/A	7/1/2015	6/30/2016	71,795.88	(5,296.13)	-	-	5,296.13	-	-	-	-	-	-		
10.565	17167K37790005	N/A	N/A	7/1/2016	6/30/2017	59,597.62	-	-	-	57,813.27	(56,498.66)	-	-	1,316.63	-	-		
10.565	16167K37790005	N/A	N/A	7/1/2015	6/30/2016	57,257.41	-	-	-	3,070.98	(3,070.98)	-	-	-	-	-		
Total Enterprise Fund																		
<b>U.S. Department of Education</b>																		
<b>Total Federal Financial Awards</b>																		
											\$	(1,417,214.19)	\$	(2,622.57)	\$	11.00		
											\$	(1,417,214.19)	\$	(2,622.57)	\$	11.00	\$	11.00

The accompanying notes to the Schedules of State Awards and Financial Assistance are an integral part of this statement.

STAFFORD TOWNSHIP SCHOOL DISTRICT  
 Schedule of Financial Assistance  
 For the Fiscal Year ended June 30, 2017

State Sponsor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2016			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments / Reapportionment of Prior Years' Balances	Balance at June 30, 2017		MEMO
			From	To	(Accounts Receivable)	Deferred Revenue	Due to Grantor					Deferred Revenue	Budgetary Receivable	
<b>State Department of Education</b>														
<b>General Fund:</b>														
Equalization Aid	17-495-034-5120-076	\$ 7,039,555.00	7/1/2016	6/30/2017	-	-	-	6,241,564.00	(7,039,555.00)	-	-	-	(897,991.00)	7,039,555.00
School Choice Aid	17-495-034-5120-068	281,706.00	7/1/2016	6/30/2017	-	-	-	253,530.00	(281,706.00)	-	-	-	(28,176.00)	281,706.00
Categorical Special Education Aid	17-495-034-5120-069	1,288,981.00	7/1/2016	6/30/2017	-	-	-	1,163,368.00	(1,288,981.00)	-	-	-	(125,613.00)	1,288,981.00
Categorical Special Education Aid	17-495-034-5120-064	238,635.00	7/1/2016	6/30/2017	-	-	-	214,768.00	(238,635.00)	-	-	-	(23,867.00)	238,635.00
PARCC Readiness	17-495-034-5120-088	20,730.00	7/1/2016	6/30/2017	-	-	-	18,657.00	(20,730.00)	-	-	-	(2,073.00)	20,730.00
Per Pupil Growth Aid	17-495-034-5120-087	20,730.00	7/1/2016	6/30/2017	-	-	-	18,657.00	(20,730.00)	-	-	-	(2,073.00)	20,730.00
Professional Learning Community Aid	17-495-034-5120-101	20,250.00	7/1/2016	6/30/2017	-	-	-	18,216.00	(20,250.00)	-	-	-	(2,034.00)	20,250.00
Additional Adjustment Aid	17-495-034-5120-085	19,428.00	7/1/2016	6/30/2017	-	-	-	17,478.00	(19,428.00)	-	-	-	(1,950.00)	19,428.00
Subtotal State Aid - Public														
Transportation Aid	17-495-034-5120-014	533,435.00	7/1/2016	6/30/2017	-	-	-	480,078.00	(533,435.00)	-	-	-	(53,357.00)	533,435.00
Non Public Transportation Aid	16-495-034-506-8001	13,426.00	7/1/2015	6/30/2016	-	-	-	13,426.00	-	-	-	-	(13,426.00)	13,426.00
Non Public Transportation Aid	17-495-034-506-8001	13,426.00	7/1/2016	6/30/2017	-	-	-	-	(13,426.00)	-	-	-	-	13,426.00
Extraordinary Aid	16-495-034-5120-044	282,716.00	7/1/2015	6/30/2016	-	-	-	185,929.00	-	-	-	-	(247,607.00)	282,716.00
Extraordinary Aid	17-495-034-5120-044	225,000.00	7/1/2016	6/30/2017	-	-	-	-	(247,607.00)	-	-	-	225,000.00	
Reimbursed TPAE Social Security Contributions	16-495-034-5095-002	1,014,412.84	7/1/2015	6/30/2016	-	-	-	50,147.94	-	-	-	-	(4,281.50)	1,014,412.84
Reimbursed TPAE Social Security Contributions	17-495-034-5095-002	994,197.69	7/1/2016	6/30/2017	-	-	-	989,916.19	(994,197.69)	-	-	-	(4,281.50)	994,197.69
<b>Total General Fund</b>					(249,032.94)	-	-	9,765,725.13	(10,719,520.69)	-	-	-	(1,202,296.56)	12,006,465.53
<b>Special Revenue Fund:</b>														
N.J. Nonpublic Aid:														
Technology Aid	16-100-034-5120-373	6,292.00	7/1/2015	6/30/2016	-	-	-	6,240.00	(6,237.90)	(10.84)	-	2.10	-	6,237.90
Technology Aid	17-100-034-5120-373	6,240.00	7/1/2016	6/30/2017	-	-	-	-	-	-	-	-	-	-
Nursing	17-100-034-5120-070	21,600.00	7/1/2016	6/30/2017	-	-	-	21,600.00	(20,458.61)	-	-	1,141.39	-	20,458.61
Textbook Aid	16-100-034-5120-064	13,818.00	7/1/2015	6/30/2016	-	-	-	13,834.00	-	4.70	-	4.70	-	13,818.30
Textbook Aid	17-100-034-5120-064	13,834.00	7/1/2016	6/30/2017	-	-	-	-	(13,795.45)	-	-	38.55	-	13,834.00
Security Aid	17-100-034-5120-509	14,600.00	7/1/2016	6/30/2017	-	-	-	14,600.00	(13,489.45)	-	-	1,110.55	-	13,489.45
Auxiliary Services:														
Compensatory Education	15-100-034-5120-068	85,101.00	7/1/2014	6/30/2015	-	-	-	-	-	(4,041.05)	-	-	-	85,101.00
Compensatory Education	16-100-034-5120-068	48,224.00	7/1/2015	6/30/2016	-	-	-	16,075.00	-	(16,075.00)	-	-	-	48,224.00
Compensatory Education	17-100-034-5120-068	51,566.00	7/1/2016	6/30/2017	-	-	-	51,966.00	(29,561.17)	(0.11)	-	22,394.72	-	29,561.17
Handicapped Services:														
Supplemental Instruction	16-100-034-5120-066	28,860.00	7/1/2015	6/30/2016	-	-	-	25,895.00	-	(10,396.00)	-	-	-	18,564.00
Supplemental Instruction	17-100-034-5120-066	25,895.00	7/1/2016	6/30/2017	-	-	-	-	(24,325.61)	-	-	1,569.39	-	24,325.61
Examination & Classification	16-100-034-5120-066	37,496.00	7/1/2015	6/30/2016	-	-	-	35,121.00	-	(5,977.00)	-	-	-	31,519.00
Examination & Classification	17-100-034-5120-066	35,121.00	7/1/2016	6/30/2017	-	-	-	-	(32,233.00)	-	-	2,888.00	-	32,233.00
Corrective Speech	16-100-034-5120-067	27,890.00	7/1/2015	6/30/2016	-	-	-	23,865.00	-	(3,344.00)	-	-	-	24,246.00
Corrective Speech	17-100-034-5120-067	23,865.00	7/1/2016	6/30/2017	-	-	-	201,860.00	(17,670.37)	-	-	6,184.63	-	17,670.37
Preschool Educational Aid	17-495-034-5120-086	224,400.00	7/1/2016	6/30/2017	-	-	-	395,081.00	(224,400.00)	-	-	22,440.00	(22,440.00)	224,400.00
<b>Total Special Revenue Fund</b>					-	-	38,846.59	(382,171.96)	(38,844.00)	-	-	35,334.03	(22,440.00)	603,677.41
<b>Capital Projects Fund:</b>														
School Development Authority	600-20-14-02KX	78,973.00	Open	Open	-	-	-	41,353.44	-	-	-	-	(37,619.56)	-
Window Replacement - Owyocous ROD	5020-060-14-02LA	115,084.00	Open	Open	-	-	-	115,084.00	-	-	-	-	-	-
Window Replacement - Mankley ROD					-	-	-	-	-	-	-	-	-	-
<b>Total Capital Projects Fund</b>					-	-	-	156,387.44	(79,973.00)	-	-	-	(37,619.56)	-
<b>Debt Service Fund:</b>														
Debt Service Aid	17-495-034-5120-017	386,583.00	7/1/2016	6/30/2017	-	-	-	386,583.00	(386,583.00)	-	-	-	-	386,583.00
<b>Total Debt Service Fund</b>					-	-	-	386,583.00	(386,583.00)	-	-	-	-	386,583.00
<b>State Department of Agriculture:</b>														
<b>Enterprise Fund:</b>														
National School Lunch Program (State Share)	16-100-010-3350-023	6,528.00	7/1/2015	6/30/2016	-	-	-	523.99	-	-	-	-	-	6,528.00
National School Lunch Program (State Share)	17-100-010-3350-023	7,127.15	7/1/2016	6/30/2017	-	-	-	6,760.20	(7,127.15)	-	-	-	(366.95)	7,127.15
<b>Total Enterprise Fund</b>					-	-	-	7,284.19	(7,127.15)	-	-	-	(366.95)	14,056.15
<b>Total State Financial Assistance</b>					\$		10,711,040.76	(11,573,375.40)	(38,844.00)	-	-	35,334.03	(1,262,726.01)	13,010,784.09

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2017**

**NOTE 1 GENERAL**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Township of Stafford School District. The Board of Education is defined in Note 1 (A) to the Board's basic financial statements. All federal assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal financial assistance.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting and those in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's basic financial statements. The information included in this schedule is presented in accordance with the requirements of OMB Uniform Guidance and NJ OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10% de minimis indirect cost rate.

**NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$646.00), for the general fund and \$4,705.41 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>TPAF Pension</u>	<u>Total</u>
General Fund	\$ 124,683.21	\$ 13,525,811.69	\$ (2,807,937.00)	\$ 10,842,557.90
Special Revenue Fund	895,319.89	382,171.56		1,277,491.45
Capital Projects Fund		78,973.00		78,973.00
Debt Service Fund		386,583.00		386,583.00
Food Service Fund	400,442.07	7,127.15		407,569.22
	<u>\$ 1,420,445.17</u>	<u>\$ 14,380,666.40</u>	<u>\$ (2,807,937.00)</u>	<u>\$ 12,993,174.57</u>

The On-Behalf Pension Contributions made for the district by the State of New Jersey are recognized as revenue in the basic financial statements, but are not considered in the major program determination.

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2017**  
**(CONTINUED)**

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5 OTHER**

Revenues and expenditures reported under the U.S.D.A. Commodities Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2017. 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 year ended June 30, 2017.

**NOTE 6 ADJUSTMENTS**

The District has instances where a grant period overlaps fiscal years and the grant has not closed out at the end of the current fiscal year.



**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDING JUNE 30, 2017**

**I. SUMMARY OF AUDITORS RESULTS**

**Financial Statements**

Type of auditor's report issued: Unmodified Opinion issued on the Basic Financial Statements

Internal control over financial reporting:

1) Material weakness identified? None noted

2) Significant deficiencies identified? None noted

Noncompliance material to the Basic Financial Statements noted? None noted

**Federal Awards**

Internal control over major programs:

1) Material weakness identified? None noted

2) Significant deficiencies identified? None noted

Type of auditor's report issued on compliance for major programs: An Unmodified Opinion was issued on compliance for major programs

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? None noted

Identification of major programs:

<b><u>CFDA Numbers</u></b>	<b><u>FAIN#</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
		<b><u>Special Education Cluster of Programs</u></b>
84.027	H027A150100	Special Education Grants to States
84.173	H173A150114	Special Education Preschool Grants
93.778	1705NJ5MAP	Medical Assistance Program

Dollar threshold used to distinguish between type A and type B programs: \$750,000.00

Auditee qualified as low-risk auditee? Yes

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDING JUNE 30, 2017**  
**(CONTINUED)**

**I. SUMMARY OF AUDITORS RESULTS - Continued**

**State Awards**

Dollar threshold used to distinguish between type A and Type B Programs:	\$750,000.00
Auditee qualified as low-risk auditee?	Yes
Type of auditor's report issued on compliance for major programs:	An Unmodified Opinion was issued on compliance for major programs
Internal Control over major programs:	
1) Material weakness identified?	None noted
2) Significant deficiencies identified?	None noted
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08?	No

Identification of major programs:

<b><u>GMIS Numbers</u></b>	<b><u>Name of State Program</u></b>
<b><u>State Aid Public Cluster of Programs</u></b>	
495-034-5120-068	School Choice Aid
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-085	Adjustment Aid
495-034-5120-084	Security Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness
495-034-5120-101	Professional Learning Community Aid
495-034-5095-002	Reimbursed TPAF Social Security Contributions

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDING JUNE 30, 2017**  
**(CONTINUED)**

**II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS**

In accordance with Government Auditing Standards, our audit disclosed no findings relating to the financial statements that are required to be reported under this section.

**III. FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

Federal:

Our audit disclosed no material Findings or Questioned Costs.

State:

Our audit disclosed no material Findings or Questioned Costs.

**STATUS OF PRIOR YEAR FINDINGS**

There were no prior year findings.

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