

TOWNSHIP OF DEPTFORD

SCHOOL DISTRICT

DEPTFORD, NEW JERSEY

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
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FINANCIAL SECTION



DEPTFORD TOWNSHIP BOARD OF EDUCATION

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Kevin M. Kanauss
Chief Academic Officer

Arthur E. Dietz
Superintendent

Todd D. Reitzel, MBA
Business Administrator
Board Secretary

December 20, 2019

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

Dear Board Members:

The comprehensive annual financial report of the Deptford Township School District for the fiscal year ended June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the School District, generally presented on a multi-year basis;
- The Single Audit Section – The District is required to undergo an annual single audit in conformity with the provisions of the Uniform Guidance and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the independent auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Deptford Township School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board Statement No. 14. All funds of the District are included in this report. The Deptford Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational as well as special education for students with disabilities.

2. ECONOMIC CONDITION AND OUTLOOK: The Deptford area is served by major transportation routes including 1-295, NJ Turnpike, Route 42, and Route 55. The high level of developer interest in Deptford is due in large measure to its access to these highways. The Deptford Mall and shopping centers, restaurants and theaters surrounding the Mall are a focal point of attraction and serve a wide area of South Jersey and even South Philadelphia. Since a November 1987 study, conducted by the Delaware Valley Planning Commission, projected a population increase, Deptford has seen several housing developments constructed as well as several large businesses building in the area. It is expected that expansion will continue and the area will continue to prosper.

3. MAJOR INITIATIVES: Students in the Deptford Township School District receive a comprehensive educational program. The District's 2018-2019 major initiatives are listed below:

Elementary:

- The continued implementation of kindergarten through sixth grade inquiry-based Science program through the NJ Model Science Curriculum.
- The continued implementation of a comprehensive core English Language Arts program in grades K-6, which was reused to incorporate New Jersey Student Learning Standards and NJSLA.
- The continued use of the LinkIt Benchmark Assessment and data warehousing program in grades K-6.
- The continued implementation of a Kindergarten program which is developmentally appropriate and based on State kindergarten regulations.
- The implementation of an ongoing diagnostic reading assessment (Leveled Literacy Intervention) in grades K-5.
- The continued implementation of a research based comprehensive Pre- K program endorsed the New Jersey Office of Early Childhood Education.

Middle School:

- The continued implementation of a comprehensive core English Language Arts program in grades 7 and 8, which was reused to incorporate New Jersey Student Learning Standards and NJSLA.
- The continued implementation of an inquiry based science program in grades 7 and 8.
- The continued implementation of a research-based social studies program in grades 7-8.
- Implementation of computer coding and skills courses in state-of-the-art computer labs.
- The continued use of LinkIt Benchmark Assessment and data warehousing program in grades 7-8.
- The continuation of advanced track courses in all content areas.

High School:

- The continued implementation of a comprehensive core English Language Arts program in all language arts literacy courses, which was reused to incorporate New Jersey Student Learning Standards and NJSLA.
- Continued implementation of a discovery-based math and science programs.
- The continued use of LinkIt Benchmark Assessment and data warehousing program in grades 9-12.
- The expansion of Modeling Sciences, Biomedical Sciences, Engineering, Computer Science and Business courses.

4. INTERNAL ACCOUNTING CONTROLS: The District is responsible for establishing and maintaining an internal control designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control is also subject to periodic evaluation by the District's management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year end are either canceled or included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assignments of fund balance at June 30, 2019.

6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statement", Note 1.

7. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in New Jersey statute 18A:20-37. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from

loss under the provisions of the Governmental Unit Deposit Protection Act. ("GUDPA") GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. RISK MANAGEMENT: The Board of Education is a member of the Gloucester/Cumberland/Salem School Districts Joint Insurance Fund (GCSSDJIF). This Fund was formed under the provisions of NJSA 18A:18B 1-10.

The GCSSDJIF provides members with a long-term alternative to the conventional insurance marketplace and is a means of stabilizing the otherwise cyclical nature of insurance expenditures. The fund provides the following coverage:

1. Property, including buildings, contents, inland marine, crime, boiler and machinery and auto physical damage.
2. General Liability, including school board legal liability.
3. Automobile Liability.
4. Workers' Compensation.

The Fund provides coverage to its members either directly or through the commercial insurance market, through one or more of the following vehicles: excess insurance, reinsurance or an excess property and casualty joint insurance fund.

9. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The certified public accounting firm of Bowman & Company LLP, was selected by the Board of Education. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Uniform Guidance and state Treasury Circular Letter 15-08 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors reports related specifically to the single audit are included in the single audit section of this report

10. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Deptford Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,


Arthur Dietz
Superintendent


Todd D. Reitzel, MBA
School Business Administrator /
Board Secretary

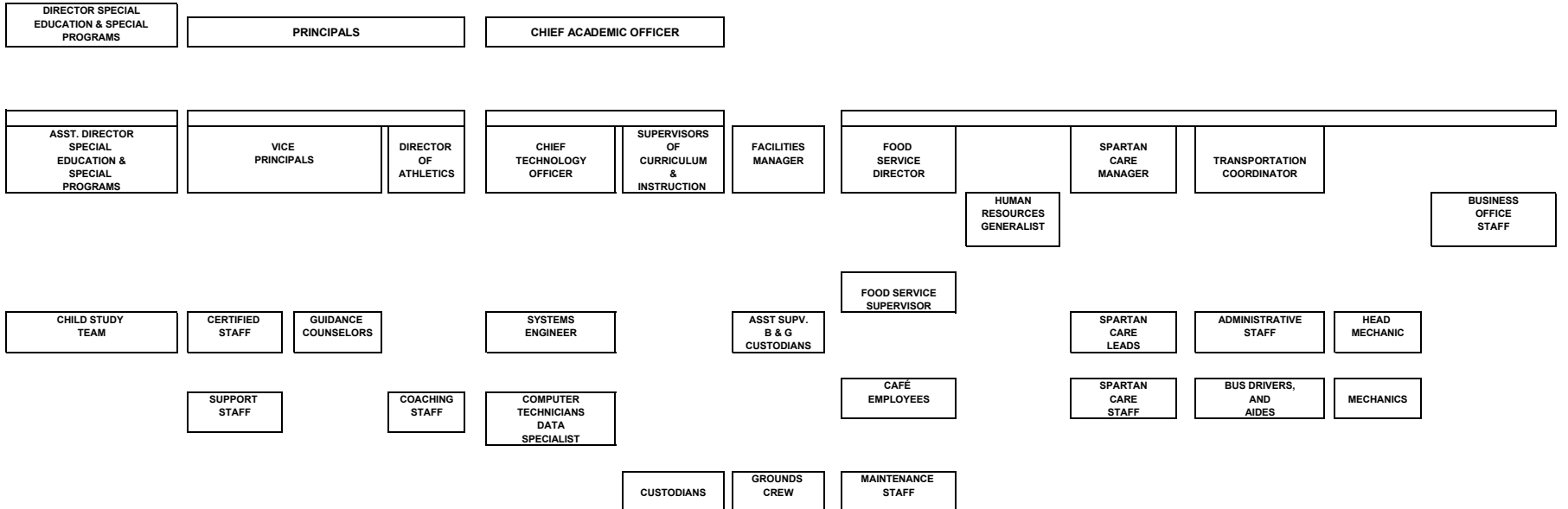
DEPTFORD TOWNSHIP BOARD OF EDUCATION ORGANIZATIONAL CHART

BOARD OF EDUCATION

*Solicitor
*Auditor
*Architect
*Board Secretary

SUPERINTENDENT

BUSINESS ADMINISTRATOR



DEPTFORD TOWNSHIP BOARD OF EDUCATION

DEPTFORD TOWNSHIP, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2019

Members of the Board of Education

Term Expires

Mark Getsinger	2019
Stacy Gray	2019
Ed Kalinowski	2019
Susan Kryszczak (President)	2021
James McDevitt, III (Vice President)	2021
Joe McKenna	2020
Laura Newcomb	2021
Linda Rosser	2020
Frank Scambia	2020

Other Officials

Mr. Arthur Dietz, Superintendent

Chief Academic Officer, Kevin Kanauss

Todd Reitzel, School Business Administrator/Board Secretary

DEPTFORD TOWNSHIP BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

ARCHITECT

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AUDIT FIRM

Bowman & Company, LLP
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OFFICIAL DEPOSITORY

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1460 Clements Bridge Road
Deptford, NJ 08096

INTRODUCTORY SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Deptford School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

27200

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Deptford School District, in the County of Gloucester, State of New Jersey, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Deptford School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

27200

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2019 on our consideration of the Township of Deptford School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Township of Deptford School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Deptford School District's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman + Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Glen J. Walton

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

Voorhees, New Jersey
December 20, 2019

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the 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 Township of Deptford School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 20, 2019.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Deptford School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the 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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



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

Voorhees, New Jersey
December 20, 2019

REQUIRED SUPPLEMENTARY INFORMATION
PART I

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)

The management's discussion and analysis of the Township of Deptford School District (School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2019 and 2018. The intent of the discussion and analysis is to look at the School District's financial performance and review the notes to the basic financial statements to enhance the understanding of the School District's financial performance. It is recommended that the discussion and analysis be read in conjunction with a transmittal letter at the front of this financial report.

FINANCIAL HIGHLIGHTS

Financial Highlights for fiscal year 2019:

- The liabilities and deferred inflows of resources of the Township of Deptford School District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$9,173,227 (net position).
- The School District's total net position increased by \$1,413,865.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$3,771,582, an increase of \$2,272,648 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund had a deficit of \$612,054, which is a decrease of \$58,752 in comparison with the prior year.
- The Township of Deptford School District's total debt decreased by \$1,230,000 as a result of debt payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited) (Cont'd)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)

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

Government-Wide Statements

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

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

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

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

Fund Financial Statements

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

The School District has three kinds of funds:

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1 provides a summary of the School District's net position for fiscal years 2019 and 2018.

TABLE 1				
Net Position				
	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Change</u>	<u>% Change</u>
Assets:				
Current and Other Assets	\$ 4,179,212	\$ 6,350,956	\$ (2,171,744)	-34.20%
Capital Assets	24,188,460	26,298,537	(2,110,077)	-8.02%
Total Assets	<u>28,367,672</u>	<u>32,649,493</u>	<u>(4,281,821)</u>	<u>-13.11%</u>
Deferred Outflows of Resources:				
Related to Pensions	8,497,301	12,236,792	(3,739,491)	100.00%
Liabilities:				
Long-Term Liabilities	32,106,352	40,391,063	(8,284,711)	-20.51%
Other Liabilities	3,393,378	8,115,526	(4,722,148)	-58.19%
Total Liabilities	<u>35,499,730</u>	<u>48,506,589</u>	<u>(13,006,859)</u>	<u>-26.81%</u>
Deferred Inflow of Resources - Related to Pensions	10,538,470	6,966,788	3,571,682	100.00%
Net Position:				
Net Investment in Capital Assets	20,169,620	20,926,583	(756,963)	-3.62%
Restricted	4,235,777	2,267,461	1,968,316	86.81%
Unrestricted (Deficit)	(33,578,624)	(33,781,136)	202,512	-0.60%
Total Net Position (Deficit)	<u>\$ (9,173,227)</u>	<u>\$ (10,587,092)</u>	<u>\$ 1,413,865</u>	<u>-13.35%</u>

Table 2 provides an illustration of the impact of the School District's Net Position for the effect of pension-related items.

TABLE 2				
Statement of Net Position - Effect of Pension Related Items				
	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 8,497,301	\$ 12,236,792	\$ (3,739,491)	100.00%
Less: Net Pension Liability	(28,163,905)	(34,707,789)	6,543,884	-18.85%
Less: Deferred Inflows Related to Pensions	(10,538,470)	(6,966,788)	(3,571,682)	-100.00%
	<u>\$ (30,205,074)</u>	<u>\$ (29,437,785)</u>	<u>\$ (767,289)</u>	<u>2.61%</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited) (Cont'd)

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

Table 3 reflects changes in net position for fiscal years 2019 and 2018.

TABLE 3
Change in Net Position

Revenues:	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 1,485,982	\$ 1,468,415	\$ 17,567	1.20%
Operating Grants and Contributions	18,362,888	21,636,911	(3,274,023)	-15.13%
General Revenues:				
Property Taxes	42,671,667	41,865,515	806,152	1.93%
Grants and Contributions	36,354,510	33,744,191	2,610,319	7.74%
Other	128,338	73,123	55,215	75.51%
Total Revenues	<u>99,003,385</u>	<u>98,788,155</u>	<u>215,230</u>	<u>0.22%</u>
Expenses:				
Instruction:				
Regular	23,134,604	24,602,322	(1,467,718)	-5.97%
Special Education	4,775,863	4,319,698	456,165	10.56%
Other Special Instruction	2,219,589	1,849,868	369,721	19.99%
Student Services:				
Tuition	6,294,288	5,380,139	914,149	16.99%
Student and Instruction Related	7,337,191	9,112,463	(1,775,272)	-19.48%
General Administrative Services	869,150	998,031	(128,881)	-12.91%
School Administrative Services	2,505,491	2,864,260	(358,769)	-12.53%
Central Services	534,454	482,282	52,172	10.82%
Administrative Information Technology	473,243	626,999	(153,756)	-24.52%
Plant Operations and Maintenance	5,817,965	5,563,732	254,233	4.57%
Pupil Transportation	3,641,837	4,211,604	(569,767)	-13.53%
Unallocated Benefits	37,502,533	39,420,160	(1,917,627)	-4.86%
Special Schools	37,743	74,779	(37,036)	-49.53%
Transfer to Charter School	219,283	265,233	(45,950)	-17.32%
Interest on Long-Term Debt	86,051	104,909	(18,858)	-17.98%
Food Service	1,667,155	1,915,691	(248,536)	-12.97%
Childcare Program	473,079	252,751	220,328	100.00%
Total Expenses	<u>97,589,520</u>	<u>102,044,921</u>	<u>(4,455,401)</u>	<u>-4.37%</u>
Increase (Decrease) in Net Position	1,413,865	(3,256,766)	4,670,631	(1.43)
Beginning Net Position (Deficit)	<u>(10,587,092)</u>	<u>(7,330,326)</u>	<u>(3,256,766)</u>	<u>44.43%</u>
Ending Net Position (Deficit)	<u>\$ (9,173,227)</u>	<u>\$ (10,587,092)</u>	<u>\$ 1,413,865</u>	<u>-13.35%</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited) (Cont'd)

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

Governmental Activities

In 2018-2019, Governmental Activities Revenues were \$96,985,528 or 97.96% of total revenues.

In 2017-2018, Governmental Activities Revenues were \$96,605,851 or 98.01% of total revenues.

The \$39,677 increase in Governmental Activities Revenues from 2017-2018 to 2018-2019 was mainly related to the implementation of GASB 75.

In 2018-2019, General Revenues - Property Taxes of \$42,671,667 made up 44.00%, and General Revenues – Grants and Contributions not Restricted to Specific Programs of \$36,354,510 made up 37.48% of Governmental Activities Revenues.

In 2017-2018, General Revenues - Property Taxes of \$41,865,515 made up 43.34%, and General Revenues – Grants and Contributions not Restricted to Specific Programs of \$33,744,191 made up 34.93% of Governmental Activities Revenues.

In 2018-2019, the School District's Governmental Activities expenditures decreased by \$4,427,193 or 4.43% from 2017-2018.

Business-Type Activities

In 2018-2019 Business-Type Activities Revenues were \$2,017,857 or 2.04% of total revenues. In 2017-2018 Business-Type Activities Revenues were \$1,957,096 or 1.99% of total revenues.

Charges for Services for Business-Type Activities were \$1,098,678 in 2018-2019 compared to \$884,399 in 2017-2018, a 24.23% increase.

Operating Grants and Contributions for Business-Type Activities were \$919,179 in 2018-2019 compared to \$1,072,697 in 2017-2018, a 14.31% decrease.

Expenses for Business-Type Activities were \$2,140,234 in 2018-2019 compared to \$2,168,442 in 2017-2018, an 1.30% decrease.

General Fund Budgeting Highlights

The final budgetary basis revenue estimate was \$67,961,151, which was equal to the original budget.

The 2018-2019 General Fund Tax Levy was \$41,327,967, an increase of \$810,352 or 2.00% from the 2017-2018 General Fund Tax Levy of \$40,517,615.

During fiscal year 2019, the School District budgeted \$41,327,967 for property taxes (local tax levy) and \$25,763,472 for state aid revenues.

The School District also received \$2,313,532 and \$7,917,798 reimbursed T.P.A.F. Social Security Aid and On-behalf T.P.A.F. Medical and Pension Contributions, respectively. The Township of Deptford School District's expenditures also include the reimbursed TPAF Social Security Aid and On-behalf T.P.A.F. Pension and Medical Contributions of \$2,313,532 and \$7,917,798 respectively, which contributes to an unfavorable expenditure variance for the fiscal year.

The final budgetary basis expenditure appropriation estimate was \$68,579,844, which was greater than the original budget.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited) (Cont'd)

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

Financial Analysis of the Government's Funds

Governmental Funds - As of the end of the current fiscal year, the School District's governmental funds reported combining ending fund balances of \$3,771,582, a increase of \$2,272,648 in comparison with the prior year.

Of the combined ending fund balances of \$3,771,582, \$688,045 constitutes unassigned fund balance deficits. The remainder of fund balance of \$4,459,627 is restricted or assigned for various purposes.

Proprietary Funds - As of the end of the current fiscal year, the School District's proprietary fund had a deficit of \$23,736 in unrestricted net position.

CAPITAL ASSETS

The Township of Deptford School District's investment in capital assets for its governmental and business-type activities as of June 30, 2019 amounts to \$24,188,460 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, and equipment. There was a net decrease in the Township of Deptford School District's investment in capital assets for the current fiscal year of 8.02%. The net decrease was the result of the net effect of the 2019 asset additions, depreciation expense, and write-offs for the year. Table 4 reflects the capital assets.

TABLE 4
Capital Assets

Capital Assets (Net of Depreciation):	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Land	\$ 210,136	\$ 210,136
Site Improvements	588,707	663,202
Building and Improvements	17,145,487	18,799,416
Equipment	<u>6,244,130</u>	<u>6,625,783</u>
 Total Capital Assets	 <u>\$ 24,188,460</u>	 <u>\$ 26,298,537</u>

Depreciation expense was \$2,414,794 for fiscal year ended 2019 and \$2,427,683 for fiscal year ended 2018.

DEBT ADMINISTRATION

Long-term Debt - At the end of the current fiscal year, the Township of Deptford School District had total bonded debt outstanding of \$3,840,000. The entire Township of Deptford School District's bonded debt is governmental as opposed to business-type. The 2020 adopted budget has an appropriation of \$1,265,000 representing the payment of the annual principal. The 2016 refunding bonds will mature on February 1, 2022.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited) (Cont'd)

FACTORS ON THE DISTRICT'S FUTURE

For the 2018-19 school year, the Township of Deptford School District was able to sustain its budget through the township tax levy, federal aid, state aid and miscellaneous revenue sources. Approximately 44.00% of total revenue is from local tax levy and 37.48% of the Township of Deptford School District's revenue is from federal and state aid (restricted and not restricted).

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Statement of Net Position
June 30, 2019

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 1,319,044	\$ 119,489	\$ 1,438,533
Receivables, net (Note 4)	1,492,351	64,667	1,557,018
Internal Balances	189,987	(189,987)	
Inventory		15,054	15,054
Restricted Assets:			
Restricted Cash and Cash Equivalents	9,269		9,269
Capital Reserve Account - Cash	1,159,338		1,159,338
Capital Assets, net (Note 6)	24,078,034	110,426	24,188,460
Total Assets	<u>28,248,023</u>	<u>119,649</u>	<u>28,367,672</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pension (Note 8)	8,497,301		8,497,301
LIABILITIES:			
Accounts Payable			
Related to Pensions	1,331,167		1,331,167
Other	1,279		1,279
Payable to State Government	1,682		1,682
Unearned Revenue	395,446		395,446
Accrued Interest Payable	12,800		12,800
Noncurrent Liabilities (Note 7):			
Due within One Year	1,651,004		1,651,004
Due beyond One Year	32,073,393	32,959	32,106,352
Total Liabilities	<u>35,466,771</u>	<u>32,959</u>	<u>35,499,730</u>
DEFERRED INFLOW OF RESOURCES:			
Related to Pension (Note 8)	10,538,470		10,538,470
NET POSITION:			
Net Investment in Capital Assets	20,059,194	110,426	20,169,620
Restricted for:			
Debt Service	9,269		9,269
Capital Projects	1,159,338		1,159,338
Other Purposes	3,067,170		3,067,170
Unrestricted (Deficit)	(33,554,888)	(23,736)	(33,578,624)
Total Net Position (Deficit)	<u>\$ (9,259,917)</u>	<u>\$ 86,690</u>	<u>\$ (9,173,227)</u>

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2019

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 23,134,604		\$ 700,696	\$ (22,433,908)		\$ (22,433,908)
Special Education	4,775,863	\$ 387,304	552,208	(3,836,351)		(3,836,351)
Other Special Instruction	2,219,589			(2,219,589)		(2,219,589)
Support Services:						
Tuition	6,294,288		1,256,112	(5,038,176)		(5,038,176)
Student and Instruction Related Services	7,337,191		68,001	(7,269,190)		(7,269,190)
General Administrative Services	869,150			(869,150)		(869,150)
School Administrative Services	2,505,491			(2,505,491)		(2,505,491)
Central Services	534,454			(534,454)		(534,454)
Administrative Information Technology	473,243			(473,243)		(473,243)
Plant Operations and Maintenance	5,817,965			(5,817,965)		(5,817,965)
Pupil Transportation	3,641,837			(3,641,837)		(3,641,837)
Unallocated Benefits	37,502,533		14,866,692	(22,635,841)		(22,635,841)
Special School	37,743			(37,743)		(37,743)
Transfer to Charter School	219,283			(219,283)		(219,283)
Interest on Long-Term Debt	86,051			(86,051)		(86,051)
Total Governmental Activities	95,449,286	387,304	17,443,709	(77,618,273)	-	(77,618,273)
Business-Type Activities:						
Food Service	1,667,155	560,581	919,179		\$ (187,395)	(187,395)
Childcare Program	473,079	538,097			65,018	65,018
Total Business-Type Activities	2,140,234	1,098,678	919,179	-	(122,377)	(122,377)
Total Government	\$ 97,589,520	\$ 1,485,982	\$ 18,362,888	(77,618,273)	(122,377)	(77,740,650)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, net				41,327,967		41,327,967
Taxes Levied for Debt Service				1,343,700		1,343,700
Federal and State Aid Not Restricted				36,354,510		36,354,510
Interest and Investment Earnings				119,928	-	119,928
Miscellaneous Income				161,177		161,177
Loss on disposal of capital asset				(152,767)		(152,767)
Transfer				(182,532)	182,532	-
Total General Revenues, Loss on Disposal of Capital Assets and Transfers				78,971,983	182,532	79,154,515
Change in Net Position				1,353,710	60,155	1,413,865
Net Position (Deficit) -- July 1				(10,613,627)	26,535	(10,587,092)
Net Position (Deficit) -- June 30				\$ (9,259,917)	\$ 86,690	\$ (9,173,227)

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

FUND FINANCIAL STATEMENTS

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Governmental Funds
 Balance Sheet
 June 30, 2019

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	\$ 1,085,192	\$ 233,852	\$ 9,269	\$ 1,328,313
Cash - Capital Reserve Account	1,159,338			1,159,338
Accounts Receivable				
State	655,997			655,997
Federal		677,320		677,320
Other	159,034			159,034
Interfunds Receivable	779,744			779,744
Total Assets	\$ 3,839,305	\$ 911,172	\$ 9,269	\$ 4,759,746
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 1,001	\$ 278		\$ 1,279
Interfunds Payable		589,757		589,757
Payable to State Government		1,682		1,682
Unearned Revenue		395,446		395,446
Total Liabilities	1,001	987,163	-	988,164
Fund Balances:				
Restricted:				
Capital Reserve Account	1,159,338			1,159,338
Excess Surplus-- Designated for Subsequents Year's Expenditures	1,202,869			1,202,869
Excess Surplus	1,864,301			1,864,301
Debt Service			\$ 9,269	9,269
Assigned:				
Other Purposes	60,308			60,308
Designated for Subsequent Year's Expenditures	163,542			163,542
Unassigned (Deficit)	(612,054)	(75,991)		(688,045)
Total Fund Balances (Deficit)	3,838,304	(75,991)	9,269	3,771,582
Total Liabilities and Fund Balances	\$ 3,839,305	\$ 911,172	\$ 9,269	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$67,822,344, and the accumulated depreciation is \$43,744,310.	24,078,034
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(5,560,492)
Accrued interest payable	(12,800)
Net Pension Liability	(28,163,905)
Accounts Payable related to the April 1, 2020 Required PERS pension contribution that is not to be liquidated with current financial resources.	(1,331,167)
Deferred Outflows of Resources - Related to Pensions	8,497,301
Deferred Inflows of Resources - Related to Pensions	(10,538,470)
Net Position of Governmental Activities	\$ (9,259,917)

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES:				
Local Tax Levy	\$ 41,327,967		\$ 1,343,700	\$ 42,671,667
Tuition Charges	387,304			387,304
Interest	119,928			119,928
Unrestricted Miscellaneous Revenues	161,178			161,178
State Sources	36,271,184	\$ 942,920		37,214,104
Federal Sources	83,326	1,774,808		1,858,134
Total Revenues	78,350,887	2,717,728	1,343,700	82,412,315
EXPENDITURES:				
Current:				
Regular Instruction	21,788,179	651,908		22,440,087
Special Education Instruction	4,040,851	513,759		4,554,610
Other Special Instruction	2,104,366			2,104,366
Support Services and Undistributed Costs:				
Tuition	5,125,637	1,168,651		6,294,288
Student and Instruction Related Services	6,896,323	63,266		6,959,589
General Administrative Services	869,150			869,150
School Administrative Services	2,375,427			2,375,427
Central Services	506,710			506,710
Administrative Information Technology	448,677			448,677
Plant Operations and Maintenance	5,603,301			5,603,301
Pupil Transportation	3,641,837			3,641,837
Unallocated Benefits	21,969,969	130,914		22,100,883
Special School	37,743			37,743
Transfer to Charter School	219,283			219,283
Debt Service:				
Principal			1,230,000	1,230,000
Interest and Other Charges			113,700	113,700
Capital Outlay	457,484			457,484
Total Expenditures	76,084,937	2,528,498	1,343,700	79,957,135
Excess (Deficiency) of Revenues over Expenditures	2,265,950	189,230		2,455,180
OTHER FINANCING SOURCES (USES):				
Operating Transfer Out to Food Service Fund - Transfer to Cover Deficit	(182,532)			(182,532)
Total Other Financing Sources and Uses	(182,532)	-	-	(182,532)
Net Change in Fund Balances	2,083,418	189,230	-	2,272,648
Fund Balance (Deficit) -- July 1	1,754,886	(265,221)	9,269	1,498,934
Fund Balance (Deficit) -- June 30	<u>\$ 3,838,304</u>	<u>\$ (75,991)</u>	<u>\$ 9,269</u>	<u>\$ 3,771,582</u>

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2019

Total Net Change in Fund Balances - Governmental Funds	\$	2,272,648
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$	(2,396,251)
Capital Outlays		<u>457,484</u>
		(1,938,767)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		1,230,000
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)</p>		
		(3,325)
<p>Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.</p>		
Amortization of Bond Premiums		30,974
<p>The net effect of disposition of capital assets</p>		
		(152,767)
<p>Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the statement of activities.</p>		
		92,140
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		498,475
<p>Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.</p>		
		<u>(675,668)</u>
Change in Net Position of Governmental Activities	\$	<u><u>1,353,710</u></u>

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2019

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 32,918	\$ 86,571	\$ 119,489
Accounts Receivable:			
State	820		820
Federal	47,253		47,253
Other	16,594		16,594
Inventories	15,054		15,054
Total Current Assets	<u>112,639</u>	<u>86,571</u>	<u>199,210</u>
Noncurrent Assets:			
Equipment	661,159		661,159
Less Accumulated Depreciation	<u>(550,733)</u>		<u>(550,733)</u>
Total Noncurrent Assets	<u>110,426</u>	<u>-</u>	<u>110,426</u>
Total Assets	<u>223,065</u>	<u>86,571</u>	<u>309,636</u>
LIABILITIES:			
Current Liabilities:			
Interfund Payable	<u>189,987</u>		<u>189,987</u>
Total Current Liabilities	<u>189,987</u>	<u>-</u>	<u>189,987</u>
Noncurrent Liabilities:			
Compensated Absences Payable	<u>32,959</u>		<u>32,959</u>
Total Liabilities	<u>222,946</u>	<u>-</u>	<u>222,946</u>
NET POSITION:			
Net Investment In Capital Assets	110,426		110,426
Unrestricted (Deficit)	<u>(110,307)</u>	<u>86,571</u>	<u>(23,736)</u>
Total Net Position	<u>\$ 119</u>	<u>\$ 86,571</u>	<u>\$ 86,690</u>

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Proprietary Funds
 Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2019

	Business-Type Activities - Enterprise Fund		
	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 333,794		\$ 333,794
Daily Sales - Non-Reimbursable Programs	192,355		192,355
Special Functions	19,504		19,504
Community Service Activities		\$ 536,263	536,263
Miscellaneous	14,928	1,834	16,762
Total Operating Revenues	<u>560,581</u>	<u>538,097</u>	<u>1,098,678</u>
OPERATING EXPENSES:			
Salaries	702,040	362,185	1,064,225
Employee Benefits	170,423	59,340	229,763
Supplies and Materials	75,295	30,825	106,120
Cost of Sales - Reimbursable Programs	582,869		582,869
Cost of Sales - Non-Reimbursable Programs	92,350		92,350
Other Purchased Services		4,464	4,464
Office and Uniform Expense	3,173		3,173
Insurance and Fees	22,462		22,462
Depreciation	18,543		18,543
Miscellaneous		16,265	16,265
Total Operating Expenses	<u>1,667,155</u>	<u>473,079</u>	<u>2,140,234</u>
Operating Income (Loss)	<u>(1,106,574)</u>	<u>65,018</u>	<u>(1,041,556)</u>
NONOPERATING REVENUES:			
State Sources:			
State School Lunch Program	14,727		14,727
Federal Sources:			
National School Lunch Program	588,001		588,001
School Breakfast Program	210,533		210,533
Healthy Hunger Free Kids Program	16,657		16,657
Special Milk Program	2,665		2,665
After School Snack Program	7,046		7,046
United States Department of Agriculture Commodities	79,550		79,550
Total Nonoperating Revenues	<u>919,179</u>	<u>-</u>	<u>919,179</u>
Income (Loss) Before Contributions	<u>(187,395)</u>	<u>65,018</u>	<u>(122,377)</u>
Board Contribution	<u>182,532</u>		<u>182,532</u>
Change in Net Position	<u>(4,863)</u>	<u>65,018</u>	<u>60,155</u>
Net Position -- July 1	<u>4,982</u>	<u>21,553</u>	<u>26,535</u>
Net Position -- June 30	<u>\$ 119</u>	<u>\$ 86,571</u>	<u>\$ 86,690</u>

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2019

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 560,581	\$ 538,097	\$ 1,098,678
Payments to Employees	(701,875)	(362,185)	(1,064,060)
Payments for Employee Benefits	(170,423)	(59,340)	(229,763)
Payments to Suppliers	<u>(917,769)</u>	<u>(51,554)</u>	<u>(969,323)</u>
Net Cash Provided by (used for) Operating Activities	<u>(1,229,486)</u>	<u>65,018</u>	<u>(1,164,468)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Cash Received from State and Federal Reimbursements	996,674		996,674
Transfers from Other Funds	<u>182,532</u>		<u>182,532</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,179,206</u>	<u>-</u>	<u>1,179,206</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends			
Net Cash Provided by (used for) Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(50,280)	65,018	14,738
Cash and Cash Equivalents -- July 1	<u>83,198</u>	<u>21,553</u>	<u>104,751</u>
Cash and Cash Equivalents -- June 30	<u>\$ 32,918</u>	<u>\$ 86,571</u>	<u>\$ 119,489</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (1,106,574)	\$ 65,018	\$ (1,041,556)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	18,543		18,543
Federal Commodities	79,550		79,550
(Increase) Decrease in Inventories	2,460		2,460
(Increase) Decrease in Other Current Receivables	90,000		90,000
Increase (Decrease) in Other Current Liabilities	(313,630)		(313,630)
Increase (Decrease) in Compensated Absences Payable	<u>165</u>		<u>165</u>
Total Adjustments	<u>(122,912)</u>	<u>-</u>	<u>(122,912)</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,229,486)</u>	<u>\$ 65,018</u>	<u>\$ (1,164,468)</u>

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Fiduciary Net Position
 June 30, 2019

	<u>Private Purpose Trust Funds</u>		<u>Agency Funds</u>	
	New Jersey Unemployment Compensation <u>Trust</u>	Scholarship <u>Trust</u>	Student <u>Activity</u>	<u>Payroll</u>
ASSETS:				
Cash and Cash Equivalents	\$ 724,244	\$ 75,608	\$ 257,195	\$ 1,780,890
Total Assets	<u>724,244</u>	<u>75,608</u>	<u>\$ 257,195</u>	<u>\$ 1,780,890</u>
LIABILITIES:				
Net Payroll - Summer Salary Payable to Student Groups			\$ 257,195	\$ 1,384,253
Total Liabilities			<u>\$ 257,195</u>	<u>\$ 1,384,253</u>
NET POSITION:				
Held in Trust for Unemployment Claims and Scholarships	<u>\$ 724,244</u>	<u>\$ 75,608</u>		

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2019

	<u>Private-Purposes Trust Funds</u>	
	<u>New Jersey Unemployment Compensation Trust</u>	<u>Scholarship Trust</u>
ADDITIONS:		
Contributions:		
Employee Withholdings	\$ 87,326	
Gifts and Contributions		\$ 9,822
Total Contributions	<u>87,326</u>	<u>9,822</u>
Investment Earnings:		
Interest on Investments	<u>210</u>	
Net Investment Earnings	<u>210</u>	<u>-</u>
Total Additions	<u>87,536</u>	<u>9,822</u>
DEDUCTIONS:		
Unemployment Compensation		
Insurance Claims	59,068	
Scholarships Awarded		6,500
Total Deductions	<u>59,068</u>	<u>6,500</u>
Change in Net Position	28,468	3,322
Net Position -- July 1	<u>695,776</u>	<u>72,286</u>
Net Position -- June 30	<u>\$ 724,244</u>	<u>\$ 75,608</u>

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Deptford School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Description of the Reporting Entity

The School District is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades Kindergarten through 12 at the School District's eight schools. The School District has an approximate enrollment at June 30, 2019 of 4,138.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

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

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

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

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

Government-wide and Fund Financial Statements

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

The School District reports the following major governmental funds:

General Fund - The general fund is the primary operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

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

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

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

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

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

The School District reports the following major proprietary funds:

Enterprise Funds

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

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

Additionally, the School District reports the following fund types:

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

The School District maintains the following fiduciary funds:

Agency Funds - Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). The School District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District maintains the following agency funds: student activity fund and payroll fund.

Private-Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. The School District maintains the following private-purpose trust funds:

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

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

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

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

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

Budgets / Budgetary Control

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

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

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

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3 includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year end as expenditures in the general fund since the general fund budget follows modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payment.

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

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

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

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

Cash, Cash Equivalents and Investments

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

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Inventories

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

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

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

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

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2019. The School District had no prepaid expenses for the fiscal year ended June 30, 2019.

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

Short-Term Interfund Receivables / Payables

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

Capital Assets

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

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business Type Activities Estimated Lives</u>
Site Improvements	10-20 years	N/A
Buildings and Improvements	20-50 years	N/A
Equipment	5-15 years	15 Years

The School District does not possess any infrastructure assets.

Deferred Outflows and Deferred Inflows of Resources

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

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

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

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2019 and 2018 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

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

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2019, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

Compensated Absences

Compensated absences are payments to employees for accumulated time such as paid vacation, paid holidays, sick pay, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

Accrued Liabilities and Long-Term Obligations

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Bond Discounts / Premiums**

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

Net Position

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

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

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

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

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

Fund Balance

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

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

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

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

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

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

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

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

Interfund Activity

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

Accounting Estimates

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

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

The GASB has issued the following Statements that will become effective for the School District for fiscal years ending after June 30, 2019:

Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments.

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

The GASB has issued the following Statements that will become effective for the School District for fiscal years ending after June 30, 2019:

Statement No. 84, *Fiduciary Activities (Cont'd)*. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Statement will become effective for the School District in the fiscal year ending June 30, 2020. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement will become effective for the School District in the fiscal year ending June 30, 2021. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2019, the School District's bank balance of \$7,099,105 was exposed to custodial credit risk as follows:

Insured	\$ 250,000
Insured under GUDPA	3,963,454
Uninsured/Uncollateralized	<u>2,885,651</u>
	<u>\$ 7,099,105</u>

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

New Jersey Cash Management Fund - During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2019, the School District's deposits with the New Jersey Cash Management Fund were \$1,634,1177.

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$1 on October 3, 2006 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance, July 1, 2018		\$ 408,088
Increased by:		
Transfer per June 11, 2019 Resolution	\$ 750,000	
Interest Earnings	<u>1,250</u>	
		<u>751,250</u>
Ending Balance, June 30, 2019		<u>\$ 1,159,338</u>

The LRFP balance of local support costs of uncompleted projects at June 30, 2019 is \$3,784,238.

Note 4: ACCOUNTS RECEIVABLES

Accounts receivable at June 30, 2019 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey. All receivables are considered collectible.

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

	<u>Governmental Funds</u>			<u>Proprietary Fund</u>		<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>	
Federal Awards		\$ 677,320	\$ 677,320	\$ 47,253	\$ 47,253	\$ 724,573
State Awards	\$ 655,997		655,997	820	820	656,817
Other	159,034		159,034	16,594	16,594	175,628
Total	<u>\$ 815,031</u>	<u>\$ 677,320</u>	<u>\$ 1,492,351</u>	<u>\$ 64,667</u>	<u>\$ 64,667</u>	<u>\$ 1,557,018</u>

Note 5: INVENTORY

Inventory recorded at June 30, 2019 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 8,565
Supplies	6,489
	<u>\$ 15,054</u>

Note 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance July 30, 2019</u>
Governmental Activities				
Capital Assets, not being Depreciated				
Land	\$ 210,136			\$ 210,136
Total Capital Assets, not being Depreciated	<u>210,136</u>			<u>210,136</u>
Capital Assets, being Depreciated				
Site Improvements	1,510,494			1,510,494
Building and Improvements	50,131,508		\$ (299,150)	49,832,358
Equipment	16,519,044	\$ 457,484	(707,172)	16,269,356
Total Capital Assets, being Depreciated	<u>68,161,046</u>	<u>457,484</u>	<u>\$(1,006,322)</u>	<u>67,612,208</u>
Less Accumulated Depreciation				
Land Improvements	(847,292)	(74,495)		(921,787)
Building and Improvements	(31,332,092)	(1,501,162)	146,383	(32,686,871)
Equipment	(10,022,230)	(820,594)	707,172	(10,135,652)
Total Accumulated Depreciation	<u>(42,201,614)</u>	<u>(2,396,251)</u>	<u>853,555</u>	<u>(43,744,310)</u>
Total Capital Assets, being Depreciated, Net	<u>25,959,432</u>	<u>(1,938,767)</u>	<u>(152,767)</u>	<u>23,867,898</u>
Governmental Activities Capital Assets, Net	<u>\$ 26,169,568</u>	<u>\$ (1,938,767)</u>	<u>\$ (152,767)</u>	<u>\$ 24,078,034</u>
Business-Type Activities:				
Capital Assets, being Depreciated				
Equipment	\$ 661,159			\$ 661,159
Less Accumulated Depreciation	(532,190)	\$ (18,543)		(550,733)
Total Business-Type Activities Capital Assets, Net	<u>\$ 128,969</u>	<u>\$ (18,543)</u>		<u>\$ 110,426</u>

Note 6: CAPITAL ASSETS (CONT'D)

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

Governmental Activities:

Instruction	\$ 1,529,469
Student & Instruction Related Services	377,602
School Administrative Services	182,376
Plant Operations and Maintenance	<u>306,804</u>

Total Depreciation – Governmental Activities	<u>\$ 2,396,251</u>
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Business-Type Activities:

Food Service	<u>\$ 18,543</u>
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Total Depreciation – Business-Type Activities	<u>\$ 18,543</u>
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Note 7: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2019, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2019</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 5,070,000		\$ (1,230,000)	\$ 3,840,000	\$ 1,265,000
Unamortized Cost of Premium on Bonds	<u>116,154</u>		<u>(30,974)</u>	<u>85,180</u>	<u>85,180</u>
Other Liabilities:					
Net Pension Liability	34,707,789	\$ 16,231,379	(22,775,263)	28,163,905	
Obligations under Capital Lease	185,800		(92,140)	93,660	93,660
Compensated Absences	<u>2,040,127</u>	<u>64,499</u>	<u>562,974</u>	<u>1,541,652</u>	<u>292,344</u>
Total Other Liabilities	<u>36,933,716</u>	<u>16,295,878</u>	<u>(23,430,377)</u>	<u>29,799,217</u>	<u>386,004</u>
Governmental Activities Long-term Liabilities	<u>\$ 42,119,870</u>	<u>\$ 16,295,678</u>	<u>\$ (24,691,351)</u>	<u>\$ 33,724,397</u>	<u>\$ 1,651,004</u>

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

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

During the fiscal year ended June 30, 2019, the following changes occurred in long-term obligations for business-type activities:

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2019</u>	<u>Due Within One Year</u>
Business-Type Activities:					
Compensated Absences	\$ 32,794	\$ 7,195	\$ (7,030)	\$ 32,959	\$ -

Compensated absences are liquidated by the food service fund.

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

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Maturities</u>	<u>Interest Rate</u>	<u>Amount</u>
2016	\$ 7,490,000	2020 to 2022	2.0-3.0%	\$ 3,840,000

Principal and interest due on bonds outstanding is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,265,000	\$ 76,800	\$ 1,341,800
2021	1,290,000	51,500	1,341,500
2022	1,285,000	25,700	1,310,700
	<u>\$ 3,840,000</u>	<u>\$ 154,000</u>	<u>\$ 3,994,000</u>

Bonds Authorized But Not Issued - As of June 30, 2019, the School District had no authorizations to issue additional bonded debt.

Obligation under Capital Lease - The School District is leasing bus equipment totaling \$747,549 under a capital lease. The capital lease is for a terms of three to five years. Capital leases are depreciated in a manner consistent with the School District's depreciation policy for owned assets. The following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at June 30, 2019.

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 93,660	\$ 1,545	\$ 95,205
	<u>\$ 93,660</u>	<u>\$ 1,545</u>	<u>\$ 95,205</u>

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

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

Net Pension Liability - For details on the net pension liability, refer to Note 8. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

Note 8: PENSION PLANS

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

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

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

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

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

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

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

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

The following represents the membership tiers for TPAF:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier.

Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

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

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

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

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

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.50% in State fiscal year 2019. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's contribution is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. For fiscal year 2018, the State's pension contribution was less than the actuarial determined amount.

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

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

Teachers' Pension and Annuity Fund (Cont'd) - The School District's contractually required contribution rate for the fiscal year ended June 30, 2019 was 14.41% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2019 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2019 was \$4,239,219, and was paid by April 1, 2019. School District employee contributions to the Plan during the fiscal year ended June 30, 2019 were \$2,232,340.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over seven years beginning in July 2012. The member contribution rate was 7.50% in State fiscal year 2019. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) was 10%. Employer contribution amounts are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2019 was 14.44% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2018, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2019 was \$1,422,788, and was paid by April 1, 2019. School District employee contributions to the Plan during the fiscal year ended June 30, 2019 were \$696,171.

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

For the fiscal year ended June 30, 2019, employee contributions totaled \$90,230.37, and the School District recognized pension expense, which equaled the required contributions, of \$49,252.28. There were no forfeitures during the fiscal year.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

Teachers' Pension and Annuity Fund - At June 30, 2019, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

The State's proportionate share of net pension liability, attributable to the School District is as follows:

School Districts Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	<u>178,407,427</u>
	<u>\$ 178,407,427</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. For the June 30, 2018 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2018, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2018 measurement date, the State's proportionate share of the TPAF net pension liability associated with the School District was 0.2804361053%, which was an increase of 0.0075602707% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the School District recognized \$10,400,529 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2018 measurement date.

Public Employees' Retirement System - At June 30, 2019, the School District reported a liability of \$28,163,905 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2018 measurement date, the School District's proportion was 0.1430402146%, which was a decrease of 0.006058617% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the School District recognized pension expense of \$2,098,457, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2018 measurement date.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Public Employees' Retirement System (Cont'd) - At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences Between Expected and Actual Experience	\$ 537,090	\$ 145,222
Changes of Assumptions	4,640,945	9,005,319
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	264,179
Changes in Proportion and Differences Between School District Contributions and Proportionate Share of Contribution	1,988,099	1,123,750
School District Contributions Subsequent to the Measurement Date	<u>1,331,167</u>	<u>-</u>
	<u>\$ 8,497,301</u>	<u>\$ 10,538,470</u>

\$1,331,167, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>PERS</u>
2020	\$ 732,657
2021	160,508
2022	(1,779,074)
2023	(1,794,860)
2024	<u>(691,567)</u>
	<u>\$ (3,372,336)</u>

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Public Employees' Retirement System (Cont'd) - The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	5.00	-
June 30, 2016	5.00	-
June 30, 2017	-	5.00
June 30, 2018	-	5.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63

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

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation	2.25%	2.25%
Salary Increases:		
Through 2026	1.55% - 4.15% Based on Yrs of Service	1.65% - 4.15% Based on Age
Thereafter	2.00% - 5.45% Based on Yrs of Service	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2012- June 30, 2015	July 1, 2011 – June 30, 2014

For TPAF, pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

For PERS, preretirement 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 2013 using a generational approach based on the Conduent modified 2014 projection scale. Postretirement 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent modified 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2018) 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.

Note 8: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd) - Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS' target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate - The discount rates used to measure the total pension liability at June 30, 2018 were 4.86% and 5.66% for TPAF and PERS, respectively. For TPAF and PERS, the respective single blended discount rates were based on the long-term expected rate of return on pension Plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined amount for TPAF and PERS and the local employers contributed 100% of the actuarially determined amount for PERS. 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 2040 for TPAF and 2046 for PERS. Therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2040 for TPAF and 2046 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Note 8: PENSION PLANS (CONT'D)**Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned, TPAF, has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2018, the Plan's measurement date, attributable to the School District is \$0, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 4.86%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	TPAF		
	1% Decrease (3.86%)	Current Discount Rate (4.86%)	1% Increase (5.86%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the District	210,874,191	178,407,427	151,493,271
	<u>\$ 210,874,191</u>	<u>\$ 178,407,427</u>	<u>\$ 151,493,271</u>

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2018, the Plan's measurement date, calculated using a discount rate of 5.66%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
School District's Proportionate Share of the Net Pension Liability	<u>\$ 35,412,866</u>	<u>\$ 28,163,905</u>	<u>\$ 22,082,491</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS' respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about TPAF and PERS, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

Plan Description and Benefits Provided - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 - *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publically available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

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

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

Contributions - The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey (the "State") in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Employees Covered by Benefit Terms - At June 30, 2018, the OPEB Plan's Measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	<u>-</u>
	<u>362,181</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability**

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2019 was \$146,159,044. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total Non-Employer OPEB Liability.

The total Non-Employer OPEB Liability was measured as of June 30, 2018, and was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. For the June 30, 2018 measurement date, the State's proportionate share of the Non-Employer OPEB Plan Liability associated with the School District was 0.3169733326%, which was an increase of 0.0004341518% from its proportion measured as of June 30, 2017.

Actuarial Assumptions and Other Inputs - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2017 used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases –

	TPAF/ABP (1)	PERS (2)	PFRS (2)
Through 2026	1.55% - 4.55%	2.15% - 4.15%	2.10% - 8.98%
Thereafter	2.00% - 5.45%	3.15% - 5.15%	3.10% - 9.98%

(1) – Based on years of service

(2) – Based on age

Inflation Rate - 2.50%.

Mortality Rates - Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Experience Studies - The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015, July 1, 2010 - June 30, 2013, and July 1, 2011 - June 30, 2014 for TPAF, PFRS and PERS, respectively. 100% of all retirees who currently have healthcare coverage were assumed to continue with that coverage. 100% of active members were considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

Health Care Trend Assumptions - For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate - The discount rate for June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the Division. The source is 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.

Changes in the Total Non-Employer OPEB Liability

The below table summarizes the State's proportionate share of the change in the Total Non-Employer OPEB Liability associated with the School District:

Balance at June 30, 2018		\$ 169,791,116
Changes for the Year:		
Service Cost	\$ 6,289,193	
Interest Cost	6,236,729	
Difference Between Expected and Actual Experience	(15,612,346)	
Changes in Assumptions	(16,772,482)	
Gross Benefit Payments	(3,908,241)	
Member Contributions	<u>135,075</u>	
Net Changes		<u>(23,632,072)</u>
Balance at June 30, 2019		<u>\$ 146,159,044</u>

There were no changes in benefit terms between the June 30, 2017 measurement date and the June 30, 2018 measurement date.

Differences between expected and actual experience reflect a decrease in liability from June 30, 2017 to June 30, 2018 is due to changes in the census, claims and premiums experience.

Changes of Assumptions reflect a decrease in the liability from June 30, 2017 to June 30, 2018 due to the increase in the assumed discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018; and a decrease in the assumed health care cost trend and excise tax assumptions.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability (Cont'd)**

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total Non-Employer OPEB Liability as of June 30, 2018, associated with the School District, using a discount rate of 3.87%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 172,789,743</u>	<u>\$ 146,159,044</u>	<u>\$ 124,990,388</u>

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total Non-Employer OPEB Liability as of June 30, 2018, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 120,808,962</u>	<u>\$ 146,159,044</u>	<u>\$ 179,685,497</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Non-Employer OPEB Liability

For the fiscal year ended June 30, 2019, the School District recognized \$6,755,215 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB Expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2018 measurement date.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Non-Employer OPEB Liability (Cont'd)**

In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District. However, at June 30, 2019, the State's proportionate share of the total Non-Employer OPEB Liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion	\$ 233,036	\$ 158,563
Difference Between Expected and Actual Experience	-	14,187,999
Changes of Assumptions	-	32,762,297
	<u>\$ 233,036</u>	<u>\$ 47,108,859</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total Non-Employer OPEB Liability, associated with the School District, will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2020	\$ (5,779,102)
2021	(5,779,102)
2022	(5,779,102)
2023	(5,779,102)
2024	(5,779,102)
Thereafter	<u>(17,980,313)</u>
	<u>\$ (46,875,823)</u>

Note 10: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2019, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$5,332,241, \$111,618, \$2,313,532, and \$4,613, respectively.

Note 11: DEFERRED COMPENSATION

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

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

Note 12: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2019 the liability for compensated absences reported on the government-wide statement of net position was \$1,541,652.

Note 13: INTERFUND BALANCES AND TRANSFERS

Interfunds – The composition of interfund balances as of June 30, 2019 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 779,744	
Special Revenue		\$ 589,757
Proprietary		189,987
	<u>\$ 779,744</u>	<u>\$ 779,744</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2020, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 13: INTERFUND BALANCES AND TRANSFERS (CONT'D)

Transfers:

	<u>Transfer in:</u>
	<u>Enterprise Fund</u>
<u>Transfer Out:</u>	
General Fund	\$ 182,532
Total Transfers	<u>\$ 182,532</u>

The principal purpose of the fund transfer made during the fiscal year was to fund operating expenses for the food service fund.

Note 14: CONTINGENCIES

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

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

Note 15: CONCENTRATIONS

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

Note 16: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$612,054 in the general fund and \$75,991 in the special revenue fund as of June 30, 2019 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Note 16: DEFICIT FUND BALANCES (CONT'D)

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$688,045 is less than the June state aid payments.

Note 17: FUND BALANCES**RESTRICTED**

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

General Fund

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2019 is \$1,864,301. Additionally, \$1,202,869 of excess fund balance generated during 2017-2018 has been restricted and designated for utilization in the 2019-2020 budget.

For Capital Reserve Account - As of June 30, 2019, the balance in the capital reserve account is \$1,159,338. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Debt Service Reserve - In accordance with N.J.S.A. 18A:7F-41(c)(2), the School District has established a debt service reserve in the amount of \$9,269 as of June 30, 2019. These funds were derived from the proceeds from the sale of school district property. The funds are to be used to retire any outstanding debt service obligation of the School District. The debt service reserve is to be liquidated within the lesser of five years from its inception or the remaining term on the obligations. Any remaining balance must be used for tax relief.

ASSIGNED

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

General Fund

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2020 \$163,542 of general fund balance at June 30, 2019.

Other Purposes - As of June 30, 2019, the School District had \$60,308 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Note 17: FUND BALANCES (CONT'D)**UNASSIGNED**

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

General Fund - As of June 30, 2019, \$612,054 of general fund balance (deficit) was unassigned.

Special Revenue Fund - As of June 30, 2019, the fund balance of the special revenue fund was a deficit of \$75,991, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in Note 16, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$75,991 is the same amount as the last state aid payment.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2019

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 41,327,968		\$ 41,327,968	\$ 41,327,967	\$ (1)
Tuition - from Individual				5,868	5,868
Tuition - LEAs w/in state	400,000		400,000	381,436	(18,564)
Interest	1,500	\$ 23,500	25,000	119,928	94,928
Interest on cap reserve		1,250	1,250		(1,250)
Bus Advertisement		4,000	4,000		(4,000)
Miscellaneous	364,750	(28,750)	336,000	161,178	(174,822)
Total - Local Sources	42,094,218	-	42,094,218	41,996,377	(97,841)
State Sources:					
Equalization Aid	20,845,846		20,845,846	20,845,846	
Nonpublic Transportation Aid				63,907	63,907
Extraordinary Aid	250,000		250,000	588,695	338,695
Categorical Special Education Aid	2,328,005		2,328,005	2,328,005	
Categorical Security Aid	483,815		483,815	483,815	
Categorical Transportation Aid	1,711,578		1,711,578	1,711,578	
School Choice Aid	144,228		144,228	144,228	
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)				5,332,241	5,332,241
On-Behalf T.P.A.F. Non-contributory Insurance (non-budgeted)				111,618	111,618
On-Behalf T.P.A.F. Long-Term Disability Insurance (non-budgeted)				4,613	4,613
On-Behalf T.P.A.F. Post Retirement Pension Contributions (non-budgeted)				2,469,326	2,469,326
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				2,313,532	2,313,532
Total - State Sources	25,763,472	-	25,763,472	36,397,404	10,633,932
Federal Sources:					
Medicaid Reimbursement	103,461		103,461	83,326	(20,135)
Total - Federal Sources	103,461	-	103,461	83,326	(20,135)
Total Revenues	67,961,151	-	67,961,151	78,477,107	10,515,956

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2019

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 1,205,000	\$ (75,000)	\$ 1,130,000	\$ 1,085,665	\$ 44,335
Grades 1-5	8,891,500	(100,000)	8,791,500	8,700,909	90,591
Grades 6-8	4,278,000		4,278,000	4,271,206	6,794
Grades 9-12	5,683,500	(62,000)	5,621,500	5,597,856	23,644
Regular Programs - Home Instruction:					
Salaries of Teachers	85,000	26,772	111,772	111,772	
Purchased Services	50,000	(3,772)	46,228	30,587	15,641
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	37,106	(17,760)	19,346	15,086	4,260
Purchased Professional / Educational Services	624,258		624,258	606,375	17,883
Purchased Technical Services	193,300	(1,945)	191,355	179,024	12,331
Rentals		313,894	313,894	313,894	
Other Purchased Services	337,600	(297,884)	39,716	34,284	5,432
Travel		4,714	4,714	2,097	2,617
General Supplies	955,150	(68,385)	886,765	810,242	76,523
Textbooks	31,000	(590)	30,410	26,174	4,236
Other Objects	5,000		5,000	3,008	1,992
Total Regular Programs	<u>22,376,414</u>	<u>(281,956)</u>	<u>22,094,458</u>	<u>21,788,179</u>	<u>306,279</u>
Special Education - Instruction:					
Cognitive - Moderate:					
Salaries of Teachers	220,000		220,000	218,772	1,228
Other Salaries for Instruction	73,000	(6,000)	67,000	64,024	2,976
General Supplies	5,000		5,000	3,976	1,024
Other Objects	1,500		1,500	674	826
Total Cognitive - Moderate	<u>299,500</u>	<u>(6,000)</u>	<u>293,500</u>	<u>287,446</u>	<u>6,054</u>
Learning and Language Disabled:					
Salaries of Teachers	1,411,000	(40,000)	1,371,000	1,366,956	4,044
Other Salaries for Instruction	619,000	(5,280)	613,720	497,465	116,255
General Supplies	10,385		10,385	4,237	6,148
Total Learning and Language Disabled	<u>2,040,385</u>	<u>(45,280)</u>	<u>1,995,105</u>	<u>1,868,658</u>	<u>126,447</u>

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2019

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Current Expense (Cont'd)					
Special Education - Instruction (Cont'd):					
Behavioral Disabilities:					
Salaries of Teachers	\$ 326,000	\$ 9,000	\$ 335,000	\$ 333,631	\$ 1,369
Other Salaries for Instruction	180,000		180,000	79,735	100,265
General Supplies	2,500		2,500	1,929	571
Total Behavioral Disabilities	<u>508,500</u>	<u>9,000</u>	<u>517,500</u>	<u>415,295</u>	<u>102,205</u>
Multiple Disabilities:					
Salaries of Teachers	525,000	(9,000)	516,000	515,156	844
Other Salaries for Instruction	254,000		254,000	177,158	76,842
General Supplies	3,800	(1,634)	2,166	2,166	
Total Multiple Disabilities	<u>782,800</u>	<u>(10,634)</u>	<u>772,166</u>	<u>694,480</u>	<u>77,686</u>
Autism:					
Salaries of Teachers	321,000	(20,500)	300,500	291,405	9,095
Other Salaries for Instruction	180,000	(82,730)	97,270	87,695	9,575
General Supplies	4,500	(636)	3,864	3,460	404
Total Autism	<u>505,500</u>	<u>(103,866)</u>	<u>401,634</u>	<u>382,560</u>	<u>19,074</u>
Preschool Disabilities - Part Time:					
Salaries of Teachers	220,000	2,500	222,500	222,372	128
Other Salaries for Instruction	183,000		183,000	167,540	15,460
General Supplies	2,500		2,500	2,500	
Total Preschool Disabilities - Part Time	<u>405,500</u>	<u>2,500</u>	<u>408,000</u>	<u>392,412</u>	<u>15,588</u>
Total Special Education - Instruction	<u>4,542,185</u>	<u>(154,280)</u>	<u>4,387,905</u>	<u>4,040,851</u>	<u>347,054</u>
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	<u>785,000</u>	<u>128,280</u>	<u>913,280</u>	<u>913,280</u>	
Total Basic Skills / Remedial - Instruction	<u>785,000</u>	<u>128,280</u>	<u>913,280</u>	<u>913,280</u>	<u>-</u>

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2019

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Current Expense (Cont'd)					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 219,000	\$ 39,000	\$ 258,000	\$ 256,857	\$ (1,143)
Total Bilingual Education - Instruction	<u>219,000</u>	<u>39,000</u>	<u>258,000</u>	<u>256,857</u>	<u>(1,143)</u>
School Sponsored Cocurricular Activities - Instruction:					
Salaries	203,000	(61,009)	141,991	120,229	21,762
Salaries of Teachers		38,000	38,000	31,689	6,311
Purchased Services	5,000	(3,411)	1,589	1,589	
General Supplies	23,400	(7,613)	15,787	15,648	139
Other Objects	10,900	(4,263)	6,637	6,344	293
Total School Sponsored Cocurricular Activities - Instruction	<u>242,300</u>	<u>(38,296)</u>	<u>204,004</u>	<u>175,499</u>	<u>28,505</u>
School Sponsored Athletics - Instruction:					
Salaries	593,000	23,009	616,009	614,359	1,650
Purchased Services	51,500	(22,204)	29,296	24,762	4,534
General Supplies	54,800	25,000	79,800	79,042	758
Other Objects	38,500	3,600	42,100	40,567	1,533
Total School Sponsored Athletics - Instruction	<u>737,800</u>	<u>29,406</u>	<u>767,206</u>	<u>758,730</u>	<u>8,476</u>
Total Instruction	<u>28,902,699</u>	<u>(277,846)</u>	<u>28,624,853</u>	<u>27,933,396</u>	<u>691,457</u> (Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2019

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Current Expense (Cont'd)					
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within State - Regular	\$ 150,000	\$ (22,462)	\$ 127,538	\$ 127,538	
Tuition to Other LEA's Within State - Special	245,131	(112,856)	132,275	123,898	\$ 8,377
Tuition to County Voc. School Dist. - Regular	489,600	70,000	559,600	556,765	2,835
Tuition to CSSD & Reg. Day Schools	2,233,540	268,895	2,502,435	2,502,435	
Tuition to Private Schools for the Disabled - Within State	1,117,931	396,756	1,514,687	1,514,687	
Tuition to Priv Sch Disabled & Oth LEAs - Spl,O/S St	172,061	51,259	223,320	223,320	
Tuition - State Facilities	76,994		76,994	76,994	
Total Undistributed Expenditures - Instruction	<u>4,485,257</u>	<u>651,592</u>	<u>5,136,849</u>	<u>5,125,637</u>	<u>11,212</u>
Attendance and Social Work Services:					
Salaries	<u>154,000</u>		<u>154,000</u>	<u>151,334</u>	<u>2,666</u>
Total Attendance and Social Work Services	<u>154,000</u>	<u>-</u>	<u>154,000</u>	<u>151,334</u>	<u>2,666</u>
Undistributed Expenditures - Health Services:					
Salaries	594,000	(33,000)	561,000	545,784	15,216
Other Salaries		34,500	34,500	33,300	1,200
Purchased Professional and Technical Services	25,000		25,000	24,985	15
Supplies and Materials	13,330	163	13,493	11,532	1,961
Other Objects	1,600	(115)	1,485	437	1,048
Total Undistributed Expenditures - Health Services	<u>633,930</u>	<u>1,548</u>	<u>635,478</u>	<u>616,038</u>	<u>19,440</u>
Undistributed Expenditures - Other Support Services - Speech, OT,PT & Related Services:					
Salaries	596,000	38,000	634,000	633,929	71
Purchased Professional - Educational Services	237,358		237,358	168,189	69,169
Supplies and Materials	8,000		8,000	7,347	653
Total Undistributed Expenditures - Other Support Services - Speech, OT, PT & Related Services	<u>841,358</u>	<u>38,000</u>	<u>879,358</u>	<u>809,465</u>	<u>69,893</u>

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2019

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Current Expense (Cont'd)					
Undistributed Expenditures - Other Support Services - Students - Extraordinary:					
Other Salaries from Instruction	\$ 1,897,000	\$ (51,000)	\$ 1,846,000	\$ 1,743,439	\$ 102,561
Purchased Professional - Educational Services	300,000		300,000	288,919	11,081
Supplies and Materials	3,500		3,500	3,500	
Total Undistributed Expenditures - Other Support Services - Students - Extraordinary	<u>2,200,500</u>	<u>(51,000)</u>	<u>2,149,500</u>	<u>2,035,858</u>	<u>113,642</u>
Undistributed Expenditures - Other Support Services - Guidance:					
Salaries of Other Professional Staff	945,000		945,000	938,522	6,478
Salaries of Secretarial and Clerical Assistants	76,000	16,000	92,000	91,746	254
Unused Vacation Payout		500	500	303	197
Supplies and Materials	13,250	(3,240)	10,010	7,197	2,813
Other Objects	600		600	396	204
Total Undistributed Expenditures - Other Support Services - Guidance	<u>1,034,850</u>	<u>13,260</u>	<u>1,048,110</u>	<u>1,038,164</u>	<u>9,946</u>
Undistributed Expenditures - Other Support Services - Child Study Teams:					
Salaries of Other Professional Staff	1,099,000	(54,358)	1,044,642	1,044,642	
Salaries of Secretarial and Clerical Assistants	92,000	18,336	110,336	110,285	51
Other Salaries	225,000	5,022	230,022	223,604	6,418
Unused Vacation Payout		13,000	13,000	12,157	843
Other Professional/Tech Services	499,000	(328,500)	170,500	74,156	96,344
Travel	3,900		3,900	2,179	1,721
Supplies and Materials	18,000		18,000	15,579	2,421
Total Undistributed Expenditures - Other Support Services - Child Study Teams	<u>1,936,900</u>	<u>(346,500)</u>	<u>1,590,400</u>	<u>1,482,602</u>	<u>107,798</u>

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2019

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Current Expense (Cont'd)					
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	\$ 340,750	\$ (48,150)	\$ 292,600	\$ 256,010	\$ 36,590
Salaries of Secretarial and Clerical Assistants	77,000		77,000	41,470	35,530
Other Salaries	41,450	6,240	47,690	41,140	6,550
Total Undistributed Expenditures - Improvement of Instruction Services	<u>459,200</u>	<u>(41,910)</u>	<u>417,290</u>	<u>338,620</u>	<u>78,670</u>
Undistributed Expend. - Educational Media Services / Sch Library:					
Salaries	345,000		345,000	340,307	4,693
Salaries of Technology Coordinators	198,000		198,000	193,800	4,200
Purchased Professional and Technical Services	5,200		5,200	4,865	335
Other Purchased Services	9,000	(156)	8,844	8,834	10
Supplies and Materials	15,550		15,550	11,471	4,079
Total Undistributed Expend. - Educational Media Services / Sch Library	<u>572,750</u>	<u>(156)</u>	<u>572,594</u>	<u>559,277</u>	<u>13,317</u>
Undistributed Expenditures - Instructional Staff Training Services:					
Other Salaries	6,240	(6,240)			
Purchased Professional-Education services	18,962		18,962	18,300	662
Other Purchased Services	15,000	(3,300)	11,700	2,356	9,344
Supplies		3,300	3,300	2,941	359
Total Undistributed Expenditures - Instructional Staff Training Services	<u>40,202</u>	<u>(6,240)</u>	<u>33,962</u>	<u>23,597</u>	<u>10,365</u>

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd)					
Undistributed Expenditures - Support Services - General Administration:					
Salaries	\$ 436,000	\$ (436,000)			
Salaries of Other Professional Staff		275,000	\$ 275,000	\$ 271,904	\$ 3,096
Salaries of Secretarial and Clerical Assistance		118,000	118,000	117,334	666
Unused Vacation Payout		5,000	5,000	913	4,087
Legal Services	100,000		100,000	96,989	3,011
Audit Fees	40,000		40,000	39,000	1,000
Architect/Engineer Fees	5,000	26,710	31,710	22,400	9,310
Other Purchased Professional Services	4,500		4,500	4,140	360
Communications / Telephone	200,000	10,000	210,000	198,261	11,739
BOE Other Purch. Serv		3,160	3,160	3,160	
Misc Other Purchased Services	85,500	(4,500)	81,000	79,424	1,576
General Supplies	6,000	3,059	9,059	8,757	302
Miscellaneous Expenditures	5,000	(75)	4,925	3,222	1,703
BOE Membership Dues and Fees	24,000	(354)	23,646	23,646	
Total Undistributed Expenditures - Support Services - General Admin	906,000	-	906,000	869,150	36,850
Undistributed Expenditures - Support Services - School Admin:					
Salaries of Principals / Assistant Principals / Program Directors	1,684,000		1,684,000	1,621,336	62,664
Salaries of Secretarial and Clerical Assistants	746,000	(17,000)	729,000	699,438	29,562
Unused Vacation Payout		17,000	17,000	16,685	315
Other Purchased Services (400-500 series)	9,500	(9,500)			
Travel		45	45	45	
Supplies and Materials	14,750	70	14,820	11,669	3,151
Other Objects	35,801	2,955	38,756	26,254	12,502
Total Undistributed Expenditures - Support Services - School Admin.	2,490,051	(6,430)	2,483,621	2,375,427	108,194

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2019

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Current Expense (Cont'd)					
Undistributed Expenditures - Central Services:					
Salaries	\$ 419,000	\$ (419,000)			
Salaries of Other Professional Staff		180,000	\$ 180,000	\$ 179,750	\$ 250
Salaries of Secreterial and Clerical Assistants		252,000	252,000	251,046	954
Unused Vacation Payout		8,000	8,000	7,647	353
Purchased Technical Services	17,000		17,000	16,350	650
Travel		750	750	45	705
Miscellaneous Purchased Services	39,750	(750)	39,000	36,612	2,388
Supplies and Materials	13,500	(1,600)	11,900	7,212	4,688
Miscellaneous Expenditures	6,500	1,600	8,100	8,048	52
Total Undistributed Expenditures - Central Services	<u>495,750</u>	<u>21,000</u>	<u>516,750</u>	<u>506,710</u>	<u>10,040</u>
Undistributed Expenditures - Admin. Info. Technology:					
Salaries	258,000	(258,000)			
Salaries of Other Professional Staff		86,000	86,000	85,600	400
Salaries of Secreterial and Clerical Assistants		151,000	151,000	123,020	27,980
Purchased Technical Services	248,000		248,000	215,426	32,574
Other Purchased Services	12,000		12,000	5,022	6,978
Supplies and Materials	21,000		21,000	19,609	1,391
Total Undistributed Expenditures - Admin. Info. Technology	<u>539,000</u>	<u>(21,000)</u>	<u>518,000</u>	<u>448,677</u>	<u>69,323</u>
Undistributed Expenditures - Required Maintenance for Sch Facilities:					
Salaries	587,500	(4,418)	583,082	583,082	
Cleaning, Repair and Maintenance Services	161,500	1,401	162,901	162,716	185
General Supplies	170,000	(25,455)	144,545	144,545	
Total Undistributed Expenditures - Required Maintenance for Sch Facilities	<u>919,000</u>	<u>(28,472)</u>	<u>890,528</u>	<u>890,343</u>	<u>185</u>

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2019

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd)					
Undistributed Expenditures - Operation and Maintenance:					
of Plant Services:					
Salaries	\$ 2,140,000	\$ (2,140,000)			
Salaries of Other Professional Staff		62,438	\$ 62,438	\$ 62,438	
Salaries of Secreterial and Clerical Assistants		38,986	38,986	38,986	
Salaries of Non-Instructional Aides	285,000	7,272	292,272	292,272	
Other Salaries		1,958,233	1,958,233	1,958,233	
Unused Vacation Payout		3,136	3,136	3,136	
Cleaning, Repair and Maintenance Services	220,000	(86,289)	133,711	131,438	\$ 2,273
Other Purchased Property Services	72,000	9,060	81,060	81,060	
Insurance	272,000	2,134	274,134	274,134	
General Supplies	150,000	26,040	176,040	174,612	1,428
Energy (Natural Gas)	250,000	81,833	331,833	331,833	
Energy (Electricity)	600,000	318,483	918,483	918,483	
Other Objects	5,800	(460)	5,340	5,340	
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	<u>3,994,800</u>	<u>280,866</u>	<u>4,275,666</u>	<u>4,271,965</u>	<u>3,701</u>
Undistributed Expenditures - Care & Upkeep of Grounds:					
Salaries	383,000	(36,607)	346,393	346,393	
Cleaning, Repair, and Maintenance Services	20,000	(3,508)	16,492	16,492	
General Supplies	65,000	(156)	64,844	64,844	
Total Undistributed Expenditures - Care & Upkeep Grounds	<u>468,000</u>	<u>(40,271)</u>	<u>427,729</u>	<u>427,729</u>	<u>-</u>
Undistributed Expenditures - Security Services:					
Purchased Professional and Tech Services	70,000	(70,000)			
Cleaning, Repair, and Maintenance Services	30,000	(10,000)	20,000	13,264	6,736
Total Undistributed Expenditures - Security Services	<u>100,000</u>	<u>(80,000)</u>	<u>20,000</u>	<u>13,264</u>	<u>6,736</u>

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2019

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Current Expense (Cont'd)					
Undistributed Expenditures - Student Transportation Services:					
Salaries of Other Professional Staff		\$ 83,000	\$ 83,000	\$ 82,042	\$ 958
Salaries of Secreterial and Clerical Assistants		87,000	87,000	86,779	221
Salaries for Non-Instructional Aides	\$ 532,000	(156,199)	375,801	375,801	
Sal for Pupil Trans (Bet Home & Sch) - Reg.	1,155,000	(52,528)	1,102,472	1,100,779	1,693
Sal for Pupil Trans (Bet Home & Sch) - Sp Ed	418,000	180,000	598,000	596,517	1,483
Sal for Pupil Trans (Other than Bet. Home & Sch)	185,000	(107,555)	77,445	77,445	
Unused Vacation Payout		9,000	9,000	8,606	394
Other Purchased Prof and Tech Services	16,000	(2,488)	13,512	13,512	
Cleaning, Repair and Maintenance Services	85,000		85,000	84,864	136
Lease Purchase Payments	156,000		156,000	154,666	1,334
Contracted Services - Aid in Lieu of Payments - NonPub Sch	190,000	5,874	195,874	195,874	
Contracted Services - (Between Home and School) - Vendors	425,000	(128,021)	296,979	(455)	297,434
Contracted Services - (Other than Bet Home & Sch) - Vendors	25,000	(24,849)	151	151	
Contracted Services - (Special Education) - Joint Agreement	408,000	83,610	491,610	491,610	
Travel		500	500		500
Miscellaneous Purchased Services - Transportation	41,500	(500)	41,000	40,970	30
Transportation Supplies	300,000	22,264	322,264	319,234	3,030
Other Objects	12,600	(12,600)			
Interest Payments		4,600	4,600	4,551	49
Miscellaneous Expenditures		8,891	8,891	8,891	
Total Undistributed Expenditures - Student Transportation Services	<u>3,949,100</u>	<u>(1)</u>	<u>3,949,099</u>	<u>3,641,837</u>	<u>307,262</u>

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd)					
Unallocated Benefits:					
Social Security Contributions	\$ 980,000	\$ 26,472	\$ 1,006,472	\$ 960,689	\$ 45,783
Other Retirement Contributions - PERS	1,450,000	(19,819)	1,430,181	1,429,267	914
Other Retirement (DCRP Expense)	40,000	30,000	70,000	66,329	3,671
Unemployment Compensation	25,000	(5,181)	19,819		19,819
Workman's Compensation	429,000	4,209	433,209	433,209	
Health Benefits	9,800,160	(133,717)	9,666,443	8,797,996	868,447
Tuition Reimbursement	25,000		25,000	13,233	11,767
Other Employee Benefits	16,000		16,000	5,171	10,829
Sick Time Payout Normal Retiree	25,000	7,745	32,745	32,745	
Total Unallocated Benefits	12,790,160	(90,291)	12,699,869	11,738,639	961,230
On-behalf T.P.A.F. Pension Contributions (non-budgeted)				5,332,241	(5,332,241)
On-behalf T.P.A.F. Non contributory Insurance (non-budgeted)				111,618	(111,618)
On-behalf T.P.A.F. Long-Term Disability Insurance (non-budgeted)				4,613	(4,613)
On-Behalf T.P.A.F. Post Retirement Pension Contributions (non-budgeted)				2,469,326	(2,469,326)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				2,313,532	(2,313,532)
Total On-behalf Contributions	-	-	-	10,231,330	(10,231,330)
Total Undistributed Expenditures	39,010,808	293,995	39,304,802	47,595,663	(8,290,861)
Total Current Expense	67,913,507	16,148	67,929,655	75,529,059	(7,599,404)
Capital Outlay:					
Interest Deposit to Capital Reserve	1,250	(1,250)			
Equipment:					
Athletic		8,890	8,890	8,890	
Undistributed Expenditures:					
Admin Info Tech		34,506	34,506	34,506	
Custodial Services	6,000		6,000	5,590	410
Grounds		44,519	44,519		44,519
School Buses- Regular	139,461	(27,836)	111,625	111,625	
Total Equipment	145,461	60,079	205,540	160,611	44,929

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2019

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Facilities Acquisition and Construction Services:					
Assesment for Debt Service on SDA Funding	\$ 147,841	\$ (147,841)	\$ 147,841	\$ 138,241	\$ 9,600
Other Objects		147,841			
Total Facilities Acquisition and Construction Services	<u>147,841</u>	<u>-</u>	<u>147,841</u>	<u>138,241</u>	<u>9,600</u>
Total Capital Outlay	<u>294,552</u>	<u>58,829</u>	<u>353,381</u>	<u>298,852</u>	<u>54,529</u>
Other Special Schools - Instruction:					
Salaries of Teachers	21,720		21,720	17,573	4,147
Other Salaries for Instruction		9,000	9,000	8,672	328
General Supplies	1,220		1,220		1,220
Total Other Special Schools - Instruction	<u>22,940</u>	<u>9,000</u>	<u>31,940</u>	<u>26,245</u>	<u>5,695</u>
Other Special Schools - Support Services:					
Salaries	47,060	(25,340)	21,720	8,768	12,952
Salaries of Principal and Assistant		6,340	6,340		6,340
Salaries of Secreterial and Clerical Assistant		5,000	5,000	2,730	2,270
Total Other Special Schools - Support Services	<u>47,060</u>	<u>(14,000)</u>	<u>33,060</u>	<u>11,498</u>	<u>21,562</u>
Total Special Schools	<u>70,000</u>	<u>(5,000)</u>	<u>65,000</u>	<u>37,743</u>	<u>27,257</u>
Transfer of Funds to Charter Schools	<u>255,809</u>	<u>(24,000)</u>	<u>231,809</u>	<u>219,283</u>	<u>12,526</u>
Total Expenditures	<u>68,533,868</u>	<u>45,977</u>	<u>68,579,844</u>	<u>76,084,937</u>	<u>(7,505,093)</u>

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Calculation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (572,717)	\$ (45,977)	\$ (618,693)	\$ 2,392,170	\$ (3,010,863)
Other Financing Sources (Uses):					
Transfers to cover deficit (Enterprise Fund)	(200,000)	200,000			
Operating Transfer Out - Food Service Fund Transfer to Cover Deficit		(200,000)	(200,000)	(182,532)	(17,468)
Total Other Financing Sources (Uses)	(200,000)	-	(200,000)	(182,532)	(17,468)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(772,717)	(45,977)	(818,693)	2,209,638	(3,028,331.17)
Fund Balances, July 1	3,960,394		3,960,394	3,960,394	
Fund Balances, June 30	\$ 3,187,677	\$ (45,977)	\$ 3,141,701	\$ 6,170,032	\$ (3,028,331)
Recapitulation:					
Restricted:					
Capital Reserve				\$ 1,159,338	
Excess Surplus				1,864,301	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,202,869	
Assigned:					
Year-End Encumbrances				60,308	
Designated for Subsequent Year's Expenditures				163,542	
Unassigned				1,719,674	
				6,170,032	
Reconciliation to Governmental Funds Statements (GAAP):					
Last 17-18 State Aid Payment Not Recognized on GAAP Basis				(2,331,728)	
Fund Balance per Governmental Funds (GAAP)				\$ 3,838,304	

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
State Sources:					
Chapter 192 - Auxiliary Services					
Chapter 193 - Handicapped Services					
Preschool Education Aid	\$ 663,828	\$ 96,086	\$ 759,914	\$ 753,690	\$ (6,224)
Total - State Sources	<u>663,828</u>	<u>96,086</u>	<u>759,914</u>	<u>753,690</u>	<u>(6,224)</u>
Federal Sources:					
Title I	500,623	49,431	550,054	512,166	(37,888)
Title IIA	99,966	(18,275)	81,691	59,913	(21,778)
Title III	14,536	184	14,720	5,427	(9,293)
Title IV	9,500	22,365	31,865	11,272	(20,593)
I.D.E.I.A., Part B	1,092,069	76,582	1,168,651	1,131,866	(36,785)
I.D.E.I.A., Part B, Preschool Incentive				36,785	36,785
Total - Federal Sources	<u>1,716,694</u>	<u>130,287</u>	<u>1,846,981</u>	<u>1,757,429</u>	<u>(89,552)</u>
Total Revenues	<u>2,380,522</u>	<u>226,373</u>	<u>2,606,895</u>	<u>2,511,119</u>	<u>(95,776)</u>

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 925,623	62,029	\$ 987,652	\$ 936,735	\$ 50,917
Other Salaries for Instruction	204,000		204,000	199,800	4,200
Purchased Professional and Technical Services		9,241	9,241	1,500	7,741
Other Purchased Services					
General Supplies		40,057	40,057	10,253	29,804
Tuition	1,092,069	76,582	1,168,651	1,168,651	
Total Instruction	<u>2,221,692</u>	<u>187,909</u>	<u>2,409,601</u>	<u>2,316,939</u>	<u>92,662</u>
Support Services:					
Salaries Personal Services		4,500	4,500	3,540	960
Personal Services - Employee Benefits	34,828	96,086	130,914	130,914	
Purchased Professional - Educational Services	79,966	(24,331)	55,635	55,635	-
Purchased Technical Services	9,500	(9,500)			
Other Purchased Services (400-500 series)	34,536	(31,136)	3,400	1,994	1,406
Supplies and Materials		2,845	2,845	2,097	748
Total Support Services	<u>158,830</u>	<u>38,464</u>	<u>197,294</u>	<u>194,180</u>	<u>3,114</u>
Total Expenditures	<u>2,380,522</u>	<u>226,373</u>	<u>2,606,895</u>	<u>2,511,119</u>	<u>95,776</u>
Total Outflows	<u>2,380,522</u>	<u>226,373</u>	<u>2,606,895</u>	<u>2,511,119</u>	<u>95,776</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

For the Fiscal Year Ended June 30, 2019

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 78,477,107	\$ 2,511,119
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year		(615)
Prior Year		17,994
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	2,205,508	265,221
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	<u>(2,331,728)</u>	<u>(75,991)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 78,350,887</u>	<u>\$ 2,717,728</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 76,084,937	\$ 2,511,119
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year		(615)
Prior Year		17,994
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 76,084,937</u>	<u>\$ 2,528,498</u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

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

	Measurement Date Ending June 30,					
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.1430402146%	0.1490986763%	0.1422886451%	0.1357273274%	0.1306388697%	0.1271431943%
School District's Proportionate Share of the Net Pension Liability	\$ 28,163,905	\$ 34,707,789	\$ 42,141,815	\$ 30,468,065	\$ 24,459,169	\$ 24,299,591
School District's Covered Payroll (Plan Measurement Period)	\$ 10,953,496	\$ 11,104,628	\$ 10,556,844	\$ 9,323,724	\$ 9,804,780	\$ 9,473,252
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	257.12%	312.55%	399.19%	326.78%	249.46%	256.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

	Fiscal Year Ended June 30,					
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,331,167	\$ 1,422,788	\$ 1,381,240	\$ 1,264,072	\$ 1,166,891	\$ 1,076,968
Contributions in Relation to the Contractually Required Contribution	<u>(1,331,167)</u>	<u>(1,422,788)</u>	<u>(1,381,240)</u>	<u>(1,264,072)</u>	<u>(1,166,891)</u>	<u>(1,076,968)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 9,220,814	\$ 9,552,482	\$ 9,866,195	\$ 9,815,164	\$ 9,365,869	\$ 8,833,369
Contributions as a Percentage of School District's Covered Payroll	14.44%	14.89%	14.00%	12.88%	12.46%	12.19%

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

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

	Measurement Date Ending June 30,					
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>178,407,427</u>	<u>183,982,727</u>	<u>211,608,201</u>	<u>166,634,271</u>	<u>150,528,448</u>	<u>139,598,239</u>
	<u>\$ 178,407,427</u>	<u>\$ 183,982,727</u>	<u>\$ 211,608,201</u>	<u>\$ 166,634,271</u>	<u>\$ 150,528,448</u>	<u>\$ 139,598,239</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 34,052,100	\$ 34,083,908	\$ 32,892,216	\$ 31,988,592	\$ 31,137,396	\$ 32,299,932
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	523.92%	539.79%	643.34%	520.92%	483.43%	432.19%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

This schedule is not applicable.

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

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2019

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None

Changes in Assumptions - The Discount Rate changed at June 30th over the following years, 4.68% 2014, 4.13% 2015, 3.22% 2016, 4.25% 2017 and 4.86% 2018.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017 and 2018.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2012- June 30, 2015 experience study.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None

Changes in Assumptions - The Discount Rate changed at June 30th over the following years, 5.39% 2014, 4.90% 2015, 3.98% 2016, 5.00% 2017 and 5.66% 2018.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017 and 2018.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the Plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter.

For 2015, the social security wage base was set at \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 for 2015, increasing 3.00% per annum, compounded annually.

**REQUIRED SUPPLEMENTARY INFORMATION
PART IV**

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios
 Last Two Plan Years

	<u>Measurement Date Ending June 30,</u>	
	<u>2018</u>	<u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District		
Changes for the Year:		
Service Cost	\$ 6,289,193.00	\$ 7,584,372.00
Interest Cost	6,236,729.00	5,386,251.00
Difference Between Expected and Actual Experience	(15,612,346.00)	
Changes in Assumptions	(16,772,482.00)	(22,679,135.00)
Gross Benefit Payments	(3,908,241.00)	(3,932,723.00)
Member Contributions	<u>135,075.00</u>	<u>144,813.00</u>
Net Change in Total Non-Employer OPEB Liability	(23,632,072.00)	(13,496,422.00)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	<u>169,791,116.00</u>	<u>183,287,538.00</u>
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 146,159,044.00</u>	<u>\$ 169,791,116.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 37,214,730.00</u>	<u>\$ 38,630,257.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	392.75%	439.53%

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Notes to Required Supplementary Information - Part IV
For the Fiscal Year Ended June 30, 2019

Changes of Benefit Terms - None

Differences Between Expected and Actual Experience - The decrease in liability from June 30, 2017 to June 30, 2018 is due to changes in the census, claims and premiums experience.

Changes of Assumptions - The decrease in the liability from June 30, 2017 to June 30, 2018 is due to the increase in the assumed discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018; and a decrease in the assumed health care cost trend and excise tax assumptions.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2019

	<u>Total</u>	<u>Preschool Education Aid</u>	<u>Title I Part A</u>	<u>Title II Part A</u>	<u>Total Carried Forward</u>
REVENUES:					
Federal Sources	\$ 1,757,429		\$ 512,166	\$ 59,913	\$ 1,185,350
State Sources	753,690	\$ 753,690			-
Total Revenues	<u>\$ 2,511,119</u>	<u>\$ 753,690</u>	<u>\$ 512,166</u>	<u>\$ 59,913</u>	<u>\$ 1,185,350</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 936,735	\$ 422,976	\$ 510,069		\$ 3,690
Other Salaries for Instruction	199,800	199,800			-
Purchased Professional and Technical Services	1,500				1,500
General Supplies	10,253				10,253
Tuition	1,168,651				1,168,651
Total Instruction	<u>2,316,939</u>	<u>622,776</u>	<u>510,069</u>	<u>-</u>	<u>1,184,094</u>
Support Services:					
Salaries Personal Services	3,540			\$ 3,540	-
Personal Services - Employee Benefits	130,914	130,914			-
Purchased Professional - Educational Services	55,635			55,635	-
Other Purchased Services (400-500 series)	1,994			738	1,256
Supplies and Materials	2,097		2,097		-
Total Support Services	<u>194,180</u>	<u>130,914</u>	<u>2,097</u>	<u>59,913</u>	<u>1,256</u>
Total Expenditures	<u>2,511,119</u>	<u>753,690</u>	<u>512,166</u>	<u>59,913</u>	<u>1,185,350</u>
Total Outflows	<u>2,511,119</u>	<u>753,690</u>	<u>512,166</u>	<u>59,913</u>	<u>1,185,350</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2019

	Total Carried Forward	Title III	Title IV	I.D.E.I.A. Part B Basic	I.D.E.I.A. Part B Preschool
REVENUES:					
Federal Sources	\$ 1,185,350	\$ 5,427	\$ 11,272	\$ 1,131,866	\$ 36,785
State Sources	-				
Total Revenues	<u>\$ 1,185,350</u>	<u>\$ 5,427</u>	<u>\$ 11,272</u>	<u>\$ 1,131,866</u>	<u>\$ 36,785</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 3,690		\$ 3,690		
Other Salaries for Instruction	-				
Purchased Professional and Technical Services	1,500		1,500		
General Supplies	10,253	\$ 4,171	6,082		
Tuition	1,168,651			\$ 1,131,866	\$ 36,785
Total Instruction	<u>1,184,094</u>	<u>4,171</u>	<u>11,272</u>	<u>1,131,866</u>	<u>36,785</u>
Support Services:					
Salaries Personal Services	-				
Personal Services - Employee Benefits	-				
Purchased Professional - Educational Services	-				
Other Purchased Services (400-500 series)	1,256	1,256			
Supplies and Materials	-				
Total Support Services	<u>1,256</u>	<u>1,256</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,185,350</u>	<u>5,427</u>	<u>11,272</u>	<u>1,131,866</u>	<u>36,785</u>
Total Outflows	<u>1,185,350</u>	<u>5,427</u>	<u>11,272</u>	<u>1,131,866</u>	<u>36,785</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Special Revenue Fund
Preschool Education Aid Schedule - Budgetary Basis
For the Fiscal Year Ended June 30, 2019

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction			
Salaries of Teachers	\$ 425,000	\$ 422,976	\$ 2,024
Other Salaries for Instruction	<u>204,000</u>	<u>199,800</u>	<u>4,200</u>
Total Instruction	<u>629,000</u>	<u>622,776</u>	<u>6,224</u>
Support services			
Personal Services - Employee Benefits	<u>130,914</u>	<u>130,914</u>	<u>-</u>
Total Support Services	<u>130,914</u>	<u>130,914</u>	<u>-</u>
Total Expenditures	<u>\$ 759,914</u>	<u>\$ 753,690</u>	<u>\$ 6,224</u>

Calculation of Budget and Carryover

Total Revised 2018-2019 Preschool Education Aid Allocation	\$ 759,914
Add: Actual ECPA Carryover (June 30, 2018)	145,140
Add: Budgeted Transfer from the General Fund 2018-2019	<u>-</u>
Total Preschool Education Aid Funds Available for 2018-2019 Budget	905,054
Less: 2018-2019 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>(759,914)</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2019	145,140
Add: 2018-2019 Unexpended Preschool Education Aid	6,224
Less: 2018-2019 Commissioner Approved Transfer to General Fund	<u>-</u>
2018-2019 Carryover -- Preschool Education Aid	<u>\$ 151,364</u>
2018-2019 Preschool Education Aid Carryover Budgeted in 2019-2020	<u>\$ -</u>

PROPRIETARY FUNDS

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Net Position
June 30, 2019

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 32,918	\$ 86,571	\$ 119,489
Accounts Receivable:			
State	820		820
Federal	47,253		47,253
Other	16,594		16,594
Inventories	15,054		15,054
Total Current Assets	112,639	86,571	199,210
Noncurrent Assets:			
Equipment	661,159		661,159
Less Accumulated Depreciation	(550,733)		(550,733)
Total Noncurrent Assets	110,426	-	110,426
Total Assets	223,065	86,571	309,636
LIABILITIES:			
Current Liabilities:			
Interfund Payable	189,987		189,987
Accounts Payable			
Total Current Liabilities	189,987	-	189,987
Noncurrent Liabilities:			
Compensated Absences Payable	32,959		32,959
Total Liabilities	222,946	-	222,946
NET POSITION:			
Net Investment In Capital Assets	110,426		110,426
Unrestricted (Deficit)	(110,307)	86,571	(23,736)
Total Net Position	\$ 119	\$ 86,571	\$ 86,690

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Proprietary Funds
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2019

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 333,794		\$ 333,794
Daily Sales - Non-Reimbursable Programs	192,355		192,355
Special Functions	19,504		19,504
Community Service Activities		\$ 536,263	536,263
Miscellaneous	14,928	1,834	16,762
Total Operating Revenues	560,581	538,097	1,098,678
OPERATING EXPENSES:			
Salaries	702,040	362,185	1,064,225
Employee Benefits	170,423	59,340	229,763
Supplies and Materials	75,295	30,825	106,120
Cost of Sales - Reimbursable Programs	582,869		582,869
Cost of Sales - Non-Reimbursable Programs	92,350		92,350
Other Purchased Services		4,464	4,464
Office and Uniform Expense	3,173		3,173
Insurance and Fees	22,462		22,462
Depreciation	18,543		18,543
Miscellaneous		16,265	16,265
Total Operating Expenses	1,667,155	473,079	2,140,234
Operating Income (Loss)	(1,106,574)	65,018	(1,041,556)
NONOPERATING REVENUES:			
State Sources:			
State School Lunch Program	14,727		14,727
Federal Sources:			
National School Lunch Program	588,001		588,001
National School Breakfast Program	210,533		210,533
Healthy Hunger Free Kids Program	16,657		16,657
Special Milk Program	2,665		2,665
After School Snack Program	7,046		7,046
United States Department of Agriculture Commodities	79,550		79,550
Total Nonoperating Revenues	919,179		919,179
Income (Loss) Before Contributions	(187,395)	65,018	(122,377)
Board Contribution	182,532		182,532
Change in Net Position	(4,863)	65,018	60,155
Net Position -- July 1	4,982	21,553	26,535
Net Position -- June 30	\$ 119	\$ 86,571	\$ 86,690

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Proprietary Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2019

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 560,581	\$ 538,097	\$ 1,098,678
Payments to Employees	(701,875)	(362,185)	(1,064,060)
Payments for Employee Benefits	(170,423)	(59,340)	(229,763)
Payments to Suppliers	<u>(917,769)</u>	<u>(51,554)</u>	<u>(969,323)</u>
Net Cash Provided by (used for) Operating Activities	<u>(1,229,486)</u>	<u>65,018</u>	<u>(1,164,468)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Cash Received from State and Federal Reimbursements	996,674		996,674
Transfers from Other Funds	<u>182,532</u>		<u>182,532</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,179,206</u>	<u>-</u>	<u>1,179,206</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided by (used for) Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(50,280)	65,018	14,738
Cash and Cash Equivalents -- July 1	<u>83,198</u>	<u>21,553</u>	<u>104,751</u>
Cash and Cash Equivalents -- June 30	<u>\$ 32,918</u>	<u>\$ 86,571</u>	<u>\$ 119,489</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	<u>\$ (1,106,574)</u>	<u>\$ 65,018</u>	<u>\$ (1,041,556)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	18,543		18,543
Federal Commodities	79,550		79,550
(Increase) Decrease in Inventories	2,460		2,460
(Increase) Decrease in Other Current Receivables	90,000		90,000
Increase (Decrease) in Other Current Liabilities	(313,630)		(313,630)
Increase (Decrease) in Compensated Absences Payable	<u>165</u>		<u>165</u>
Total Adjustments	<u>(122,912)</u>	<u>-</u>	<u>(122,912)</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,229,486)</u>	<u>\$ 65,018</u>	<u>\$ (1,164,468)</u>

FIDUCIARY FUNDS

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2019

	<u>Private-Purpose Trust Funds</u>		<u>Agency Funds</u>		
	New Jersey Unemployment Compensation <u>Trust</u>	Scholarship <u>Trust</u>	Student <u>Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS:					
Cash and Cash Equivalents	\$ 724,244	\$ 75,608	\$ 257,195	\$ 1,780,890	\$ 2,837,937
Total Assets	<u>724,244</u>	<u>75,608</u>	<u>\$ 257,195</u>	<u>\$ 1,780,890</u>	<u>2,837,937</u>
LIABILITIES:					
Net Payroll - Summer Salary				\$ 1,384,253	1,384,253
Payroll Deductions and Withholdings Payable to Student Groups			\$ 257,195	396,637	396,637
Total Liabilities			<u>\$ 257,195</u>	<u>\$ 1,384,253</u>	<u>2,038,085</u>
NET POSITION:					
Held in Trust for Unemployment Claims and Scholarships	<u>724,244</u>	<u>75,608</u>			<u>799,852</u>
Total Net Position	<u>\$ 724,244</u>	<u>\$ 75,608</u>			<u>\$ 2,837,937</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2019

	Private Purpose Trust Funds		
	New Jersey Unemployment Compensation Trust	Scholarship Trust	Total
ADDITIONS:			
Contributions:			
Employee Withholdings	\$ 87,326		\$ 87,326
Gifts and Contributions		\$ 9,822	9,822
Total Contributions	87,326	9,822	97,148
Investment Earnings:			
Interest on Investments	210		210
Net Investment Earnings	210	-	210
Total Additions	87,536	9,822	97,358
DEDUCTIONS:			
Unemployment Compensation			
Insurance Claims	59,068		59,068
Scholarships Awarded		6,500	6,500
Total Deductions	59,068	6,500	65,568
Change in Net Position	28,468	3,322	31,790
Net Position -- July 1	695,776	72,286	768,062
Net Position -- June 30	\$ 724,244	\$ 75,608	\$ 799,852

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2019

	<u>Balance</u> <u>June 30, 2018</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2019</u>
Total All Schools	<u>\$ 284,559</u>	<u>\$ 494,442</u>	<u>\$ 521,806</u>	<u>\$ 257,195</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2019

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
ASSETS:				
Cash and Cash Equivalents	\$ 1,278,510	\$ 24,400,235	\$ 23,897,855	\$ 1,780,890
Total Assets	<u>\$ 1,278,510</u>	<u>\$ 24,400,235</u>	<u>\$ 23,897,855</u>	<u>\$ 1,780,890</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 1,278,510	\$ 24,400,235	\$ 23,897,855	\$ 1,780,890
Total Liabilities	<u>\$ 1,278,510</u>	<u>\$ 24,400,235</u>	<u>\$ 23,897,855</u>	<u>\$ 1,780,890</u>

LONG-TERM DEBT

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2019

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2019</u>
			<u>Date</u>	<u>Amount</u>					
Refunding of Bonds 2016	3/23/16	\$ 7,490,000	2/1/20	1,265,000	2.000%	\$ 5,070,000		\$ 1,230,000	\$ 3,840,000
			2/1/21	1,290,000	2.000%				
			2/1/22	1,285,000	2.000%				
						<u>\$ 5,070,000</u>	<u>\$ -</u>	<u>\$ 1,230,000</u>	<u>\$ 3,840,000</u>
						<u>\$ 5,070,000</u>	<u>\$ -</u>	<u>\$ 1,230,000</u>	<u>\$ 3,840,000</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Obligations Under Capital Leases
 For the Fiscal Year Ended June 30, 2019

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Interest Rate Payable</u>	<u>Amount Outstanding June 30, 2018 (a)</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2019 (a)</u>
			<u>Principal</u>	<u>Interest</u>					
School Buses	7/15/15	5 Years	\$ 445,617	\$ 15,205	1.65%	\$ 185,800		\$ 92,140	\$ 93,660
						<u>\$ 185,800</u>	<u>\$ -</u>	<u>\$ 92,140</u>	<u>\$ 93,660</u>

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,343,700	_____	\$ 1,343,700	\$ 1,343,700	\$ -
Total Revenues	<u>1,343,700</u>	<u>-</u>	<u>1,343,700</u>	<u>1,343,700</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	113,700	_____	113,700	113,700	
Redemption of Principal	1,230,000	_____	1,230,000	1,230,000	
Total Regular Debt Service	<u>1,343,700</u>	<u>-</u>	<u>1,343,700</u>	<u>1,343,700</u>	
Total Expenditures	<u>1,343,700</u>	<u>-</u>	<u>1,343,700</u>	<u>1,343,700</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures		-	-	-	-
Fund Balance, July 1	_____	-	_____	9,269	9,269
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,269</u>	<u>\$ 9,269</u>

STATISTICAL SECTION

Financial Trends Information

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

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

	Fiscal Year Ending June 30.									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities										
Net Investment in Capital Assets	\$ 20,059,194	\$ 20,797,614	\$ 20,830,156	\$ 20,818,783	\$ 22,211,278	\$ 22,194,124	\$ 23,411,566	\$ 25,257,886	\$ 24,405,478	\$ 23,711,568
Restricted	4,235,777	2,267,461	1,760,961	3,960,362	6,963,929	8,432,412	6,695,420	4,331,416	3,740,418	6,146,861
Unrestricted (Deficit)	<u>(33,554,888)</u>	<u>(33,678,702)</u>	<u>(29,934,116)</u>	<u>(27,681,005)</u>	<u>(27,393,758)</u>	<u>(2,904,415)</u>	<u>(1,895,817)</u>	<u>(2,834,474)</u>	<u>(1,415,224)</u>	<u>(3,295,015)</u>
Total Governmental Activities Net Position	<u>\$ (9,259,917)</u>	<u>\$ (10,613,627)</u>	<u>\$ (7,342,999)</u>	<u>\$ (2,901,860)</u>	<u>\$ 1,781,449</u>	<u>\$ 27,722,121</u>	<u>\$ 28,211,169</u>	<u>\$ 26,754,828</u>	<u>\$ 26,730,672</u>	<u>\$ 26,563,414</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 110,426	\$ 128,969	\$ 154,938	\$ 185,401	\$ 62,923	\$ 80,380	\$ 85,016	\$ 102,054	\$ 125,610	\$ 151,934
Unrestricted (Deficit)	<u>(23,736)</u>	<u>(102,434)</u>	<u>(142,265)</u>	<u>(179,900)</u>	<u>72,303</u>	<u>82,207</u>	<u>129,837</u>	<u>205,892</u>	<u>253,496</u>	<u>174,738</u>
Total Business-type Activities Net Position	<u>\$ 86,690</u>	<u>\$ 26,535</u>	<u>\$ 12,673</u>	<u>\$ 5,501</u>	<u>\$ 135,226</u>	<u>\$ 162,587</u>	<u>\$ 214,853</u>	<u>\$ 307,946</u>	<u>\$ 379,106</u>	<u>\$ 326,672</u>
District-wide										
Net Investment in Capital Assets	\$ 20,169,620	\$ 20,926,583	\$ 20,985,094	\$ 21,004,184	\$ 22,274,201	\$ 22,274,504	\$ 23,496,582	\$ 25,359,940	\$ 24,531,088	\$ 23,863,502
Restricted	4,235,777	2,267,461	1,760,961	3,960,362	6,963,929	8,432,412	6,695,420	4,331,416	3,740,418	6,146,861
Unrestricted (Deficit)	<u>(33,578,624)</u>	<u>(33,781,136)</u>	<u>(30,076,381)</u>	<u>(27,860,905)</u>	<u>(27,321,455)</u>	<u>(2,822,208)</u>	<u>(1,765,980)</u>	<u>(2,628,582)</u>	<u>(1,161,728)</u>	<u>(3,120,277)</u>
Total District-wide Net Position	<u>\$ (9,173,227)</u>	<u>\$ (10,587,092)</u>	<u>\$ (7,330,326)</u>	<u>\$ (2,896,359)</u>	<u>\$ 1,916,675</u>	<u>\$ 27,884,708</u>	<u>\$ 28,426,022</u>	<u>\$ 27,062,774</u>	<u>\$ 27,109,778</u>	<u>\$ 26,890,086</u>

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

Source: District Records

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

	Fiscal Year Ending June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 23,134,604	\$ 24,602,322	\$ 23,716,666	\$ 25,405,080	\$ 24,140,864	\$ 32,376,995	\$ 31,675,773	\$ 28,060,185	\$ 27,640,288	\$ 23,734,807
Special Education	4,775,863	4,319,698	4,120,484	4,167,971	3,474,029	3,935,982	3,848,969	7,058,348	6,789,396	9,436,835
Other Special Education	2,219,589	1,849,868	1,855,323	1,741,812	1,637,303	2,080,031	1,500,204	2,016,529	1,712,393	2,313,321
Support Services:										
Tuition	6,294,288	5,380,139	4,719,675	4,576,912	4,757,738	4,239,302	3,556,226	2,747,369	2,082,114	2,791,314
Student & Instruction Related Services	7,337,191	9,112,463	7,725,862	7,641,053	6,801,746	8,918,657	8,799,748	8,747,993	9,572,672	7,551,312
General Administrative Services	869,150	998,031	940,658	992,939	1,042,134	906,535	787,983	725,628	851,976	1,043,778
School Administrative Services	2,505,491	2,864,260	2,802,716	2,889,437	2,706,266	5,381,720	5,457,106	5,442,270	4,905,768	2,848,685
Central Services	534,454	482,282	706,133	717,907	662,054					934,993
Administrative Information Technology	473,243	626,999	881,047	905,070	934,583					1,628,658
Plant Operations and Maintenance	5,817,965	5,563,732	5,583,065	6,299,320	6,074,793	7,957,213	7,528,412	7,101,480	7,637,548	7,090,192
Pupil Transportation	3,641,837	4,211,604	4,053,915	4,086,791	4,215,472	3,782,617	3,485,828	3,364,561	3,114,680	4,069,573
Unallocated Benefits	37,502,533	39,420,160	36,125,497	26,717,805	16,059,331					
Transfer to Charter School	219,283	265,233	168,272	139,758	105,349					
Special Schools	37,743	74,779	84,841	90,554						
Payment of Bond Issue Costs				115,069						
Interest on Long-Term Debt	86,051	104,909	257,439	416,030	516,141	412,220	746,255	396,350	625,053	664,383
Total Governmental Activities Expenses	95,449,286	99,876,479	93,741,593	86,903,508	73,127,803	69,991,272	67,386,504	65,660,713	64,931,888	64,107,851
Business-type Activities:										
Food Service	1,667,155	1,915,691	1,866,457	1,765,038	1,579,611	1,603,260	1,613,236	1,609,515	1,473,976	1,775,291
Childcare Program	473,079	252,751	131,531							
Total Business-type Activities Expense	2,140,234	2,168,442	1,997,988	1,765,038	1,579,611	1,603,260	1,613,236	1,609,515	1,473,976	1,775,291
Total District Expenses	\$ 97,589,520	\$ 102,044,921	\$ 95,739,581	\$ 88,668,546	\$ 74,707,414	\$ 71,594,532	\$ 68,999,740	\$ 67,270,228	\$ 66,405,864	\$ 65,883,142

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

	Fiscal Year Ending June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (tuition)	\$ 387,304	\$ 584,016	\$ 813,490	\$ 452,379	\$ 322,655	\$ 426,709	\$ 487,238	\$ 186,390	\$ 78,651	\$ 184,978
Operating Grants and Contributions	<u>17,443,709</u>	<u>20,564,214</u>	<u>2,890,355</u>	<u>2,993,455</u>	<u>2,735,627</u>	<u>2,760,137</u>	<u>3,349,999</u>	<u>3,018,861</u>	<u>3,746,908</u>	<u>2,999,205</u>
Total Governmental Activities Program Revenues	<u>17,831,013</u>	<u>21,148,230</u>	<u>3,703,845</u>	<u>3,445,834</u>	<u>3,058,282</u>	<u>3,186,846</u>	<u>3,837,237</u>	<u>3,205,251</u>	<u>3,825,559</u>	<u>3,184,183</u>
Business-type activities:										
Charges for services:										
Food Service	560,581	616,700	647,804	627,124	590,621	600,241	599,882	644,523	724,486	736,595
Childcare Program	538,097	267,699	138,136	1,008,189	953,844	946,905	920,261	893,832	801,814	813,226
Operating Grants and Contributions	<u>919,179</u>	<u>1,072,697</u>	<u>1,019,220</u>	<u>1,008,189</u>	<u>953,844</u>	<u>946,905</u>	<u>920,261</u>	<u>893,832</u>	<u>801,814</u>	<u>813,226</u>
Total Business-type Activities Program Revenues	<u>2,017,857</u>	<u>1,957,096</u>	<u>1,805,160</u>	<u>1,635,313</u>	<u>1,544,465</u>	<u>1,547,146</u>	<u>1,520,143</u>	<u>1,538,355</u>	<u>1,526,300</u>	<u>1,549,821</u>
Total District Program Revenues	<u>\$ 19,848,870</u>	<u>\$ 23,105,326</u>	<u>\$ 5,509,005</u>	<u>\$ 5,081,147</u>	<u>\$ 4,602,747</u>	<u>\$ 4,733,992</u>	<u>\$ 5,357,380</u>	<u>\$ 4,743,606</u>	<u>\$ 5,351,859</u>	<u>\$ 4,734,004</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (77,618,273)	\$ (78,728,249)	\$ (90,037,748)	\$ (83,457,674)	\$ (70,069,521)	\$ (66,804,426)	\$ (63,549,267)	\$ (62,455,462)	\$ (61,106,329)	\$ (60,923,668)
Business-type Activities	<u>(122,377)</u>	<u>(211,346)</u>	<u>(192,828)</u>	<u>(129,725)</u>	<u>(35,146)</u>	<u>(56,114)</u>	<u>(93,093)</u>	<u>(71,160)</u>	<u>52,324</u>	<u>(225,470)</u>
Total District-wide Net Expense	<u>\$ (77,740,650)</u>	<u>\$ (78,939,595)</u>	<u>\$ (90,230,576)</u>	<u>\$ (83,587,399)</u>	<u>\$ (70,104,667)</u>	<u>\$ (66,860,540)</u>	<u>\$ (63,642,360)</u>	<u>\$ (62,526,622)</u>	<u>\$ (61,054,005)</u>	<u>\$ (61,149,138)</u>

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

	Fiscal Year Ending June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 41,327,967	\$ 40,517,615	\$ 39,687,220	\$ 38,464,482	\$ 37,188,880	\$ 35,885,892	\$ 34,692,139	\$ 33,520,000	\$ 33,285,000	\$ 33,263,531
Taxes Levied for Debt Service	1,343,700	1,347,900	1,348,686	1,443,800	1,435,800	1,441,030	1,439,980	991,721	1,405,650	1,386,258
Unrestricted Grants and Contributions	36,354,510	33,744,191	44,648,119	30,730,259	29,487,727	28,755,543	28,765,803	27,613,694	25,201,387	25,072,474
Restricted Grants and Contributions								(27,682)	1,214,989	
Investment Earnings	119,928	25,129	5,760	2,528	696	600	772	483		27,986
Miscellaneous Income	8,410	47,786	106,824	112,448	315,337	232,313	106,914	381,402	166,561	254,586
Transfers	(182,532)	(225,000)	(200,000)							(271,805)
Total Governmental Activities	<u>78,971,983</u>	<u>75,457,621</u>	<u>85,596,609</u>	<u>70,753,517</u>	<u>68,428,440</u>	<u>66,315,378</u>	<u>65,005,608</u>	<u>62,479,618</u>	<u>61,273,587</u>	<u>59,733,030</u>
Business-type Activities:										
Investment Earnings		208			7,785	3,848			110	601
Transfers	182,532	225,000	200,000							271,805
Total Business-type Activities	<u>182,532</u>	<u>225,208</u>	<u>200,000</u>	<u>-</u>	<u>7,785</u>	<u>3,848</u>	<u>-</u>	<u>-</u>	<u>110</u>	<u>272,406</u>
Total District-wide	<u>\$ 79,154,515</u>	<u>\$ 75,682,829</u>	<u>\$ 85,796,609</u>	<u>\$ 70,753,517</u>	<u>\$ 68,436,225</u>	<u>\$ 66,319,226</u>	<u>\$ 65,005,608</u>	<u>\$ 62,479,618</u>	<u>\$ 61,273,697</u>	<u>\$ 60,005,436</u>
Change in Net Position										
Governmental Activities	\$ 1,353,710	\$ (3,270,628)	\$ (4,441,139)	\$ (12,704,157)	\$ (1,641,081)	\$ (489,048)	\$ 1,456,341	\$ 24,156	\$ 167,258	\$ (1,190,638)
Business-type Activities	60,155	13,862	7,172	(129,725)	(27,361)	(52,266)	(93,093)	(71,160)	52,434	46,936
Total District	<u>\$ 1,413,865</u>	<u>\$ (3,256,766)</u>	<u>\$ (4,433,967)</u>	<u>\$ (12,833,882)</u>	<u>\$ (1,668,442)</u>	<u>\$ (541,314)</u>	<u>\$ 1,363,248</u>	<u>\$ (47,004)</u>	<u>\$ 219,692</u>	<u>\$ (1,143,702)</u>

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

Source: District Records

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

	Fiscal Year Ending June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund										
Restricted	\$ 4,226,508	\$ 2,258,192	\$ 1,751,692	\$ 3,951,093	\$ 6,926,291	\$ 8,432,412	\$ 6,695,420	\$ 4,331,416	\$ 864,957	\$ 4,559,161
Assigned	223,850	167,500	1,992,432	1,084,280	247,050	202,274	1,192,765	220,586	2,882,581	
Unassigned (Deficit)	<u>(612,054)</u>	<u>(670,806)</u>	<u>(716,475)</u>	<u>(736,865)</u>	<u>(764,667)</u>	<u>(884,032)</u>	<u>(984,952)</u>	<u>(684,978)</u>	<u>(505,031)</u>	<u>(1,114,761)</u>
Total General Fund	<u>\$ 3,838,304</u>	<u>\$ 1,754,886</u>	<u>\$ 3,027,649</u>	<u>\$ 4,298,508</u>	<u>\$ 6,408,674</u>	<u>\$ 7,750,654</u>	<u>\$ 6,903,233</u>	<u>\$ 3,867,024</u>	<u>\$ 3,242,507</u>	<u>\$ 3,444,400</u>
All Other Governmental Funds										
Restricted									\$ 925,092	\$ 1,453,159
Debt Service Fund	\$ 9,269	\$ 9,269	\$ 9,269	\$ 9,269					450,369	
Unassigned (Deficit), Reported in:										
Special Revenue Fund	(75,991)	(265,221)	(81,919)	(70,620)	\$ (83,332)	\$ (88,981)	\$ (101,839)	\$ (73,608)	(81,711)	(86,955)
Capital Projects Fund										134,541
Total All Other Governmental Funds	<u>\$ (66,722)</u>	<u>\$ (255,952)</u>	<u>\$ (72,650)</u>	<u>\$ (61,351)</u>	<u>\$ (83,332)</u>	<u>\$ (88,981)</u>	<u>\$ (101,839)</u>	<u>\$ (73,608)</u>	<u>\$ 1,293,750</u>	<u>\$ 1,500,745</u>

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

Source: District Records

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

	Fiscal Year Ending June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Tax Levy	\$ 42,671,667	\$ 41,865,515	\$ 41,035,906	\$ 39,908,282	\$ 38,624,680	\$ 37,326,922	\$ 36,132,119	\$ 34,511,721	\$ 34,690,650	\$ 34,649,789
Tuition Charges	387,304	584,016	813,490	452,379	322,655	426,709	487,238	186,390	78,651	184,978
Interest Earnings	119,928	25,129	5,760	2,528	696	600	772	483		27,986
Miscellaneous	161,178	47,786	106,824	112,448	315,337	232,313	106,914	381,402	166,561	254,586
State Sources	37,214,104	35,975,572	32,606,584	31,605,097	30,247,095	29,708,640	29,705,674	27,605,538	27,287,001	22,126,579
Federal Sources	1,858,134	1,957,705	2,096,857	2,113,554	1,960,246	1,802,100	2,409,128	2,998,343	2,876,283	5,945,099
Local Sources		500	4,937	5,063	16,013	4,940	1,000	992		
Total Revenue	82,412,315	80,456,223	76,670,358	74,199,351	71,486,722	69,502,224	68,842,845	65,684,869	65,099,146	63,189,017
Expenditures										
Instruction										
Regular Instruction	22,440,087	23,509,272	22,651,872	23,415,876	22,920,487	22,548,690	22,037,174	20,354,916	19,892,776	18,021,993
Special Education Instruction	4,554,610	4,121,083	3,936,671	3,897,859	3,303,324	2,808,399	2,791,075	5,219,200	4,859,962	7,176,891
Other Special Instruction	2,104,366	1,754,638	1,761,026	1,615,383	1,545,530	1,457,663	1,020,979	1,452,729	1,217,785	1,759,324
Support Services:										
Tuition	6,294,288	5,380,139	4,719,675	4,576,912	4,757,738	4,239,302	3,556,226	2,747,369	2,082,114	2,791,314
Student & Instruction Related Services	6,959,589	8,714,579	7,349,614	7,111,390	6,449,005	6,279,860	6,093,396	6,734,983	7,538,492	5,742,915
General Administrative Services	869,150	998,031	940,658	992,939	1,042,134	906,535	787,983	725,628	739,435	793,813
School Administrative Services	2,375,427	2,716,810	2,660,268	2,679,708	2,554,577	2,552,143	2,447,278	2,242,478	2,093,983	2,116,078
Central Services	506,710	457,454	670,244	665,798	624,945	539,314	551,880	610,715	608,097	711,080
Administrative Information Technology	448,677	594,722	836,269	839,376	882,199	628,296	714,732	1,067,476	786,706	1,238,625
Plant Operations and Maintenance	5,603,301	5,423,279	5,465,499	6,011,088	5,755,410	5,531,634	5,123,537	5,115,981	5,431,517	5,578,748
Pupil Transportation	3,641,837	4,211,604	4,053,915	4,086,791	4,215,472	3,782,617	3,485,828	3,364,561	3,114,680	3,029,387
Unallocated Employee Benefits	22,100,883	21,143,453	20,027,070	17,590,117	15,775,599	15,561,216	15,627,659	12,855,138	13,192,884	12,043,588
Transfer to Charter School	219,283	265,233	168,272	139,758	105,349					
Special Schools	37,743	74,779	84,841	90,554						
Capital Outlay	457,484	974,312	930,095	1,632,904	1,307,643	479,992	157,140	2,494,446	2,507,223	1,665,842
Debt Service:										
Principal	1,230,000	1,210,000	1,210,000	1,100,000	1,050,000	1,010,000	965,000	925,000	885,000	850,000
Interest and Other Charges	113,700	137,900	286,527	606,710	533,641	431,030	474,980	517,090	557,380	596,025
Total Expenditures	79,957,135	81,687,288	77,752,516	77,053,163	72,823,053	68,756,691	65,834,867	66,427,710	65,508,034	64,115,623
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,455,180	(1,231,065)	(1,082,158)	(2,853,812)	(1,336,331)	745,533	3,007,978	(742,841)	(408,888)	(926,606)
Other Financing Sources (Uses)										
Capital Leases (Non-budgeted)				650,558		114,746				
Proceeds of Refunding Debt				7,490,000						
Payment to Refunded Debt Escrow Agent				(7,560,777)						
Original Issue Premium				185,846						
Transfers In			288,780	249,561	25,205					458,912
Transfers Out	(182,532)	(225,000)	(488,780)	(249,561)	(25,205)					(730,717)
Total Other Financing Sources (Uses)	(182,532)	(225,000)	(200,000)	765,627	-	114,746	-	-	-	(271,805)
Net Change in Fund Balances	\$ 2,272,648	\$ (1,456,065)	\$ (1,282,158)	\$ (2,088,185)	\$ (1,336,331)	\$ 860,279	\$ 3,007,978	\$ (742,841)	\$ (408,888)	\$ (1,198,411)
Debt Service as a Percentage of Noncapital Expenditures	1.7%	1.7%	1.9%	2.3%	2.2%	2.1%	2.2%	2.3%	2.3%	2.3%
Source: District Records										

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

	<u>Fiscal Year Ending June 30.</u>									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Interest on Investments										\$ 23,736
Interest on Investments- Capital Reserve										4,250
Grant									\$ 1,000	
Prior Year Purchase Order Adjustments							\$ 2,212	\$ 182,601	20,015	42,409
Prior Year Tuition Adjustments								6,545	875	
Refunds	\$ 10,946	\$ 3,693	\$ 48,052	\$ 28,812	\$ 217,249	\$ 67,283	80,642	167,460	122,883	
Lease Purchase Agreement	126,537									210,000
Miscellaneous			43,179	74,961	64,297	98,396	721			
Rentals	16,000	40,000		836	32,673	33,600	21,279			
Sale of Fixed Assets									6,394	
Sale of Obsolete Equipment									337	
Scrap/Salvage							545			
Seminar/Class Fees							1,515	19,329	61,413	
Township Share of Community Activities								5,467	2,955	
Tuition									84,414	184,978
Transportation	7,695	4,093	15,593	7,839	1,118	28,205				
Advertising Fees - School Buses						4,829				
	<u>\$ 161,178</u>	<u>\$ 47,786</u>	<u>\$ 106,824</u>	<u>\$ 112,448</u>	<u>\$ 315,337</u>	<u>\$ 232,313</u>	<u>\$ 106,914</u>	<u>\$ 381,402</u>	<u>\$ 300,286</u>	<u>\$ 465,373</u>

Source: District Records.

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

DEPTFORD TOWNSHIP BOARD OF EDUCATION
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2019	\$ 49,373,600	\$ 1,861,797,000	\$ 7,403,700	\$ 774,547,300	\$ 17,990,900	\$ 101,531,200	2,812,643,700	\$ 6,007,538	\$ 2,818,651,238	\$ 414,133,900	\$ 2,924,785,835	\$ 1.575
2018	51,502,300	1,852,721,000	7,407,100	776,043,900	17,683,300	101,531,200	2,806,888,800	5,925,130	2,812,813,930	411,748,200	2,911,815,663	1.518
2017	52,731,900	1,842,888,000	7,506,700	768,412,600	17,394,700	101,531,200	2,790,465,100	6,172,001	2,796,637,101	409,490,500	2,788,013,393	1.497
2016	58,007,100	1,831,117,500	8,034,100	773,426,700	18,002,700	102,577,000	2,791,165,100	6,084,393	2,797,249,493	378,279,900	2,692,221,531	1.467
2015	59,768,000	1,820,706,600	8,397,400	791,494,800	18,332,600	102,577,000	2,801,276,400	6,098,196	2,807,374,596	372,794,500	2,781,287,814	1.422
2014	60,953,400	1,811,673,600	8,673,000	808,000,600	15,635,200	102,688,700	2,807,624,500	5,957,884	2,813,582,384	372,528,700	2,769,095,863	1.373
2013	63,135,800	1,800,420,300	8,774,300	873,643,700	16,838,800	102,688,700	2,865,501,600	6,596,438	2,872,098,038	370,818,500	3,004,307,804	1.300
2012	69,657,900	1,802,363,800	10,392,200	88,325,340	18,788,800	107,528,200	2,097,056,240	800,490,605	2,897,546,845	369,249,200	3,188,731,451	1.247
2011	36,182,100	1,136,237,008	6,405,600	489,914,727	10,000,900	52,861,400	1,731,601,735	4,439,720	1,736,041,455	192,804,700	3,188,731,451	1.994
2010	37,429,200	1,128,365,285	6,288,900	499,829,977	10,000,900	52,861,400	1,734,775,662	4,439,720	1,739,215,382	188,202,800	3,197,087,099	1.994

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

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

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

Source: Municipal Tax Assessor

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Direct and Overlapping Property Tax Rates
 Last Ten (Fiscal) Years
 (rate per \$100 of assessed value)
 Unaudited

Fiscal Year Ended <u>June 30,</u>	District Direct Rate			Overlapping Rates		Total Direct and <u>Tax Rate</u>
	<u>Basic Rate (1)</u>	<u>General Obligation Service (2)</u>	<u>Total Direct School Tax Rate</u>	<u>Township of Deptford</u>	<u>County of Gloucester</u>	
2019	\$ 1.5254	\$ 0.0496	\$ 1.5750	\$ 0.894	\$ 0.669	\$ 3.138
2018	1.4701	0.0479	1.5180	0.883	0.664	3.065
2017	1.4488	0.0482	1.4970	0.850	0.631	2.978
2016	1.4190	0.0480	1.4670	0.848	0.599	2.914
2015	1.3701	0.0515	1.4216	0.805	0.593	2.820
2014	1.3229	0.0501	1.3730	0.805	0.566	2.744
2013	1.2495	0.0505	1.3000	0.793	0.586	2.679
2012	1.1973	0.0500	1.2473	1.057	0.919	3.223
2011	1.9843	0.0100	1.9943	1.192	0.919	4.105
2010	1.9840	0.0100	1.9940	1.357	0.947	4.298

(1) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation

(2) Rates for debt service are based on each year's requirements.

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any growth a

Source: Municipal Tax Collector

DEPTFORD TOWNSHIP BOARD OF EDUCATION

Principal Property Tax Payers
Current Year and Ten Years Ago
Unaudited

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Deptford Mall Associates	\$ 161,775,400	1	5.75%	\$ 85,515,900	1	4.92%
BRE RC Deptford NJ LLC	57,819,600	2	2.06%			
Longfish Holdings LLC	36,200,000	3	1.29%			
Merion Locust Grove LP	26,317,200	4	0.94%			
Walmart	21,300,000	5	0.76%	20,904,700	2	1.20%
Narraticon SPE LLC & D&A LLC	19,625,300	6	0.70%			
Almonesson Associates - II	18,000,000	7	0.64%	14,278,000	7	0.82%
Macys East Inc	17,687,300	8	0.63%			
Inverness Apartments LLC	17,256,200	9	0.61%			
MS Portfolio LLC C/O Macerich Co	16,330,100	10	0.58%			
Almonesson Associates - I				20,827,800	3	1.20%
AIG Baker/Walmar				20,285,800	4	1.17%
AIG Baker				15,135,100	5	0.87%
AIG Baker/Sams				14,766,600	6	0.85%
Deptford Commons				12,750,000	8	0.73%
Boscov's				11,900,000	9	0.68%
Macy's Department Store				10,822,645	10	0.62%
Total	\$ 392,311,100		13.95%	\$ 227,186,545		13.06%

Source: Municipal Tax Assessor

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Property Tax Levies and Collections
 Last Ten Fiscal Years
 Unaudited

<u>Fiscal Year Ended June 30.</u>	<u>School Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2019	\$ 42,671,667	\$ 42,671,667	100.00%	-
2018	40,517,615	40,517,615	100.00%	-
2017	39,687,220	39,687,220	100.00%	-
2016	38,464,482	38,464,482	100.00%	-
2015	37,188,880	37,188,880	100.00%	-
2014	37,326,922	37,326,922	100.00%	-
2013	36,132,119	36,132,119	100.00%	-
2012	33,520,000	33,520,000	100.00%	-
2011	33,285,000	33,285,000	100.00%	-
2010	33,263,531	33,263,531	100.00%	-

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

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

Debt Capacity Information

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

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

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>				<u>Business-Type Activities</u>		<u>Percentage of Personal Income (2)</u>	<u>Per Capita (2)</u>
	<u>General Obligation Bonds (1)</u>	<u>Certificates of Participation</u>	<u>Capital Leases</u>	<u>Bond Anticipation Notes (BANs)</u>	<u>Capital Leases</u>	<u>Total District</u>		
2019	\$ 3,840,000	N/A	\$ 93,660	N/A	N/A	\$ 3,933,660	0.246%	\$ 129.27
2018	5,070,000	N/A	185,800	N/A	N/A	5,255,800	0.344%	171.86
2017	6,280,000	N/A	339,686	N/A	N/A	6,619,686	0.442%	216.60
2016	7,490,000	N/A	650,558	N/A	N/A	8,140,558	0.570%	266.11
2015	8,595,000	N/A	46,449	N/A	N/A	8,641,449	0.624%	282.86
2014	9,645,000	N/A	68,819	N/A	N/A	9,713,819	0.715%	318.29
2013	10,655,000	N/A	-	N/A	N/A	10,655,000	0.802%	348.59
2012	11,620,000	N/A	-	N/A	N/A	11,620,000	0.904%	379.75
2011	12,545,000	N/A	-	N/A	N/A	12,545,000	0.985%	409.33
2010	13,430,000	N/A	-	N/A	N/A	13,430,000	1.051%	437.15

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

- (1) Includes Early Retirement Incentive Plan (ERIP) refunding
- (2) See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

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

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita (2)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2019	\$ 3,840,000	-	\$ 3,840,000	0.14%	\$ 126.19
2018	5,070,000	-	5,070,000	0.18%	165.78
2017	6,280,000	-	6,280,000	0.22%	205.48
2016	7,490,000	-	7,940,000	0.28%	259.55
2015	8,595,000	-	9,213,970	0.33%	301.60
2014	9,645,000	-	9,645,000	0.34%	316.03
2013	10,655,000	-	10,655,000	0.37%	348.59
2012	11,620,000	-	11,620,000	0.40%	379.75
2011	12,545,000	-	12,545,000	0.72%	409.33
2010	13,430,000	-	13,430,000	0.77%	437.15

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

- (1) See Exhibit NJ J-6 for property tax data.
- (2) Population data can be found in Exhibit J-14.

Source: District Records.

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2018
 Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Deptford	\$ 16,867,305	100.00%	\$ 16,867,305
Other debt			
County of Gloucester	214,100,594	10.86%	<u>23,251,325</u>
Subtotal, overlapping debt			40,118,630
Deptford Township School District Direct Debt			<u>3,840,000</u>
Total direct and overlapping debt			<u><u>\$ 43,958,630</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by County of Gloucester
 Debt outstanding provided by applicable governmental unit

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Deptford. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

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

Legal Debt Margin Calculation for Fiscal Year 2019

Equalized valuation basis	
2019	\$ 2,930,270,397
2018	2,917,271,266
2017	<u>2,793,601,396</u>
	<u>\$ 8,641,143,059</u>
Average equalized valuation of taxable property	<u>\$ 2,880,381,020</u>
Debt limit (4% of average equalization value) (1)	\$ 115,215,241
Total Net Debt Applicable to Limit	<u>3,840,000</u>
Legal Debt Margin	<u>\$ 111,375,241</u>

	Fiscal Year									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Debt limit	\$ 115,215,241	\$ 112,120,511	\$ 110,149,466	\$ 77,550,263	\$ 118,167,679	\$ 117,972,580	\$ 119,509,217	\$ 122,242,459	\$ 112,507,516	\$ 107,287,967
Total net debt applicable to limit	<u>3,840,000</u>	<u>5,070,000</u>	<u>6,280,000</u>	<u>7,490,000</u>	<u>8,595,000</u>	<u>9,645,000</u>	<u>10,655,000</u>	<u>11,620,000</u>	<u>12,545,000</u>	<u>13,430,000</u>
Legal debt margin	<u>\$ 111,375,241</u>	<u>\$ 107,050,511</u>	<u>\$ 103,869,466</u>	<u>\$ 70,060,263</u>	<u>\$ 109,572,679</u>	<u>\$ 108,327,580</u>	<u>\$ 108,854,217</u>	<u>\$ 110,622,459</u>	<u>\$ 99,962,516</u>	<u>\$ 93,857,967</u>
Total net debt applicable to the limit as a percentage of debt limit	3.33%	4.52%	5.70%	9.66%	7.27%	8.18%	8.92%	9.51%	11.15%	12.52%

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

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

Demographic and Economic Information

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

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

Fiscal Year <u>Ended</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2019	30,430	\$ 1,597,757,580	\$ 52,506	4.70%
2018	30,582	1,529,283,492	50,006	5.10%
2017	30,562	1,497,049,008	48,984	5.60%
2016	30,591	1,427,070,150	46,650	5.10%
2015	30,550	1,385,717,450	45,359	6.10%
2014	30,519	1,359,407,817	44,543	6.50%
2013	30,566	1,329,223,642	43,487	10.60%
2012	30,599	1,285,402,792	42,008	9.50%
2011	30,648	1,273,761,528	41,561	9.50%
2010	30,722	1,278,158,088	41,604	9.30%

Source:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per Capita personal income by county is based on the U.S. Department of Commerce Bureau of Economic Analysis, April 2010 (which includes prior year revised amounts)
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

DEPTFORD TOWNSHIP BOARD OF EDUCATION
Principal Employers
Current Year and Ten Years Ago
Unaudited

<u>Employer</u>	<u>2019</u>			<u>2010</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of</u>
Deptford Mall	2,000	1	N/A			
Deptford Board of Education	671	2	N/A			
Gloucester County Special Services School	575	3	N/A			
Wal-Mart #3422	550	4	N/A			
Wal-Mart #5476	520	5	N/A			
Rowan University	325	6	N/A	1,300	4	N/A
Innova Health and Rehabilitation	250	7	N/A			
Home Depot	193	8	N/A			
Gloucester County Vocational-Technical Scho	168	9	N/A			
B.J.s	150	10	N/A			
Underwood Memorial Hospital				1,825	1	N/A
Washington Township Public Schools				1,504	2	N/A
County of Gloucester				1,500	3	N/A
Kennedy Hospital				1,200	5	N/A
MISSA Bay LLC				950	6	N/A
U.S. Foodservices				800	7	N/A
Monroe Township School District				714	8	N/A
Goodwin Pumps				640	9	N/A
Valero				640	10	N/A
	-		0.00%	9,773		0.00%

Source: Countywide Disclosure

Operating Information

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

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

<u>Function/Program</u>	<u>Fiscal Year Ending June 30,</u>									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Instruction										
Regular	293	298	318	315	297	375	354	356	331	308
Special education	78	80	109	105	88	93	93	93	93	106
Other special education	19	17	-	-	-	-	-	-	-	-
	19	18	-							
Support Services:										
Tuition				-	-	-	-	-	-	-
Student & instruction related services	-	-	-	105	90	92	73	51	62	65
General administrative services	104	95	99	3	3	4	4	4	4	4
School administrative services	3	4	4	34	31	30	32	28	28	29
Business administrative services	59	69	32	13	11	18	18	18	18	18
Plant operations and maintenance	6	7	7	72	98	59	60	60	62	62
Pupil transportation	54	58	68	43	61	63	65	68	70	70
Special Schools	67	55	46							
Food Service	23	20	21	18	25	33	33	37	37	37
Total	725	721	704	708	704	767	732	715	705	699

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Teaching Staff (2)	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) (3)	Average Daily Attendance (ADA) (3)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2019	4,138	\$ 78,155,951	\$ 18,887.37	0.77%	377	1:14	1:15	1:14	4,106	3,887	-2.95%	94.67%
2018	4,241	79,490,561	18,743.35	7.82%	378	1:12	1:11	1:11	4,231	4,004	-1.95%	94.63%
2017	4,333	75,325,894	17,384.24	2.26%	381	1:12	1:09	1:09	4,315	4,100	-0.19%	95.02%
2016	4,336	73,713,549	17,000.36	13.66%	524	1:10	1:12	1:09	4,323	4,118	0.32%	95.26%
2015	4,305	64,392,398	14,957.58	9.58%	447	1:10	1:12	1:09	4,309	4,081	-0.83%	94.71%
2014	4,342	59,267,757	13,649.87	-1.84%	448	1:10	1:12	1:09	4,345	4,117	0.31%	94.75%
2013	4,388	61,016,657	13,905.35	-2.05%	436	1:10	1:12	1:09	4,331	4,098	-0.56%	94.62%
2012	4,402	62,491,174	14,196.09	5.67%	386	1:12	1:11	1:11	4,356	4,141	0.09%	95.06%
2011	4,390	58,978,036	13,434.63	2.17%	386	1:12	1:11	1:11	4,352	4,122	1.59%	94.72%
2010	4,352	57,223,761	13,148.84	5.32%	386	1:12	1:11	1:11	4,284	4,055	-1.63%	94.65%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

- (1) Operating expenditures equal total expenditures less debt service and capital outlay; Schedule B-2
- (2) Teaching staff includes only full-time equivalents of certificated staff.
- (3) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 School Building Information
 Last Ten Fiscal Years
 Unaudited

	<u>Fiscal Year Ending June 30,</u>									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>District Building</u>										
<u>Elementary</u>										
Central Elementary School (2004)										
Square Feet	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000
Capacity (students)	552	552	552	552	552	552	552	552	552	552
Enrollment	634	634	667	667	592	592	592	592	569	587
Good Intent Elementary School (1960)										
Square Feet	23,565	23,565	23,565	23,565	23,565	23,565	23,565	23,565	23,565	23,565
Capacity (students)	515	515	515	515	515	515	515	515	515	515
Enrollment	357	357	359	359	392	392	392	412	412	414
Lake Tract Elementary School (1964)										
Square Feet	25,256	25,256	25,256	25,256	25,256	25,256	25,256	25,256	25,256	25,256
Capacity (students)	294	294	294	294	294	294	294	294	294	294
Enrollment	483	483	512	512	512	497	497	497	459	412
New Sharon Elementary School (1924)										
Square Feet	9,282	9,282	9,282	9,282	9,282	9,282	9,282	9,282	9,282	9,282
Capacity (students)	70	70	70	70	70	70	70	70	70	70
Enrollment	17	17	16	16	16	22	22	22	21	21
Oak Valley Elementary School (1959)										
Square Feet	35,238	35,238	35,238	35,238	35,238	35,238	35,238	35,238	35,238	35,238
Capacity (students)	276	276	276	276	276	276	276	276	276	276
Enrollment	370	370	416	416	416	375	375	380	380	413
Pine Acres Elementary School (1964)										
Square Feet	35,540	35,540	35,540	35,540	35,540	35,540	35,540	35,540	35,540	35,540
Capacity (students)	290	290	290	290	290	290	290	290	290	290
Enrollment	245	245	279	279	279	276	276	276	243	255
Shady Lane Elementary School (1957)										
Square Feet	63,015	63,015	63,015	63,015	63,015	63,015	63,015	63,015	63,015	63,015
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	414	414	416	416	416	546	546	546	535	517
<u>Middle School</u>										
Monongahela Middle School (1984)										
Square Feet	93,186	93,186	93,186	93,186	93,186	93,186	93,186	93,186	93,186	93,186
Capacity (students)	560	560	560	560	560	560	560	560	560	560
Enrollment	637	637	614	614	614	648	648	648	676	663
<u>High School</u>										
Deptford High School (1974)										
Square Feet	221,992	221,992	221,992	221,992	221,992	221,992	221,992	221,992	221,992	221,992
Capacity (students)	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468
Enrollment	1,074	1,074	1,037	1,037	1,037	985	985	985	1,023	1,070
<u>Other</u>										
District Wide										
Square Feet	24,988	24,988	24,988	24,988	24,988	24,988	24,988	24,988	24,988	24,988

Number of Schools at June 30, 2019

Elementary = 7

Middle School = 1

High School = 1

Other = 1

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October district count.

DEPTFORD TOWNSHIP BOARD OF EDUCATION
Schedule of Required Maintenance
Last Ten Fiscal Years
Unaudited

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

* School Facilities	Project # (s)	Fiscal Year Ending June 30,									
		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Deptford High School	N/A	\$ 320,522	\$ 255,510	\$ 145,263	\$ 88,499	\$ 91,147	\$ 76,874	\$ 157,725	\$ 205,316	\$ 172,974	\$ 170,695
Monongahela Middle School	N/A	142,455	113,560	64,561	36,891	36,951	34,167	31	6,679	6,542	55,929
Central Elementary School	N/A	97,938	78,073	68,596	29,513	29,561	32,032		2,486	6,219	28,006
Good Intent Elementary School	N/A	53,421	42,585	20,175	9,838	9,854	12,813		222	8,320	18,836
Lake Tract Elementary School	N/A	44,517	35,488	20,175	9,838	9,854	10,677	1,000	1,715	3,661	14,034
New Sharon Elementary School	N/A	8,903	7,096	4,035	4,919	4,927	2,135		222	1,867	6,625
Pine Acres Elementary School	N/A	53,421	42,585	24,210	14,757	14,781	12,813		3,639	8,244	15,040
Oak Valley Elementary School	N/A	53,421	42,585	24,210	14,757	14,781	12,813		1,559	10,259	19,207
Shady Lane Elementary School	N/A	80,131	63,878	32,281	24,594	24,634	19,219		958	17,796	33,946
District Wide	N/A	35,614	28,390		9,838	9,854					
Total School Facilities		\$ 890,343	\$ 709,750	\$ 403,506	\$ 243,444	\$ 246,344	\$ 213,543	\$ 158,756	\$ 222,796	\$ 235,881	\$ 362,318

* School Facilities as defined under EFCFA.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District Records

DEPTFORD TOWNSHIP BOARD OF EDUCATION

Insurance Schedule

June 30, 2019

Unaudited

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
Gloucester Cumberland Salem School Districts Joint Insurance Fund	Property, Inland Marine and Automobiles Physical Damage		
	Limit of Liability	\$175,000,000	
	GCSSD JIF Self Insured Retention	\$250,000	
	Member District Deductible		\$500
	Property Valuation		
	Buildings and Contents	Replacement Cost	
	Contractors Equipment	Actual Cash Value	
	Automobiles	Replacement Cost	
	Boiler and Machinery		
	Limit of Liability	\$125,000,000	
	GCSSD JIF Self Insured Retention	None	
	Member District Deductible		\$1,000
	Crime		
	Limit of Liability	\$500,000	
	GCSSD JIF Self Insured Retention	\$250,000	
	Member District Deductible		\$500
	General and Automobile Liability		
	Limit of Liability	\$20,000,000	
	GCSSD JIF Self Insured Retention	\$250,000	
	Member District Deductible		None
	Worker's Compensation		
	Limit of Liability	Statutory	
	GCSSD JIF Self Insured Retention	\$250,000	
Member District Deductible		None	
Educator's Legal Liability			
Limit of Liability	\$20,000,000		
GCSSD JIF Self Insured Retention	\$175,000		
Member District Deductible		None	
Pollution Legal Liability			
Limit of Liability	\$3,000,000		
GCSSD JIF Self Insured Retention	None		
Member District Deductible		\$25,000	
Member District Deductible (Mold Specific)		\$100,000	
Cyber Legal Liability			
Limit of Liability	\$1,000,000		
GCSSD JIF Self Insured Retention	None		
Member District Deductible		\$10,000	
Violent Malicious Acts			
Limit of Liability	\$1,000,000		
GCSSD JIF Self Insured Retention	None		
Member District Deductible		\$15,000	
Disaster Management Services			
Limit of Liability	\$2,000,000		
GCSSD JIF Self Insured Retention	None		
Member District Deductible		\$15,000	
Selective Insurance Company	Surety Bond		
	School Board Secretary & Treasurer	\$718,000	

Source: District records

SINGLE AUDIT SECTION

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Township of Deptford School District's, in the County of Gloucester, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2019. The School District's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Township of Deptford School District's, in the County of Gloucester, State of New Jersey, compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Township of Deptford School District, in the County of Gloucester, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Township of Deptford School District, in the County of Gloucester, State of New Jersey, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal 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 the Uniform Guidance and State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and 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 and 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 and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Respectfully submitted,

Bowman + Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Glen J. Walton

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

Voorhees, New Jersey
December 20, 2019

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2019

Federal Grantor/ Pass-through Grantor / Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2018	
					From	To	Unearned Revenue / Accounts Receivable	Due to Grantor
General Fund:								
U.S. Department of Health and Human Services								
Passed-through State Department of Education:								
Medical Assistance Program (Medicaid)	93.778	1905NJ5MAP	N/A	103,461	7-1-2018	6-30-2019		
Total Medical Assistance Program (Medicaid) Cluster							-	-
Total General Fund							-	-
Special Revenue Fund:								
U.S. Department of Defense								
NJROTC	12.U01	N/A	N/A	89,186	7-1-2016	6-30-2017	\$ 3,188	
NJROTC	12.U01	N/A	N/A	89,186	7-1-2017	6-30-2018	546	
Total NJROTC							3,734	-
U.S. Department of Education								
Passed-through State Department of Education								
E.S.S.A.:								
Title I Grants to Local Educational Agencies (Title I, Part A)	84.010	S010A180030	NCLB267019	606,495	7-1-2018	6-30-2019		
Title I Grants to Local Educational Agencies (Title I, Part A), Carryover	84.010	S010A170030	NCLB267018	546,169	7-1-2017	6-30-2018	\$ (192,249)	
Total Title I Grants to Local Educational Agencies							(192,249)	-
Supporting Effective Instruction State Grant (Title II, Part A)	84.367	S367A180029	NCLB267019	101,792	7-1-2018	6-30-2019		
Supporting Effective Instruction State Grant (Title II, Part A), Carryover	84.367	S367A170029	NCLB267018	105,610	7-1-2017	6-30-2018	(999)	
Total Supporting Effective Instruction State Grant							(999)	-
English Language Acquisition Grants (Title III)	84.365	S365A180030	NCLB267019	25,994	7-1-2018	6-30-2019		
English Language Acquisition Grants (Title III), Carryover	84.365	S365A170030	NCLB267018	25,994	7-1-2017	6-30-2018	(25,760)	
Total English Language Acquisition Grants							(25,760)	-
Student Support and Academic Enrichment Grants (Title IV), Carryover	84.424	S424A090031	NCLB086010	12,356	9-1-2009	8-31-2010	5,544	
Student Support and Academic Enrichment Grants (Title IV)	84.424	S424A180031	NCLB086019		7-1-2018	6-30-2019		
Student Support and Academic Enrichment Grants (Title IV), Carryover	84.424	S424A170031	NCLB086018	10,000	7-1-2017	6-30-2018	(5,125)	
Total Student Support and Academic Enrichment Grants							419	-
Special Education Cluster (IDEA):								
Special Education Cluster:								
Special Education - Grants to States (IDEA, Part B)	84.027	H027A180100	IDEA267017	1,141,021	7-1-2018	6-30-2019		
Special Education - Grants to States (IDEA, Part B), Carryover	84.027	H027A170100	IDEA267018	1,119,697	7-1-2017	6-30-2018	(345,861)	
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A180114	IDEA267017	36,097	7-1-2018	6-30-2019		
Special Education - Preschool Grants (IDEA Preschool), Carryover	84.173	H173A170114	IDEA267017	35,735	7-1-2017	6-30-2018	(35,247)	
Special Education - Grants to States (IDEA, Part B), Recovery Act	84.027	H391A090100	IDEA267017	1,083,478	7-1-2009	9-30-2011	(1,276)	
Total Special Education Cluster (IDEA)							(382,384)	-
Include	84.318X	N/A	N/A	434,702	9-1-2010	8-31-2011	(59,470)	
Subtotal Special Revenue - U.S. Department of Education							(660,443)	-
Subtotal Special Revenue - U.S. Department of Defense							3,734	-
Total Special Revenue Fund							(656,709)	-
Enterprise Fund:								
U.S. Department of Agriculture								
Cash Assistance:								
Passed-through State Department of Education								
Child Nutrition Cluster:								
National School Lunch Program	10.555	191NJ304N1099	N/A	647,500	7-1-2018	6-30-2019		
National School Lunch Program	10.555	181NJ304N1099	N/A	684,311	7-1-2017	6-30-2018	(139,752)	
Healthy Hunger Free Kids Act	10.555	191NJ304N1099	N/A	18,584	7-1-2018	6-30-2019		
Healthy Hunger Free Kids Act	10.555	181NJ304N1099	N/A	19,103	7-1-2017	6-30-2018	(3,864)	
School Breakfast Program	10.553	191NJ304N1099	N/A	230,894	7-1-2018	6-30-2019		
School Breakfast Program	10.553	181NJ304N1099	N/A	253,567	7-1-2017	6-30-2018	(56,740)	
Special Milk Program for Children	10.556	191NJ304N1099	N/A	3,886	7-1-2018	6-30-2019		
Special Milk Program for Children	10.556	181NJ304N1099	N/A	3,934	7-1-2017	6-30-2018	(828)	
After School Snack Program	10.555	191NJ304N1099	N/A	1,981	7-1-2018	6-30-2019		
After School Snack Program	10.555	181NJ304N1099	N/A	2,849	7-1-2017	6-30-2018	(507)	
National School Lunch Program - Commodities (Noncash)	10.555	191NJ304N1099	N/A	101,043	7-1-2018	6-30-2019		
Total Child Nutrition Cluster							(201,691)	-
Total Enterprise Fund							(201,691)	-
Total Federal Financial Assistance							\$ (858,400)	\$ -

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

Cash Received	Budgetary Expenditures			Passed Through to Subrecipients	Adjustments	Balance June 30, 2019				
	Pass-through Funds	Direct Funds	Total Budgetary Expenditures			Repayment of Prior Years' Balances	(Accounts Receivable)	Unearned Revenue	Due to Grantor at June 30, 2019	
\$ 83,326			\$ 83,326							
83,326	-	-	83,326	-	-	-	-	-	-	-
83,326	-	-	83,326	-	-	-	-	-	-	-
								\$ 3,188 546		
									3,734	-
331,825 192,249			512,166				\$ (226,087)	\$ 45,746		
524,074	-	-	512,166	-	-	-	(226,087)	45,746	-	-
53,755 999			59,913				(70,999)	64,841		
54,754	-	-	59,913	-	-	-	(70,999)	64,841	-	-
13,389 25,760			5,427				(3,608)	11,570		
39,149	-	-	5,427	-	-	-	(3,608)	11,570	-	-
8,411 5,125			11,272				(2,955) (23,454)	8,499 20,593		
13,536	-	-	11,272	-	-	-	(26,409)	29,092	-	-
879,180 345,861			1,131,866				(252,686)			
35,247			36,785				(36,785)			
							(1,276)			
1,260,288	-	-	1,168,651	-	-	-	(290,747)	-	-	-
							(59,470)			
1,891,801	-	-	1,757,429	-	-	-	(677,320)	151,249	-	-
-	-	-	-	-	-	-	-	3,734	-	-
1,891,801	-	-	1,757,429	-	-	-	(677,320)	158,717	-	-
555,293 139,752 15,730 3,864 197,424 56,740 2,538 828 6,664 507 79,550			588,001 16,657 210,533 2,665 7,046 79,550				(32,708) (927) (13,109) (127) (382)			
1,058,890	-	-	904,452	-	-	-	(47,253)	-	-	-
1,058,890	-	-	904,452	-	-	-	(47,253)	-	-	-
\$ 3,034,017	\$ -	\$ -	\$ 2,745,207	\$ -	\$ -	\$ -	\$ (724,573)	\$ 158,717	\$ -	\$ -

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Expenditures of State Awards, Schedule B
 For the Fiscal Year Ended June 30, 2019

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Required Match	Grant Period		Balance at June 30, 2018		
				From	To	Unearned Revenue / Accounts Receivable	Due to Grantor	Carryover/ (Walkover) Amount
General Fund:								
New Jersey Department of Education:								
Current Expense:								
State Aid - Public Cluster:								
Equalization Aid	495-034-5120-078	\$ 20,845,846		7-1-2018	6-30-2019			
Equalization Aid	495-034-5120-078	20,845,846		7-1-2017	6-30-2018	\$ (1,861,355)		
School Choice	495-034-5120-068	144,228		7-1-2018	6-30-2019			
School Choice	495-034-5120-068	125,182		7-1-2017	6-30-2018	(12,618)		
Under Adequacy Aid	495-034-5120-084	48,362		7-1-2017	6-30-2018	(1,289)		
Security Aid	495-034-5120-089	483,815		7-1-2018	6-30-2019			
Security Aid	495-034-5120-089	483,815		7-1-2017	6-30-2018	(48,382)		
Special Education Aid	495-034-5120-096	2,328,005		7-1-2018	6-30-2019			
Special Education Aid	495-034-5120-096	2,328,005		7-1-2017	6-30-2018	(232,801)		
PARCC Readiness Aid	495-034-5120-098	41,780		7-1-2017	6-30-2018	(4,178)		
Per Pupil Growth Aid	495-034-5120-097	41,780		7-1-2017	6-30-2018	(4,178)		
Professional Learning Community Aid	495-034-5120-102	41,980		7-1-2017	6-30-2018	(4,198)		
Total State Aid - Public Cluster:						(2,168,999)	-	-
State Aid - Transportation:								
Transportation Aid	495-034-5120-014	1,711,578		7-1-2018	6-30-2019			
Transportation Aid	495-034-5120-014	365,085		7-1-2017	6-30-2018	(36,509)		
Nonpublic Transportation Aid	495-034-5120-014	63,907		7-1-2018	6-30-2019			
Nonpublic Transportation Aid	495-034-5120-014	91,512		7-1-2017	6-30-2018	(91,512)		
Total State Aid - Transportation:						(128,021)	-	-
Extraordinary Special Education Aid Costs								
Extraordinary Special Education Aid Costs	495-034-5120-044	352,628		7-1-2018	6-30-2019	(352,628)		
Extraordinary Special Education Aid Costs	495-034-5120-044	588,695		7-1-2018	6-30-2019			
Total Extraordinary Aid						(352,628)	-	-
Reimbursed T.P.A.F. Social Security								
Reimbursed T.P.A.F. Social Security	495-034-5095-003	1,981,113		7-1-2017	6-30-2018	(96,365)		
Reimbursed T.P.A.F. Social Security	495-034-5095-003	2,313,532		7-1-2018	6-30-2019			
Total Reimbursed T.P.A.F. Social Security						(96,365)	-	-
New Jersey Department of Education:								
On-Behalf T.P.A.F. Contributions (non-budgeted):								
On-Behalf T.P.A.F. Pension - Post-Retirement Medical	495-034-5094-001	2,469,326		7-1-2018	6-30-2019			
On-Behalf T.P.A.F. Pension - Normal Cost	495-034-5094-002	5,332,241		7-1-2018	6-30-2019			
On-Behalf T.P.A.F. Pension - Non-contributory Insurance	495-034-5094-004	111,618		7-1-2018	6-30-2019			
On-Behalf T.P.A.F. Pension - Long-Term Disability Insurance	495-034-5094-004	4,613		7-1-2018	6-30-2019			
Total On-Behalf TPAF Pension Contributions (non-budgeted)						-	-	-
Total General Fund						(2,746,213)	-	-
Special Revenue Fund:								
New Jersey Department of Education								
Nonpublic Aid:								
Nursing Services	100-034-5120-373	485		7-1-2016	6-30-2017			
Textbook Aid (Ch. 194)	100-034-5120-064	267		7-1-2016	6-30-2017			
Technology	100-034-5120-373	180		7-1-2016	6-30-2017			
Security	100-034-5120-509	750		7-1-2016	6-30-2017			
Auxiliary Services (Ch. 192)								
Compensatory Education	100-034-5120-067	35,434		7-1-2017	6-30-2018	\$ 35,434		
Transportation	100-034-5120-067	6,233		7-1-2017	6-30-2018	6,233		
Handicapped Services (Ch. 193)								
Examination & Classification	100-034-5120-066	24,941		7-1-2017	6-30-2018	24,941		
Corrective Speech	100-034-5120-066	24,998		7-1-2017	6-30-2018	24,998		
Supplemental Instruction	100-034-5120-066	19,031		7-1-2017	6-30-2018	19,031		
Total Nonpublic Aid:						-	110,637	-
Preschool Education Aid								
Preschool Education Aid	495-034-5120-086	819,192	\$ 288,750	7-1-2018	6-30-2019	-		
Preschool Education Aid	495-034-5120-086	2,652,214		7-1-2017	6-30-2018	(120,081)		
Total Preschool Education Aid						(120,081)	-	-
IDEAL Grant								
IDEAL Grant	Not Available	41,566		7-1-2008	6-30-2009	48,883		
IDEAL Grant	Not Available	60,000		7-1-2009	6-30-2010	(3,000)		
Total IDEAL Grant						45,883	-	-
Include Grant								
Include Grant	Not Available	226,000		7-1-2008	6-30-2009	32,288		
Include Grant	Not Available	240,000		7-1-2009	6-30-2010	3,239		
Total Include Grant						35,527	-	-
Crossing Guard Arm								
Crossing Guard Arm	Not Available	600		7-1-2008	6-30-2009	600		
NJ Center for Teacher/Learn Math								
NJ Center for Teacher/Learn Math	Not Available	25,000		7-1-2008	6-30-2009	5,447		
NJ Center for Teacher/Learn Math	Not Available	25,000		7-1-2009	6-30-2010	27		
Total NJ Center for Teacher/Learn Math						5,474	-	-
Total Special Revenue Fund						(32,597)	110,637	-
Enterprise Fund:								
New Jersey Department of Agriculture								
Child Nutrition Cluster:								
National School Lunch Program (State Share)	100-010-3350-023	15,332		7-1-2018	6-30-2019			
National School Lunch Program (State Share)	100-010-3350-023	16,935		7-1-2017	6-30-2018	(3,427)		
Total Enterprise Fund						(3,427)	-	-
Total State Financial Assistance						\$ (2,782,237)	\$ 110,637	\$ -
Less State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:								
General Fund (Non-Cash Assistance):								
New Jersey Department of the Treasury:								
On-Behalf T.P.A.F. Contributions (non-budgeted):								
On-Behalf T.P.A.F. Pension - Post-Retirement Medical	495-034-5094-001	2,469,326		7-1-2018	6-30-2019			
On-Behalf T.P.A.F. Pension - Normal Cost	495-034-5094-002	5,332,241		7-1-2018	6-30-2019			
On-Behalf T.P.A.F. Pension - Non-contributory Insurance	495-034-5094-004	111,618		7-1-2018	6-30-2019			
On-Behalf T.P.A.F. Pension - Long-Term Disability Insurance	495-034-5094-004	4,613		7-1-2018	6-30-2019			
Total General Fund (Non-Cash Assistance)								
Total State Financial Assistance subject to Major Program Determination for State Single Audit								

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

Cash Received	Total Budgetary Expenditures	Repayment of Prior Years' Balances	Passed Through to Subrecipients	Adjustments	Balance at June 30, 2019			Memo	
					Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable 6/30/2019	Cumulative Total Expenditures
\$ 18,980,882	\$ 20,845,846				\$ (1,864,964)			\$ (1,864,964)	\$ 20,845,846
1,861,355									
129,805	144,228				(14,423)			(14,423)	144,228
12,618									
1,289									
435,433	483,815				(48,382)			(48,382)	483,815
48,382									
2,095,204	2,328,005				(232,801)			(232,801)	2,328,005
232,801									
4,178									
4,178									
4,198									
23,810,323	23,801,894	-	-	-	(2,160,570)	-	-	(2,160,570)	23,801,894
1,540,420	1,711,578				(171,158)			(171,158)	\$ 1,711,578
36,509	63,907				(63,907)			(63,907)	\$ 316,708
91,512									\$ 63,907
1,668,441	1,775,485	-	-	-	(235,065)	-	-	(235,065)	37,018
352,828	588,695				(588,695)				2,129,211
352,828	588,695	-	-	-	(588,695)	-	-	-	588,695
96,365	2,313,532				(96,365)				2,313,532
2,217,167	2,313,532	-	-	-	(96,365)	-	-	-	2,313,532
2,313,532	2,313,532	-	-	-	(96,365)	-	-	-	2,313,532
2,469,326	2,469,326								
5,332,241	5,332,241								
111,618	111,618								
4,613	4,613								
7,917,798	7,917,798	-	-	-	-	-	-	-	-
36,062,922	36,397,404	-	-	-	(3,080,695)	-	-	(2,395,635)	28,833,332
485							\$ 485		
267							267		
180							180		
750							750		
		\$ 35,434							
		6,233							
		24,941							
		24,998							
		19,031							
1,682	-	110,637	-	-	-	-	1,682	-	-
683,923	608,550				(75,991)	151,364		(75,991)	608,550
265,221	145,140					\$ -			2,652,214
949,144	753,690	-	-	-	(75,991)	151,364	-	(75,991)	3,260,764
						48,883			
					(3,000)				
					(3,000)	48,883			
						32,288			
						3,239			
						35,527			
						600			
						5,447			
						27			
						5,474			
950,826	753,690	110,637	-	-	(78,991)	241,848	1,682	(75,991)	3,260,764
13,907	14,727				(820)				14,727
3,427									15,938
17,334	14,727	-	-	-	(820)	-	-	-	30,665
\$ 37,031,082	\$ 37,165,821	\$ 110,637	\$ -	\$ -	\$ (3,160,506)	\$ 241,848	\$ 1,682	\$ (2,471,626)	\$ 32,124,761
	2,469,326								
	5,332,241								
	111,618								
	4,613								
	7,917,798								
	\$ 29,248,023								

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2019

Note 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (“the schedules”) include federal and state award activity of the Township of Deptford School District (hereafter referred to as the “School District”). The School District is defined in note 1 to the School District’s basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules. Because these schedules present only a selected portion of the operations of the School District, it is not intended to and does not present the financial position and changes in operations of the School District.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules are presented using the budgetary basis of accounting, with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District’s basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3: INDIRECT COST RATE

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(126,220) for the general fund and \$(206,609) for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 83,326	\$ 36,271,184	\$ 36,354,510
Special Revenue	1,774,808	942,920	2,717,728
Food Service	904,452	14,727	919,179
	<u>2,762,586</u>	<u>37,228,831</u>	<u>39,991,417</u>
GAAP Basis Revenues			
GAAP Adjustments			
State Aid Payments		(63,010)	(63,010)
Encumbrances	(17,379)		(17,379)
	<u>(17,379)</u>	<u>(63,010)</u>	<u>(80,389)</u>
Total Awards and Financial Assistance Expended	<u>\$ 2,745,207</u>	<u>\$ 37,165,821</u>	<u>\$ 39,911,028</u>

Note 5: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 6: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2019, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 7: MAJOR PROGRAMS

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2019

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ___ yes x no

Significant deficiency(ies) identified? ___ yes x none reported

Noncompliance material to financial statements noted? ___ yes x no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ___ yes x no

Significant deficiency(ies) identified? ___ yes x none reported

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		Child Nutrition Cluster:
<u>10.555</u>	<u>191NJ304N1099</u>	<u>National School Lunch Program</u>
<u>10.555</u>	<u>191NJ304N1099</u>	<u>National School Lunch Program - HHKFA</u>
<u>10.553</u>	<u>191NJ304N1099</u>	<u>School Breakfast Program</u>
<u>10.556</u>	<u>191NJ304N1099</u>	<u>Special Milk Program</u>
<u>10.555</u>	<u>191NJ304N1099</u>	<u>After School Snack Program</u>
<u>10.555</u>	<u>191NJ304N1099</u>	<u>National School Lunch Program - Commodities</u>

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

Auditee qualified as low-risk auditee? x yes ___ no

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? ___ yes ___ x no

Significant deficiency(ies) identified? ___ yes ___ x none reported

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

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB? ___ yes ___ x no

Identification of major programs:

GMIS Number(s)

Name of State Program

State Aid Public:

495-034-5120-078

Equalization Aid

495-034-5120-089

Security Aid

495-034-5095-094

Under Adequacy Aid

495-034-5120-096

Special Education Aid

495-034-5120-014

Transportation Aid

Dollar threshold used to determine Type A programs \$ 877,441

Auditee qualified as low-risk auditee? ___ x ___ yes ___ no

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

No current year findings.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

No current year findings.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

No current year findings.

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

This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

No prior year findings.

FEDERAL AWARDS

No prior year findings.

STATE FINANCIAL ASSISTANCE PROGRAMS

No prior year findings.

