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February 21, 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, 2018, 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 2017-18 major initiatives are listed below:

   **Elementary:**
   - The continued implementation of kindergarten through sixth grade inquiry-based Science program (FOSS and STC).
   - The continued implementation of a comprehensive core English Language Arts program in grades K-6, which was reused to incorporate New Jersey Student Learning Standards and PARCC.
   - The implementation 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 PARCC.
   - The continued implementation of an inquiry based science program in grades 7 and 8.
   - The continued implementation of a research-based social studies program in grades 7-8.
   - Continued implementation of computer courses in state-of-the-art computer labs.
   - The implementation 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 PARCC.
- Continued implementation of a discovery-based math and science programs.
- The implementation of LinkIt Benchmark Assessment and data warehousing program in grades 9-12.
- The expansion of Modeling Sciences, Biomedical Sciences, Engineering 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, 2018.

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
**Members of the Board of Education**

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<td>Stacy Gray</td>
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</tr>
<tr>
<td>Ed Kalinowski</td>
<td>2019</td>
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<td>Susan Kryszczak (President)</td>
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<td>James McDevitt, III (Vice President)</td>
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<td>Joe McKenna</td>
<td>2020</td>
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<td>Laura Newcomb</td>
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<td>Linda Rosser</td>
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<td>Frank Scambia</td>
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**Other Officials**

- Dr. Charles Blachford, Interim Superintendent
- Carolyn Morehead, Assistant Superintendent
- Todd Reitzel, School Business Administrator/Board Secretary
DEPTFORD TOWNSHIP BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

ARCHITECT

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

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601 White Horse Road
Voorhees, NJ 08043

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

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

Albert Marmero
Grace, Marmero & Associations, LLP
44 Euclid Street
Woodbury, NJ 08096

OFFICIAL DEPOSITORY

Columbia Bank
1460 Clements Bridge Road
Deptford, NJ 08096
FINANCIAL SECTION
INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Deptford School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.
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, 2018, 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.

Emphasis of Matter

Adoption of New Accounting Principles

As discussed in note 1 to the financial statements, during the fiscal year ended June 30, 2018, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions. The adoption of this new accounting principle required the School District to recognize a revenue and expense on the government-wide statement of activities for the State’s proportionate share of the postemployment expense associated with the School District. The related disclosures for the implementation of this new accounting pronouncement are included in note 9 in the notes to financial statements. Our opinion is not modified with respect to this matter.

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 Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 21, 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
Certified Public Accountants & Consultants

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

Voorhees, New Jersey
February 21, 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 Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Deptford School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2018, 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 February 21, 2019. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of new accounting principles.

Internal Control Over Financial Reporting

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

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

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

As part of obtaining reasonable assurance about whether the Township of Deptford School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants & Consultants

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

Voorhees, New Jersey
February 21, 2019
REQUIRED SUPPLEMENTARY INFORMATION
PART I
TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(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, 2018 and 2017. 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 2018:

- During the fiscal year ended June 30, 2018, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The notes to the financial statements provide a more thorough discussion of the implementation of this GASB Statement and the effects to the financial statements.

- 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 $10,587,092 (net position).

- The School District’s total net position decreased by $3,256,766.

- As of the close of the current fiscal year, the School District’s governmental funds reported combined ending fund balances of $1,498,934, a decrease of $1,456,065 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 $670,806, which is a decrease of $45,669 in comparison with the prior year.

- The Township of Deptford School District’s total debt decreased by $1,210,000 as a result of debt payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the School District’s overall financial status.

- The remaining statements are fund financial statements that focus on individual parts of the School District, reporting the School District’s operations in more detail than the government-wide statements.

Governmental funds statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.

Proprietary funds statements offer short and long-term financial information about the activities the School District operates like businesses, such as food services 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.
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.
FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1 provides a summary of the School District’s net position for fiscal years 2018 and 2017.

<table>
<thead>
<tr>
<th>Assets:</th>
<th>June 30, 2018</th>
<th>June 30, 2017</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current and Other Assets</td>
<td>$6,350,956</td>
<td>$4,072,745</td>
<td>$2,278,211</td>
<td>55.94%</td>
</tr>
<tr>
<td>Capital Assets</td>
<td>26,298,537</td>
<td>27,751,908</td>
<td>(1,453,371)</td>
<td>-5.24%</td>
</tr>
<tr>
<td>Total Assets</td>
<td>32,649,493</td>
<td>31,824,653</td>
<td>824,840</td>
<td>2.59%</td>
</tr>
</tbody>
</table>

Deferred Outflows of Resources:
- Related to Pensions: 12,236,792 - 14,564,561 (2,327,769) 100.00%

Liabilities:
- Long-Term Liabilities: 40,391,063 - 49,176,523 (8,785,460) -17.87%
- Other Liabilities: 8,115,526 - 4,543,017 3,572,509 78.64%

Total Liabilities: 48,506,589 - 53,719,540 (5,212,951) -9.70%

Deferred Inflow of Resources - Related to Pensions: 6,966,788 - 6,966,788 100.00%

Net Position:
- Net Investment in Capital Assets: 20,926,583 - 20,985,094 (58,511) -0.28%
- Restricted: 2,267,461 - 1,761,961 505,500 28.76%
- Unrestricted (Deficit): (33,781,136) - (30,076,381) (3,704,755) 12.32%

Total Net Position (Deficit): $10,587,092 - $7,330,326 (3,256,766) 44.43%

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

<table>
<thead>
<tr>
<th>Table 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statement of Net Position - Effect of Pension Related Items</td>
</tr>
<tr>
<td>June 30, 2018</td>
</tr>
<tr>
<td>Deferred Outflows Related to Pensions</td>
</tr>
<tr>
<td>Less: Net Pension Liability</td>
</tr>
<tr>
<td>Less: Deferred Inflows Related to Pensions</td>
</tr>
<tr>
<td>Total (Deficit)</td>
</tr>
</tbody>
</table>
Table 3 reflects changes in net position for fiscal years 2018 and 2017.

### TABLE 3
Change in Net Position

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>June 30, 2018</th>
<th>June 30, 2017</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for Services</td>
<td>$1,468,415</td>
<td>$1,599,430</td>
<td>$(131,015)</td>
<td>-8.19%</td>
</tr>
<tr>
<td>Operating Grants and Contributions</td>
<td>21,636,911</td>
<td>15,455,006</td>
<td>6,181,905</td>
<td>40.00%</td>
</tr>
<tr>
<td>General Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Taxes</td>
<td>41,865,515</td>
<td>41,035,906</td>
<td>829,609</td>
<td>2.02%</td>
</tr>
<tr>
<td>Grants and Contributions</td>
<td>33,744,191</td>
<td>44,648,119</td>
<td>(10,903,928)</td>
<td>-24.42%</td>
</tr>
<tr>
<td>Other</td>
<td>73,123</td>
<td>112,584</td>
<td>(39,461)</td>
<td>-35.05%</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>98,788,155</td>
<td>102,851,045</td>
<td>(4,062,890)</td>
<td>-3.95%</td>
</tr>
<tr>
<td>Expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular</td>
<td>24,602,322</td>
<td>23,716,666</td>
<td>885,656</td>
<td>3.73%</td>
</tr>
<tr>
<td>Special Education</td>
<td>4,319,698</td>
<td>4,120,484</td>
<td>199,214</td>
<td>4.83%</td>
</tr>
<tr>
<td>Other Special Instruction</td>
<td>1,849,868</td>
<td>1,855,323</td>
<td>(5,455)</td>
<td>-0.29%</td>
</tr>
<tr>
<td>Student Services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition</td>
<td>5,380,139</td>
<td>4,719,675</td>
<td>660,464</td>
<td>13.99%</td>
</tr>
<tr>
<td>Student and Instruction Related</td>
<td>9,112,463</td>
<td>7,725,862</td>
<td>1,386,601</td>
<td>17.95%</td>
</tr>
<tr>
<td>General Administrative Services</td>
<td>998,031</td>
<td>940,658</td>
<td>57,373</td>
<td>6.10%</td>
</tr>
<tr>
<td>School Administrative Services</td>
<td>2,864,260</td>
<td>2,802,716</td>
<td>61,544</td>
<td>2.20%</td>
</tr>
<tr>
<td>Central Services</td>
<td>482,282</td>
<td>706,133</td>
<td>(223,851)</td>
<td>-31.70%</td>
</tr>
<tr>
<td>Administrative Information Technology</td>
<td>626,999</td>
<td>881,047</td>
<td>(254,048)</td>
<td>-28.83%</td>
</tr>
<tr>
<td>Plant Operations and Maintenance</td>
<td>5,563,732</td>
<td>5,583,065</td>
<td>(19,333)</td>
<td>-0.35%</td>
</tr>
<tr>
<td>Pupil Transportation</td>
<td>4,211,604</td>
<td>4,053,915</td>
<td>157,689</td>
<td>3.89%</td>
</tr>
<tr>
<td>Unallocated Benefits</td>
<td>39,420,160</td>
<td>47,670,928</td>
<td>(8,250,768)</td>
<td>-17.31%</td>
</tr>
<tr>
<td>Special Schools</td>
<td>74,779</td>
<td>84,841</td>
<td>(10,062)</td>
<td>-11.86%</td>
</tr>
<tr>
<td>Transfer to Charter School</td>
<td>265,233</td>
<td>168,272</td>
<td>96,961</td>
<td>57.62%</td>
</tr>
<tr>
<td>Interest on Long-Term Debt</td>
<td>104,909</td>
<td>257,439</td>
<td>(152,530)</td>
<td>-59.25%</td>
</tr>
<tr>
<td>Food Service</td>
<td>1,915,691</td>
<td>1,866,457</td>
<td>49,234</td>
<td>2.64%</td>
</tr>
<tr>
<td>Childcare Program</td>
<td>252,751</td>
<td>131,531</td>
<td>121,220</td>
<td>100.00%</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>102,044,921</td>
<td>107,285,012</td>
<td>(5,240,091)</td>
<td>-4.88%</td>
</tr>
<tr>
<td>Increase (Decrease) in Net Position</td>
<td>(3,256,766)</td>
<td>(4,433,967)</td>
<td>1,177,201</td>
<td>(0.27)</td>
</tr>
<tr>
<td>Beginning Net Position (Deficit)</td>
<td>(7,330,326)</td>
<td>(2,896,359)</td>
<td>(4,433,967)</td>
<td>153.09%</td>
</tr>
<tr>
<td><strong>Ending Net Position (Deficit)</strong></td>
<td><strong>$ (10,587,092)</strong></td>
<td><strong>$ (7,330,326)</strong></td>
<td><strong>$ (3,256,766)</strong></td>
<td><strong>44.43%</strong></td>
</tr>
</tbody>
</table>
FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT’D)

Governmental Activities

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

In 2016-2017, Governmental Activities Revenues were $100,845,885 or 98.24% of total revenues.

The $4,240,034 decrease in Governmental Activities Revenues from FY 2016-2017 to FY 2017-2018 was mainly related to the implementation of GASB 75.

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

In 2017-2018, the School District’s Governmental Activities expenditures decreased by $5,410,545 or 5.14% from 2016-2017. This decrease was related to Unallocated Benefits due to the GASB 75 OPEB Expense decreasing $3,686,140 from 2016-2017.

Business-Type Activities

In 2017-2018 Business-Type Activities Revenues were $1,957,096 or 1.99% of total revenues. In 2016-2017 Business-Type Activities Revenues were $1,805,160 or 1.98% of total revenues.

Charges for Services for Business-Type Activities were $884,399 in 2017-2018 compared to $785,940 in 2016-2017, a 12.53% increase.

Operating Grants and Contributions for Business-Type Activities were $1,072,697 in 2017-2018 compared to $1,019,220 in 2016-2017, a 5.25% increase.

Expenses for Business-Type Activities were $2,168,442 in 2017-2018 compared to $1,997,988 in 2016-2017, an 8.53% increase.

General Fund Budgeting Highlights

The final budgetary basis revenue estimate was $64,886,501, which was equal to the original budget.

The 2017-2018 General Fund Tax Levy was $40,517,615, an increase of $830,395 or 2.09% from the 2016-2017 General Fund Tax Levy of $39,687,220.

During fiscal year 2018, the School District budgeted $40,517,615 for property taxes (local tax levy) and $23,901,378 for state aid revenues.

The School District also received $1,981,113 and $6,967,267 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 $1,981,113 and $6,967,267 respectively, which contributes to an unfavorable expenditure variance for the fiscal year.

The final budgetary basis expenditure appropriation estimate was $68,492,291, which was greater than the original budget.
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 $1,498,934, a decrease of $1,456,065 in comparison with the prior year.

Of the combined ending fund balances of $1,498,934, $936,027 constitutes unassigned fund balance deficits. The remainder of fund balance of $2,434,961 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 $102,434 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, 2018 amounts to $20,926,583 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, and equipment. There was a net decrease in the Township of Deptford School District’s investment in capital assets for the current fiscal year of 0.28%. The net decrease was the result of the net effect of the 2018 asset additions, depreciation expense, and write-offs for the year. Table 4 reflects the capital assets.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$210,136</td>
<td>$210,136</td>
</tr>
<tr>
<td>Site Improvements</td>
<td>663,202</td>
<td>737,699</td>
</tr>
<tr>
<td>Building and Improvements</td>
<td>18,799,416</td>
<td>20,177,529</td>
</tr>
<tr>
<td>Equipment</td>
<td>6,625,783</td>
<td>6,626,544</td>
</tr>
<tr>
<td><strong>Total Capital Assets</strong></td>
<td><strong>$26,298,537</strong></td>
<td><strong>$27,751,908</strong></td>
</tr>
</tbody>
</table>

Depreciation expense was $2,427,683 for fiscal year ended 2018 and $2,365,251 for fiscal year ended 2017.

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 $5,070,000. The entire Township of Deptford School District’s bonded debt is governmental as opposed to business-type. The 2019 adopted budget has an appropriation of $1,230,000 representing the payment of the annual principal. The 2018 refunding bonds will mature on February 1, 2022.
FACTORS ON THE DISTRICT’S FUTURE

For the 2017-18 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 43.34% of total revenue is from local tax levy and 34.93% 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
## TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

### Statement of Net Position

**June 30, 2018**

<table>
<thead>
<tr>
<th>Assets:</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$4,012,435</td>
<td>$104,751</td>
<td>$4,117,186</td>
</tr>
<tr>
<td>Receivables, net</td>
<td>1,487,187</td>
<td>311,712</td>
<td>1,798,899</td>
</tr>
<tr>
<td>Internal Balances</td>
<td>189,987</td>
<td>(189,987)</td>
<td></td>
</tr>
<tr>
<td>Inventory</td>
<td>17,514</td>
<td>17,514</td>
<td></td>
</tr>
<tr>
<td>Restricted Assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted Cash and Cash Equivalents</td>
<td>9,269</td>
<td>9,269</td>
<td></td>
</tr>
<tr>
<td>Capital Reserve Account - Cash</td>
<td>408,088</td>
<td>408,088</td>
<td></td>
</tr>
<tr>
<td>Capital Assets, net (Note 6)</td>
<td>26,169,568</td>
<td>128,969</td>
<td>26,298,537</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>32,276,534</td>
<td>372,959</td>
<td>32,649,493</td>
</tr>
</tbody>
</table>

| Liabilities: | | | |
| Deferred Outflows of Resources: | | | |
| Related to Pension (Note 8) | 12,236,792 | 12,236,792 | |

| Liabilities: | | | |
| Accounts Payable | 5,650,214 | 313,630 | 5,963,844 |
| Payable to State Government | 110,637 | 110,637 | |
| Unearned Revenue | 269,969 | 269,969 | |
| Accrued Interest Payable | 9,475 | 9,475 | |
| Noncurrent Liabilities (Note 7): | | | |
| Due within One Year | 1,761,601 | 1,761,601 | |
| Due beyond One Year | 40,358,269 | 32,794 | 40,391,063 |
| **Total Liabilities** | 48,160,165 | 346,424 | 48,506,589 |

| Liabilities: | | | |
| Deferred Inflow of Resources: | | | |
| Related to Pension (Note 8) | 6,966,788 | 6,966,788 | |

| Net Position: | | | |
| Net Investment in Capital Assets | 20,797,614 | 128,969 | 20,926,583 |
| Restricted for: | | | |
| Debt Service | 9,269 | 9,269 | |
| Capital Projects | 408,088 | 408,088 | |
| Other Purposes | 1,850,104 | 1,850,104 | |
| Unrestricted (Deficit) | (33,678,702) | (102,434) | (33,781,136) |
| **Total Net Position (Deficit)** | $(10,613,627) | $26,535 | $(10,587,092) |

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, 2018

<table>
<thead>
<tr>
<th>Functions / Programs</th>
<th>Expenses</th>
<th>Operating Charges for Services</th>
<th>Operating Grants and Contributions</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental Activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular</td>
<td>$24,602,322</td>
<td>$1,144,561</td>
<td>$23,457,761</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Education</td>
<td>4,319,698</td>
<td>584,016</td>
<td>442,205</td>
<td>(3,293,477)</td>
<td>(3,293,477)</td>
<td></td>
</tr>
<tr>
<td>Other Special Instruction</td>
<td>1,849,868</td>
<td></td>
<td>(1,849,868)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support Services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition</td>
<td>5,380,139</td>
<td>1,011,360</td>
<td>(4,268,779)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student and Instruction Related Services</td>
<td>9,112,463</td>
<td>1,325,473</td>
<td>(7,786,990)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Administrative Services</td>
<td>996,031</td>
<td></td>
<td>(996,031)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>School Administrative Services</td>
<td>2,864,260</td>
<td></td>
<td>(2,864,260)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Services</td>
<td>482,282</td>
<td></td>
<td>(482,282)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative Information Technology</td>
<td>626,999</td>
<td></td>
<td>(626,999)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant Operations and Maintenance</td>
<td>5,563,732</td>
<td></td>
<td>(5,563,732)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pupil Transportation</td>
<td>4,211,604</td>
<td></td>
<td>(4,211,604)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unallocated Benefits</td>
<td>39,420,160</td>
<td>16,550,615</td>
<td>(22,869,545)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special School</td>
<td>74,779</td>
<td></td>
<td>(74,779)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer to Charter School</td>
<td>265,233</td>
<td></td>
<td>(265,233)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on Long-Term Debt</td>
<td>104,909</td>
<td></td>
<td>(104,909)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Governmental Activities</strong></td>
<td>99,876,479</td>
<td>584,016</td>
<td>20,564,214</td>
<td>(78,728,249)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Business-Type Activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food Service</td>
<td>1,915,691</td>
<td>616,700</td>
<td>(1,072,697)</td>
<td>(226,294)</td>
<td>(226,294)</td>
<td></td>
</tr>
<tr>
<td>Childcare Program</td>
<td>252,751</td>
<td>267,699</td>
<td>14,948</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Business-Type Activities</strong></td>
<td>2,168,442</td>
<td>884,399</td>
<td>1,072,697</td>
<td>(211,346)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Government</strong></td>
<td>$102,044,921</td>
<td>$1,468,415</td>
<td>$21,636,911</td>
<td>(78,728,249)</td>
<td>(211,346)</td>
<td></td>
</tr>
<tr>
<td><strong>General Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Taxes, Levied for General Purposes, net</td>
<td>40,517,615</td>
<td></td>
<td>40,517,615</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes Levied for Debt Service</td>
<td>1,347,900</td>
<td></td>
<td>1,347,900</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal and State Aid Not Restricted</td>
<td>33,744,191</td>
<td></td>
<td>33,744,191</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and Investment Earnings</td>
<td>25,129</td>
<td></td>
<td>25,129</td>
<td>208</td>
<td>25,337</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td>47,786</td>
<td></td>
<td>47,786</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer</td>
<td>(225,000)</td>
<td></td>
<td>(225,000)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total General Revenues and Transfer</strong></td>
<td>75,457,621</td>
<td>225,208</td>
<td>75,682,829</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in Net Position</td>
<td>(3,270,628)</td>
<td>13,862</td>
<td>(3,256,766)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Position (Deficit) -- July 1</td>
<td>(7,342,999)</td>
<td>12,673</td>
<td>(7,330,326)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Position (Deficit) -- June 30</td>
<td>$10,613,627</td>
<td>$26,535</td>
<td>(10,587,092)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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, 2018

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Special Revenue Fund</th>
<th>Capital Projects Fund</th>
<th>Debt Service Fund</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ASSETS:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$4,021,704</td>
<td>$3,233</td>
<td>$9,269</td>
<td>$4,021,704</td>
<td></td>
</tr>
<tr>
<td>Cash - Capital Reserve Account</td>
<td>408,088</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>540,705</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td></td>
<td>668,942</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>277,540</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interfunds Receivable</td>
<td>744,868</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Assets</td>
<td>$6,661,847</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LIABILITIES AND FUND BALANCES:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$4,225,426</td>
<td>$1,909</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interfunds Payable</td>
<td>554,881</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payable to State Government</td>
<td>110,637</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unearned Revenue</td>
<td>269,969</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$5,162,913</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>Fund Balances:</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Restricted:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Reserve Account</td>
<td>408,088</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess Surplus - Designated for Subsequent Year's Expenditures</td>
<td>647,235</td>
<td>647,235</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess Surplus</td>
<td>1,202,869</td>
<td>1,202,869</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service</td>
<td>9,269</td>
<td>9,269</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assigned:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Purposes</td>
<td>41,768</td>
<td>41,768</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Designated for Subsequent Year's Expenditures</td>
<td>125,732</td>
<td>125,732</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unassigned (Deficit)</td>
<td>(870,806)</td>
<td>(265,221)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Fund Balances (Deficit)</td>
<td>1,498,934</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Liabilities and Fund Balances</td>
<td>$5,661,847</td>
<td>$672,175</td>
<td>$-</td>
<td>$9,269</td>
<td>$6,661,847</td>
</tr>
</tbody>
</table>

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 $68,371,182, and the accumulated depreciation is $42,201,614.
- 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.
- Accrued interest payable
- Net Pension Liability
- Accounts Payable related to the April 1, 2019 Required PERS pension contribution that is not to be liquidated with current financial resources.
- Deferred Outflows of Resources - Related to Pensions
- Deferred Inflows of Resources - Related to Pensions
- Net Position of Governmental Activities

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, 2018

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Special Revenue Fund</th>
<th>Capital Projects Fund</th>
<th>Debt Service Fund</th>
<th>Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Tax Levy</td>
<td>$40,517,615</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition Charges</td>
<td>584,016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>25,129</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted Miscellaneous Revenues</td>
<td>47,786</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Sources</td>
<td>33,637,183</td>
<td>$2,338,389</td>
<td></td>
<td></td>
<td>35,975,572</td>
</tr>
<tr>
<td>Federal Sources</td>
<td>107,008</td>
<td>1,850,697</td>
<td></td>
<td></td>
<td>1,957,705</td>
</tr>
<tr>
<td>Local Sources</td>
<td>500</td>
<td></td>
<td></td>
<td></td>
<td>500</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$74,918,737</td>
<td>4,189,586</td>
<td>-</td>
<td>1,347,900</td>
<td>$80,456,223</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Special Revenue Fund</th>
<th>Capital Projects Fund</th>
<th>Debt Service Fund</th>
<th>Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXPENDITURES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular Instruction</td>
<td>22,314,635</td>
<td>1,194,637</td>
<td></td>
<td></td>
<td>23,509,272</td>
</tr>
<tr>
<td>Special Education Instruction</td>
<td>3,659,531</td>
<td>461,552</td>
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<td></td>
<td>4,121,083</td>
</tr>
<tr>
<td>Other Special Instruction</td>
<td>1,754,638</td>
<td></td>
<td></td>
<td></td>
<td>1,754,638</td>
</tr>
<tr>
<td>Support Services and Undistributed Costs:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition</td>
<td>4,230,592</td>
<td>1,149,547</td>
<td></td>
<td></td>
<td>5,380,139</td>
</tr>
<tr>
<td>Student and Instruction Related Services</td>
<td>7,331,114</td>
<td>1,383,465</td>
<td></td>
<td></td>
<td>8,714,579</td>
</tr>
<tr>
<td>General Administrative Services</td>
<td>998,031</td>
<td></td>
<td></td>
<td></td>
<td>998,031</td>
</tr>
<tr>
<td>School Administrative Services</td>
<td>2,716,810</td>
<td></td>
<td></td>
<td></td>
<td>2,716,810</td>
</tr>
<tr>
<td>Central Services</td>
<td>457,454</td>
<td></td>
<td></td>
<td></td>
<td>457,454</td>
</tr>
<tr>
<td>Administrative Information Technology</td>
<td>594,722</td>
<td></td>
<td></td>
<td></td>
<td>594,722</td>
</tr>
<tr>
<td>Plant Operations and Maintenance</td>
<td>5,423,279</td>
<td></td>
<td></td>
<td></td>
<td>5,423,279</td>
</tr>
<tr>
<td>Pupil Transportation</td>
<td>4,211,604</td>
<td></td>
<td></td>
<td></td>
<td>4,211,604</td>
</tr>
<tr>
<td>Unallocated Benefits</td>
<td>20,959,766</td>
<td>183,687</td>
<td></td>
<td></td>
<td>21,143,453</td>
</tr>
<tr>
<td>Special School</td>
<td>74,779</td>
<td></td>
<td></td>
<td></td>
<td>74,779</td>
</tr>
<tr>
<td>Transfer to Charter School</td>
<td>265,233</td>
<td></td>
<td></td>
<td></td>
<td>265,233</td>
</tr>
<tr>
<td>Debt Service:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>1,210,000</td>
<td>1,210,000</td>
<td></td>
<td></td>
<td>1,210,000</td>
</tr>
<tr>
<td>Interest and Other Charges</td>
<td>137,900</td>
<td>137,900</td>
<td></td>
<td></td>
<td>137,900</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>974,312</td>
<td></td>
<td></td>
<td></td>
<td>974,312</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$75,966,500</td>
<td>4,372,888</td>
<td>-</td>
<td>1,347,900</td>
<td>$81,687,288</td>
</tr>
</tbody>
</table>

| Excess (Deficiency) of Revenues over Expenditures | (1,047,763) | (183,302) | - | (1,231,065) |

| OTHER FINANCING SOURCES (USES): |          |                      |                       |                   |                   |
| Operating Transfer Out to Food Service Fund - Transfer to Cover Deficit| (225,000) |                      |                       |                   | (225,000)         |
| Total Other Financing Sources and Uses| (225,000) | -                    | -                     | -                 | (225,000)         |
| Net Change in Fund Balances| (1,272,763) | (183,302) | - | - | (1,456,065) |
| Fund Balance (Deficit) -- July 1| 3,027,649 | (81,919) | - | 9,269 | 2,954,999 |
| Fund Balance (Deficit) -- June 30| $1,754,886 | $(265,221) | - | $9,269 | $1,498,934 |

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, 2018

Total Net Change in Fund Balances - Governmental Funds $ (1,456,065)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

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.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation Expense</td>
<td>$ (2,401,714)</td>
</tr>
<tr>
<td>Capital Outlays</td>
<td>974,312</td>
</tr>
<tr>
<td></td>
<td>(1,427,402)</td>
</tr>
</tbody>
</table>

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. 1,210,000

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. (+) 2,017

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. Amortization of Bond Premiums 30,974

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. 153,886

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 (+). 118,041

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. (1,902,079)

Change in Net Position of Governmental Activities $ (3,270,628)

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, 2018

<table>
<thead>
<tr>
<th></th>
<th>Food Service</th>
<th>Child Care Program</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$ 83,198</td>
<td>$ 21,553</td>
<td>$ 104,751</td>
</tr>
<tr>
<td>Accounts Receivable:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>3,427</td>
<td></td>
<td>3,427</td>
</tr>
<tr>
<td>Federal</td>
<td>201,691</td>
<td></td>
<td>201,691</td>
</tr>
<tr>
<td>Other</td>
<td>106,594</td>
<td></td>
<td>106,594</td>
</tr>
<tr>
<td>Inventories</td>
<td>17,514</td>
<td></td>
<td>17,514</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>412,424</td>
<td>21,553</td>
<td>433,977</td>
</tr>
<tr>
<td>Noncurrent Assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>661,159</td>
<td></td>
<td>661,159</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>(532,190)</td>
<td></td>
<td>(532,190)</td>
</tr>
<tr>
<td>Total Noncurrent Assets</td>
<td>128,969</td>
<td></td>
<td>128,969</td>
</tr>
<tr>
<td>Total Assets</td>
<td>541,393</td>
<td>21,553</td>
<td>562,946</td>
</tr>
<tr>
<td><strong>LIABILITIES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interfund Payable</td>
<td>189,987</td>
<td></td>
<td>189,987</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>313,630</td>
<td></td>
<td>313,630</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>503,617</td>
<td></td>
<td>503,617</td>
</tr>
<tr>
<td>Noncurrent Liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensated Absences Payable</td>
<td>32,794</td>
<td></td>
<td>32,794</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>536,411</td>
<td></td>
<td>536,411</td>
</tr>
<tr>
<td><strong>NET POSITION:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Investment In Capital Assets</td>
<td>128,969</td>
<td></td>
<td>128,969</td>
</tr>
<tr>
<td>Unrestricted (Deficit)</td>
<td>(123,987)</td>
<td>21,553</td>
<td>(102,434)</td>
</tr>
<tr>
<td>Total Net Position</td>
<td>$ 4,982</td>
<td>$ 21,553</td>
<td>$ 26,535</td>
</tr>
</tbody>
</table>

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, 2018

---

### Business-Type Activities - Enterprise Fund

<table>
<thead>
<tr>
<th>Food Service</th>
<th>Child Care Program</th>
<th>Total</th>
</tr>
</thead>
</table>

#### OPERATING REVENUES:

Charges for Services:
- Daily Sales - Reimbursable Programs: $404,651
- Daily Sales - Non-Reimbursable Programs: 183,570
- Special Functions: 28,479
- Community Service Activities: $267,564
- Miscellaneous: 135

Total Operating Revenues: 616,700

#### OPERATING EXPENSES:

Salaries: 817,044
Employee Benefits: 196,875
Supplies and Materials: 78,661
Cost of Sales - Reimbursable Programs: 614,015
Cost of Sales - Non-Reimbursable Programs: 88,132
Purchased Professional Services: 11,475
Other Purchased Services: 2,824
Office and Uniform Expense: 8,202
Equipment: 9,296
Repairs and Maintenance: 19,080
Bank Charges: 22,052
Insurance and Fees: 24,890
Depreciation: 25,969
Miscellaneous: 3,001

Total Operating Expenses: 1,915,691

Operating Income (Loss): (1,298,991)

#### NONOPERATING REVENUES:

State Sources:
- State School Lunch Program: 16,935

Federal Sources:
- National School Lunch Program: 684,311
- School Breakfast Program: 253,567
- Healthy Hunger Free Kids Program: 19,103
- Special Milk Program: 3,934
- After School Snack Program: 2,849
- United States Department of Agriculture Commodities: 91,998
- Interest and Investment Revenue: 208

Total Nonoperating Revenues: 1,072,905

Income (loss) before contributions: (226,086)

Board Contribution: 225,000

Change in Net Position: (1,086)

Net Position -- July 1: 6,068

Net Position -- June 30: $4,982

The accompanying Notes to Financial Statements are an integral part of this statement.
CASH FLOWS FROM OPERATING ACTIVITIES:

<table>
<thead>
<tr>
<th>Description</th>
<th>Food Service</th>
<th>Child Care Program</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from Customers</td>
<td>$622,029</td>
<td>$267,699</td>
<td>$889,728</td>
</tr>
<tr>
<td>Payments to Employees</td>
<td>(816,284)</td>
<td>(189,660)</td>
<td>(1,005,944)</td>
</tr>
<tr>
<td>Payments for Employee Benefits</td>
<td>(196,875)</td>
<td>(44,958)</td>
<td>(241,833)</td>
</tr>
<tr>
<td>Payments to Suppliers</td>
<td>(767,647)</td>
<td>(18,133)</td>
<td>(785,780)</td>
</tr>
<tr>
<td>Net Cash Provided by (used for) Operating Activities</td>
<td>(1,158,777)</td>
<td>14,948</td>
<td>(1,143,829)</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:

<table>
<thead>
<tr>
<th>Description</th>
<th>Food Service</th>
<th>Child Care Program</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Received from State and Federal Reimbursements</td>
<td>832,802</td>
<td>832,802</td>
<td>832,802</td>
</tr>
<tr>
<td>Transfers from Other Funds</td>
<td>225,000</td>
<td></td>
<td>225,000</td>
</tr>
<tr>
<td>Net Cash Provided by (used for) Non-Capital Financing Activities</td>
<td>1,057,802</td>
<td>-</td>
<td>1,057,802</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM INVESTING ACTIVITIES:

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and Dividends</td>
<td>208</td>
</tr>
<tr>
<td>Net Cash Provided by (used for) Investing Activities</td>
<td>208</td>
</tr>
</tbody>
</table>

Net Increase (Decrease) in Cash and Cash Equivalents

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Increase (Decrease) in Cash and Cash Equivalents</td>
<td>(85,819)</td>
</tr>
</tbody>
</table>

Cash and Cash Equivalents -- July 1

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents -- July 1</td>
<td>190,570</td>
</tr>
</tbody>
</table>

Cash and Cash Equivalents -- June 30

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents -- June 30</td>
<td>104,751</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income (Loss)</td>
<td>(1,284,043)</td>
</tr>
<tr>
<td>Adjustments to Reconcile Operating Income (Loss) to Net Cash</td>
<td></td>
</tr>
<tr>
<td>Depreciation and Net Amortization</td>
<td>25,969</td>
</tr>
<tr>
<td>Federal Commodities</td>
<td>91,998</td>
</tr>
<tr>
<td>(Increase) Decrease in Inventories</td>
<td>7,132</td>
</tr>
<tr>
<td>(Increase) Decrease in Other Current Receivables</td>
<td>5,329</td>
</tr>
<tr>
<td>Increase (Decrease) in Other Current Liabilities</td>
<td>9,026</td>
</tr>
<tr>
<td>Increase (Decrease) in Compensated Absences Payable</td>
<td>760</td>
</tr>
<tr>
<td>Total Adjustments</td>
<td>140,214</td>
</tr>
</tbody>
</table>

Net Cash Provided by (used for) Operating Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash Provided by (used for) Operating Activities</td>
<td>(1,143,829)</td>
</tr>
</tbody>
</table>

The accompanying Notes to Financial Statements are an integral part of this statement.
### Statement of Fiduciary Net Position

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Fiduciary Funds  
Statement of Fiduciary Net Position  
June 30, 2018

<table>
<thead>
<tr>
<th></th>
<th>Private Purpose Trust Funds</th>
<th>Agency Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>New Jersey Unemployment Compensation Trust</td>
<td>Scholarship Trust</td>
</tr>
<tr>
<td><strong>ASSETS:</strong></td>
<td>$695,776</td>
<td>$72,286</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Assets</td>
<td>$695,776</td>
<td>$72,286</td>
</tr>
<tr>
<td><strong>LIABILITIES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Payroll - Summer Salary</td>
<td></td>
<td>$284,559</td>
</tr>
<tr>
<td>Payable to Student Groups</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$284,559</td>
<td>$1,278,510</td>
</tr>
<tr>
<td><strong>NET POSITION:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Held in Trust for Unemployment Claims and Other Purpose</td>
<td>$695,776</td>
<td>$72,286</td>
</tr>
</tbody>
</table>

The accompanying Notes to Financial Statements are an integral part of this statement.
### Private-Purpose Trust Funds

<table>
<thead>
<tr>
<th>New Jersey Unemployment Compensation Trust</th>
<th>Scholarship Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ADDITIONS:</strong></td>
<td></td>
</tr>
<tr>
<td>Contributions:</td>
<td></td>
</tr>
<tr>
<td>Employee Withholdings</td>
<td>$ 106,927</td>
</tr>
<tr>
<td>Gifts and Contributions</td>
<td>$ 19,273</td>
</tr>
<tr>
<td>Total Contributions</td>
<td>106,927</td>
</tr>
<tr>
<td>Investment Earnings:</td>
<td>19,273</td>
</tr>
<tr>
<td>Interest on Investments</td>
<td>201</td>
</tr>
<tr>
<td>Net Investment Earnings</td>
<td>201</td>
</tr>
<tr>
<td>Total Additions</td>
<td>107,128</td>
</tr>
<tr>
<td></td>
<td>19,273</td>
</tr>
<tr>
<td><strong>DEDUCTIONS:</strong></td>
<td></td>
</tr>
<tr>
<td>Unemployment Compensation Insurance Claims</td>
<td>122,189</td>
</tr>
<tr>
<td>Scholarships Awarded</td>
<td>10,507</td>
</tr>
<tr>
<td>Total Deductions</td>
<td>122,189</td>
</tr>
<tr>
<td>Change in Net Position</td>
<td>(15,061)</td>
</tr>
<tr>
<td></td>
<td>8,766</td>
</tr>
<tr>
<td>Net Position -- July 1</td>
<td>710,837</td>
</tr>
<tr>
<td></td>
<td>63,520</td>
</tr>
<tr>
<td>Net Position -- June 30</td>
<td>$ 695,776</td>
</tr>
<tr>
<td></td>
<td>$ 72,286</td>
</tr>
</tbody>
</table>

The accompanying Notes to Financial Statements are an integral part of this statement.
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, 2018 of 4,241.

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.
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.
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, 2018. The School District had no prepaid expenses for the fiscal year ended June 30, 2018.

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

**Short-Term Interfund Receivables / Payables**

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

**Capital Assets**

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

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Governmental Activities Estimated Lives</th>
<th>Business Type Activities Estimated Lives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site Improvements</td>
<td>10-20 years</td>
<td>N/A</td>
</tr>
<tr>
<td>Buildings and Improvements</td>
<td>20-50 years</td>
<td>N/A</td>
</tr>
<tr>
<td>Equipment</td>
<td>5-15 years</td>
<td>15 Years</td>
</tr>
</tbody>
</table>

The School District does not possess any infrastructure assets.
Deferred Outflows and Deferred Inflows of Resources

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

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

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

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2018 and 2017 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, 2018, the amounts earned by these employees were disbursed to the employees’ own individual credit union accounts.

Compensated Absences

Compensated absences are payments to employees for accumulated time such as paid vacation, paid holidays, sick pay, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.
Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT’D)

Compensated Absences (Cont’d)

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

Accrued Liabilities and Long-Term Obligations

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers’ Pension and Annuity Fund (“TPAF”) and Public Employees’ Retirement System (“PERS”) and additions to/deductions from TPAF’s and PERS’s fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Bond Discounts / Premiums

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

Net Position

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

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

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

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.
Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Net Position

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

Fund Balance

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

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

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

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

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

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

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.
Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**Interfund Activity**

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

**Accounting Estimates**

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

**Impact of Recently Issued Accounting Principles**

**Recently Issued and Adopted Accounting Pronouncements**

The School District implemented the following GASB Statements for the fiscal year ended June 30, 2018:

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The adoption of this Statement required the School District to recognize a revenue and expense on the government-wide statement of activities for the State’s proportionate share of the postemployment expense associated with the School District. In addition, the School District was required to include additional note disclosures (see note 9) and required supplementary information related to postemployment benefits.

Statement No. 85, *Omnibus 2017*. This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The adoption of this Statement had no impact on the basic financial statements of the School District.

**Recently Issued Accounting Pronouncements**

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

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

Impact of Recently Issued Accounting Principles (Cont’d)

Recently Issued Accounting Pronouncements (Cont’d)

Statement No. 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, 2018, the School District’s bank balance of $7,494,494 was exposed to custodial credit risk as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insured</td>
<td>$250,000</td>
</tr>
<tr>
<td>Insured under GUDPA</td>
<td>4,859,539</td>
</tr>
<tr>
<td>Uninsured/Uncollateralized</td>
<td>2,384,955</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$7,494,494</strong></td>
</tr>
</tbody>
</table>

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, 2018, the School District’s deposits with the New Jersey Cash Management Fund were $1,598,225.

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

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, 2017 to June 30, 2018 fiscal year is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning balance July 1, 2017</td>
<td>$408,088</td>
</tr>
<tr>
<td>Change in account balance</td>
<td>$0</td>
</tr>
<tr>
<td>Ending Balance June 30, 2018</td>
<td>$408,088</td>
</tr>
</tbody>
</table>

The LRFP balance of local support costs of uncompleted projects at June 30, 2018 is $3,112,950.

Note 4: **ACCOUNTS RECEIVABLES**

Accounts receivable at June 30, 2018 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:

<table>
<thead>
<tr>
<th>Governmental Funds</th>
<th>Proprietary Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>Special Revenue Fund</td>
</tr>
<tr>
<td>Federal Awards</td>
<td>$668,942</td>
</tr>
<tr>
<td>State Awards</td>
<td>$540,705</td>
</tr>
<tr>
<td>Other</td>
<td>$277,540</td>
</tr>
<tr>
<td>Total</td>
<td>$818,245</td>
</tr>
</tbody>
</table>

Note 5: **INVENTORY**

Inventory recorded at June 30, 2018 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:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>$9,385</td>
</tr>
<tr>
<td>Supplies</td>
<td>$8,129</td>
</tr>
<tr>
<td>Total</td>
<td>$17,514</td>
</tr>
</tbody>
</table>
**Note 6: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2018 was as follows:

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>Balance</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Assets, not being Depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$ 210,136</td>
<td></td>
<td></td>
<td>$ 210,136</td>
</tr>
<tr>
<td>Total Capital Assets, not being Depreciated</td>
<td>210,136</td>
<td>-</td>
<td>-</td>
<td>210,136</td>
</tr>
</tbody>
</table>

| Capital Assets, being Depreciated | | | | |
| Site Improvements | 1,510,494 | | | 1,510,494 |
| Building and Improvements | 49,983,958 | $ 147,550 | | 50,131,508 |
| Equipment | 15,692,282 | 826,762 | | 16,519,044 |
| Total Capital Assets, being Depreciated | 67,186,734 | 974,312 | | 68,161,046 |

| Less Accumulated Depreciation | | | | |
| Land Improvements | (772,796) | (74,496) | | (847,292) |
| Building and Improvements | (29,806,429) | (1,525,663) | | (31,332,092) |
| Equipment | (9,220,675) | (801,555) | | (10,022,230) |
| Total Accumulated Depreciation | (39,799,900) | (2,401,714) | | (42,201,614) |

| Total Capital Assets, being Depreciated, Net | 27,386,834 | (1,427,402) | | 25,959,432 |

| Governmental Activities Capital Assets, Net | $ 27,596,970 | $ (1,427,402) | $ - | $ 26,169,568 |

| Business-Type Activities: | | | | |
| Capital Assets, being Depreciated | | | | |
| Equipment | $ 661,159 | | | $ 661,159 |
| Less Accumulated Depreciation | (506,221) | $ (25,969) | | (532,190) |
| Total Business-Type Activities Capital Assets, Net | $ 154,938 | $ (25,969) | | $ 128,969 |
Note 6: CAPITAL ASSETS (CONT’D)

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

Governmental Activities:

<table>
<thead>
<tr>
<th>Function / Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>$1,504,935</td>
</tr>
<tr>
<td>Student &amp; Instruction Related Services</td>
<td>$397,884</td>
</tr>
<tr>
<td>School Administrative Services</td>
<td>$204,555</td>
</tr>
<tr>
<td>Plant Operations and Maintenance</td>
<td>$294,340</td>
</tr>
</tbody>
</table>

Total Depreciation – Governmental Activities $2,401,714

Business-Type Activities:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Service</td>
<td>$25,969</td>
</tr>
</tbody>
</table>

Total Depreciation – Business-Type Activities $25,969

Note 7: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2018, the following changes occurred in long-term obligations for governmental activities:

<table>
<thead>
<tr>
<th></th>
<th>Balance July 1, 2017</th>
<th>Additions</th>
<th>Reductions</th>
<th>Balance June 30, 2018</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds Payable:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Obligation Bonds</td>
<td>$6,280,000</td>
<td></td>
<td>$1,210,000</td>
<td>$5,070,000</td>
<td>$1,230,000</td>
</tr>
<tr>
<td>Unamortized Cost of Premium on Bonds</td>
<td>147,128</td>
<td></td>
<td>(30,974)</td>
<td>116,154</td>
<td></td>
</tr>
</tbody>
</table>

Other Liabilities:

<table>
<thead>
<tr>
<th>Liability</th>
<th>Balance July 1, 2017</th>
<th>Additions</th>
<th>Reductions</th>
<th>Balance June 30, 2018</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Pension Liability</td>
<td>42,141,815</td>
<td>$14,097,323</td>
<td>(21,531,349)</td>
<td>34,707,789</td>
<td></td>
</tr>
<tr>
<td>Obligations under Capital Lease</td>
<td>339,686</td>
<td></td>
<td>(153,886)</td>
<td>185,800</td>
<td>92,140</td>
</tr>
<tr>
<td>Compensated Absences</td>
<td>2,158,168</td>
<td>500,495</td>
<td>(618,536)</td>
<td>2,040,127</td>
<td>439,461</td>
</tr>
</tbody>
</table>

Total Other Liabilities               | 44,639,669           | 14,597,818| (22,303,771)| 36,933,716            | 531,601             |

Total Governmental Activities         | $51,066,797           | $14,597,818| (23,544,745)| $42,119,870           | $1,761,601          |

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, 2018, the following changes occurred in long-term obligations for business-type activities:

<table>
<thead>
<tr>
<th>Balance July 1, 2017</th>
<th>Additions</th>
<th>Reductions</th>
<th>Balance June 30, 2018</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensated Absences</td>
<td>$32,034</td>
<td>$6,840</td>
<td>$6,080</td>
<td>$32,794</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Date of Issue</th>
<th>Amount of Issue</th>
<th>Maturities</th>
<th>Interest Rate</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$7,490,000</td>
<td>2019 to 2022</td>
<td>2.0-3.0%</td>
<td>$5,070,000</td>
</tr>
</tbody>
</table>

Principal and interest due on bonds outstanding is as follows:

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$1,230,000</td>
<td>$113,700</td>
<td>$1,343,700</td>
</tr>
<tr>
<td>2020</td>
<td>$1,265,000</td>
<td>76,800</td>
<td>$1,341,800</td>
</tr>
<tr>
<td>2021</td>
<td>$1,290,000</td>
<td>51,500</td>
<td>$1,341,500</td>
</tr>
<tr>
<td>2022</td>
<td>$1,285,000</td>
<td>25,700</td>
<td>$1,310,700</td>
</tr>
</tbody>
</table>

| Total                | $5,070,000 | $267,700 | $5,337,700 |

**Bonds Authorized But Not Issued** - As of June 30, 2018, 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, 2018.

<table>
<thead>
<tr>
<th>Fiscal Year Ending June 30,</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$92,140</td>
<td>$3,066</td>
<td>$95,206</td>
</tr>
<tr>
<td>2020</td>
<td>93,660</td>
<td>1,545</td>
<td>95,205</td>
</tr>
</tbody>
</table>

| Total                       | $185,800  | $4,611   | $190,411 |
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  
http://www.nj.gov/treasury/pensions/gasb-notices.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 7.34% in State fiscal year 2018. 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 2017, the State’s pension contribution was less than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions.
Note 8: PENSION PLANS (CONT'D)

Contributions (Cont'd)

Teachers' Pension and Annuity Fund (Cont'd) - The School District’s contractually required contribution rate for the fiscal year ended June 30, 2018 was 11.08% 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, 2018 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, 2017, the State’s contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2018 was $3,064,154, and was paid by April 1, 2018. School District employee contributions to the pension plan during the fiscal year ended June 30, 2018 were $2,044,263.

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 7.34% in State fiscal year 2018. 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, 2018 was 14.89% 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, 2017, the School District’s contractually required contribution to the pension plan for the fiscal year ended June 30, 2018 was $1,381,240, and was paid by April 1, 2018. School District employee contributions to the pension plan during the fiscal year ended June 30, 2018 were $709,685.

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, 2018, employee contributions totaled $63,803, and the School District recognized pension expense, which equaled the required contributions, of $36,465. 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, 2018, 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:

<table>
<thead>
<tr>
<th>School Districts Proportionate Share of Net Pension Liability</th>
<th>$ -</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of New Jersey’s Proportionate Share of Net Pension Liability Associated with the School District</td>
<td>183,982,727</td>
</tr>
<tr>
<td>$ 183,982,727</td>
<td></td>
</tr>
</tbody>
</table>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2017. For the June 30, 2017 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, 2017, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2017 measurement date, the State’s proportionate share of the TPAF net pension liability associated with the School District was 0.2728758346%, which was an increase of 0.0038813344% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the School District recognized $12,745,392 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, 2017 measurement date.

**Public Employees’ Retirement System** - At June 30, 2018, the School District reported a liability of $34,707,789 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2017. 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, 2017 measurement date, the School District’s proportion was 0.1490986763%, which was an increase of 0.0068100312% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the School District recognized pension expense of $3,283,468, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2017 measurement date.
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, 2018, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

<table>
<thead>
<tr>
<th></th>
<th>Deferred Outflow of Resources</th>
<th>Deferred Inflow of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differences Between Expected and Actual Experience</td>
<td>$817,249</td>
<td>-</td>
</tr>
<tr>
<td>Changes of Assumptions</td>
<td>6,992,423</td>
<td>$6,966,788</td>
</tr>
<tr>
<td>Net Difference Between Projected and Actual Earnings on Pension Plan Investments</td>
<td>236,337</td>
<td>-</td>
</tr>
<tr>
<td>Changes in Proportion and Differences Between School District Contributions and Proportionate Share of Contribution</td>
<td>2,767,995</td>
<td>-</td>
</tr>
<tr>
<td>School District Contributions Subsequent to the Measurement Date</td>
<td>1,422,788</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>$12,236,792</td>
<td>$6,966,788</td>
</tr>
</tbody>
</table>

$1,422,788, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<table>
<thead>
<tr>
<th>Fiscal Year Ending June 30, PERS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$1,596,951</td>
</tr>
<tr>
<td>2020</td>
<td>2,012,852</td>
</tr>
<tr>
<td>2021</td>
<td>1,420,961</td>
</tr>
<tr>
<td>2022</td>
<td>(589,355)</td>
</tr>
<tr>
<td>2023</td>
<td>(594,193)</td>
</tr>
<tr>
<td></td>
<td>$3,847,216</td>
</tr>
</tbody>
</table>
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:

<table>
<thead>
<tr>
<th>Differences between Expected and Actual Experience</th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year of Pension Plan Deferral:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 30, 2014</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>June 30, 2015</td>
<td>5.72</td>
<td>-</td>
</tr>
<tr>
<td>June 30, 2016</td>
<td>5.57</td>
<td>-</td>
</tr>
<tr>
<td>June 30, 2017</td>
<td>5.48</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Changes of Assumptions</th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year of Pension Plan Deferral:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 30, 2014</td>
<td>6.44</td>
<td>-</td>
</tr>
<tr>
<td>June 30, 2015</td>
<td>5.72</td>
<td>-</td>
</tr>
<tr>
<td>June 30, 2016</td>
<td>5.57</td>
<td>-</td>
</tr>
<tr>
<td>June 30, 2017</td>
<td>-</td>
<td>5.48</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Difference Between Projected and Actual Earnings on Pension Plan Investments</th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year of Pension Plan Deferral:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 30, 2014</td>
<td>-</td>
<td>5.00</td>
</tr>
<tr>
<td>June 30, 2015</td>
<td>-</td>
<td>5.00</td>
</tr>
<tr>
<td>June 30, 2016</td>
<td>5.00</td>
<td>-</td>
</tr>
<tr>
<td>June 30, 2017</td>
<td>5.00</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Changes in Proportion and Differences between School District Contributions and Proportionate Share</th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year of Pension Plan Deferral:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 30, 2014</td>
<td>6.44</td>
<td>6.44</td>
</tr>
<tr>
<td>June 30, 2015</td>
<td>5.72</td>
<td>5.72</td>
</tr>
<tr>
<td>June 30, 2016</td>
<td>5.57</td>
<td>5.57</td>
</tr>
<tr>
<td>June 30, 2017</td>
<td>5.48</td>
<td>5.48</td>
</tr>
</tbody>
</table>
Note 8: PENSION PLANS (CONT’D)

Actuarial Assumptions

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

<table>
<thead>
<tr>
<th></th>
<th>TPAF</th>
<th>PERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflation</td>
<td>2.25%</td>
<td>2.25%</td>
</tr>
<tr>
<td>Salary Increases:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012-2021</td>
<td>Varies Based on Experience</td>
<td>1.65% - 4.15% Base on Age</td>
</tr>
<tr>
<td>Through 2026</td>
<td>Varies Based on Experience</td>
<td>2.65% - 5.15% Based on Age</td>
</tr>
<tr>
<td>Thereafter</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Rate of Return</td>
<td>7.00%</td>
<td>7.00%</td>
</tr>
<tr>
<td>Period of Actuarial Experience Study upon which Actuarial Assumptions were Based</td>
<td>July 1, 2012- June 30, 2015</td>
<td>July 1, 2011 – June 30, 2014</td>
</tr>
</tbody>
</table>

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

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

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in TPAF’s and PERS’s target asset allocation as of June 30, 2017 are summarized in the following table:
### Note 8: PENSION PLANS (CONT’D)

#### Actuarial Assumptions (cont’d)

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

**Discount Rate** - The discount rates used to measure the total pension liability at June 30, 2017 were 4.25% and 5.00% 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 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates for TPAF and PERS assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% 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 2036 for TPAF and 2040 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036 for TPAF and 2040 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, 2017, the pension plans measurement date, attributable to the School District is $0, and the State of New Jersey’s proportionate share of the net pension liability, attributable to the School District, using a discount rate of 4.25%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

<table>
<thead>
<tr>
<th></th>
<th>TPAF</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1% Decrease (3.25%)</td>
</tr>
<tr>
<td>School District’s Proportionate Share of the Net Pension Liability</td>
<td>$ -</td>
</tr>
<tr>
<td>State’s Proportionate Share of the Net Pension Liability Associated with the District</td>
<td>218,577,251</td>
</tr>
<tr>
<td></td>
<td>$ 218,577,251</td>
</tr>
</tbody>
</table>

Public Employees’ Retirement System (PERS) - The following presents the School District’s proportionate share of the net pension liability at June 30, 2017, the plans measurement date, calculated using a discount rate of 5.00%, 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:

<table>
<thead>
<tr>
<th></th>
<th>PERS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1% Decrease (4.00%)</td>
</tr>
<tr>
<td>School District’s Proportionate Share of the Net Pension Liability</td>
<td>$ 43,057,367</td>
</tr>
</tbody>
</table>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS’s respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about TPAF and PERS, please refer to the plan’s Comprehensive Annual Financial Report (CAFR) which can be found at [http://www.nj.gov/treasury/pensions/gasb-notices.shtml](http://www.nj.gov/treasury/pensions/gasb-notices.shtml).
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 entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active plan members</td>
<td>223,747</td>
</tr>
<tr>
<td>Inactive plan members or beneficiaries currently receiving benefits</td>
<td>142,331</td>
</tr>
<tr>
<td>Inactive plan members entitled to but not yet receiving benefit payments</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>366,078</td>
</tr>
</tbody>
</table>

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, 2018 was $169,791,116. 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.
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)

The total Non-Employer OPEB Liability was measured as of June 30, 2017, and was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total Non-Employer OPEB Liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. For the June 30, 2017 measurement date, the State’s proportionate share of the Non-Employer OPEB Plan Liability associated with the School District was 0.3165391808%, which was a decrease of 0.0003930055% from its proportion measured as of June 30, 2016.

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, 2016 used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases –

<table>
<thead>
<tr>
<th></th>
<th>TPAF/ABP (1)</th>
<th>PERS (2)</th>
<th>PFRS (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Through 2026</td>
<td>1.55% - 4.55%</td>
<td>2.15% - 4.15%</td>
<td>2.10% - 8.98%</td>
</tr>
<tr>
<td>Thereafter</td>
<td>2.00% - 5.45%</td>
<td>3.15% - 5.15%</td>
<td>3.10% - 9.98%</td>
</tr>
</tbody>
</table>

(1) – Based on years of service
(2) – Based on age

Inflation Rate - 2.50%.

Mortality Rates - Preretirement mortality rates were based on the RP-2014 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-2014 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-2014 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, 2016 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.

Health Care Trend Assumptions - For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight 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, 2017 and 2016 was 3.58% and 2.85%, respectively. 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.
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)

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:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at June 30, 2017</td>
<td>$183,287,538</td>
</tr>
<tr>
<td>Changes for the year:</td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>$7,584,372</td>
</tr>
<tr>
<td>Interest cost</td>
<td>5,386,251</td>
</tr>
<tr>
<td>Changes in assumptions</td>
<td>(22,679,135)</td>
</tr>
<tr>
<td>Gross benefit payments</td>
<td>(3,932,723)</td>
</tr>
<tr>
<td>Member contributions</td>
<td>144,813</td>
</tr>
<tr>
<td>Net changes</td>
<td>(13,496,422)</td>
</tr>
<tr>
<td>Balance at June 30, 2018</td>
<td>$169,791,116</td>
</tr>
</tbody>
</table>

There were no changes in benefit terms between the June 30, 2016 measurement date and the June 30, 2017 measurement date.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85% for the June 30, 2016 measurement date to 3.58% for the June 30, 2017 measurement date.

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, 2017, associated with the School District, using a discount rate of 3.58%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>1% Decrease</th>
<th>Current Discount Rate</th>
<th>1% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(2.58%)</td>
<td>(3.58%)</td>
<td>(4.58%)</td>
</tr>
<tr>
<td>State of New Jersey’s Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District</td>
<td>$201,554,304</td>
<td>$169,761,116</td>
<td>$144,593,253</td>
</tr>
</tbody>
</table>

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, 2017, 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:

<table>
<thead>
<tr>
<th>Description</th>
<th>1% Decrease</th>
<th>Healthcare Cost Trend Rates</th>
<th>1% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State of New Jersey’s Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District</td>
<td>$139,636,779</td>
<td>$169,761,116</td>
<td>$209,835,720</td>
</tr>
</tbody>
</table>
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)**

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, 2018, the School District recognized $10,591,393 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, 2017 measurement date.

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, 2018, 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:

<table>
<thead>
<tr>
<th>Stated as</th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes in proportion</td>
<td>-</td>
<td>$ 179,593</td>
</tr>
<tr>
<td>Changes of assumptions or other inputs</td>
<td>-</td>
<td>20,080,515</td>
</tr>
<tr>
<td>Total</td>
<td>$ -</td>
<td>$ 20,260,108</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Fiscal Year Ending June 30,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$ (2,372,378)</td>
</tr>
<tr>
<td>2020</td>
<td>(2,372,378)</td>
</tr>
<tr>
<td>2021</td>
<td>(2,372,378)</td>
</tr>
<tr>
<td>2022</td>
<td>(2,372,378)</td>
</tr>
<tr>
<td>2023</td>
<td>(2,372,378)</td>
</tr>
<tr>
<td>Thereafter</td>
<td>(8,398,218)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ (20,260,108)</strong></td>
</tr>
</tbody>
</table>

Note 10: **ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2018, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were $4,129,834, $100,221, $2,732,102, and $5,110, respectively.

-65-
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
- Lincoln Investment Planning Inc.
- Paul Revere Tax Shelter
- American United Life
- Equitable Life Assurance Society
- Fidelity Investments
- Valic
- 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, 2018 the liability for compensated absences reported on the government-wide statement of net position was $2,040,127.

Note 13: INTERFUND BALANCES AND TRANSFERS

The composition of interfund balances as of June 30, 2018 is as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Interfunds Receivable</th>
<th>Interfunds Payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>$ 744,868</td>
<td></td>
</tr>
<tr>
<td>Special Revenue</td>
<td></td>
<td>$ 554,881</td>
</tr>
<tr>
<td>Proprietary</td>
<td></td>
<td>189,987</td>
</tr>
<tr>
<td></td>
<td>$ 744,868</td>
<td>$ 744,868</td>
</tr>
</tbody>
</table>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2019, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.
Note 13: INTERFUND BALANCES AND TRANSFERS (CONT’D)

Transfers:

<table>
<thead>
<tr>
<th>Transfer in:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise Fund</td>
<td></td>
</tr>
<tr>
<td>Transfer Out:</td>
<td></td>
</tr>
<tr>
<td>General Fund</td>
<td>$ 225,000</td>
</tr>
<tr>
<td>Total Transfers</td>
<td>$ 225,000</td>
</tr>
</tbody>
</table>

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 $670,806 in the general fund and $265,221 in the special revenue fund as of June 30, 2018 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of $936,027 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, 2018 is $1,202,869. Additionally, $647,235 of excess fund balance generated during 2016-2017 has been restricted and designated for utilization in the 2018-2019 budget.

For Capital Reserve Account - As of June 30, 2018, the balance in the capital reserve account is $408,088. These funds are restricted for future capital outlay expenditures for capital projects in the School District’s approved Long Range Facilities Plan (LRFP).

ASSIGNED

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

General Fund

For Subsequent Year’s Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2019 $125,732 of general fund balance at June 30, 2018.

General Fund (cont’d)

Other Purposes - As of June 30, 2018, the School District had $41,768 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

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

General Fund - As of June 30, 2018, $670,806 of general fund balance (deficit) was unassigned.

Special Revenue Fund - As of June 30, 2018, the fund balance of the special revenue fund was a deficit of $265,221, 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 $265,221 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, 2018**

### REVENUES:

<table>
<thead>
<tr>
<th>Source Type</th>
<th>Original Budget</th>
<th>Budget Modifications</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Positive (Negative)</th>
<th>Final to Actual</th>
</tr>
</thead>
</table>

#### Local Sources:
- **Local Tax Levy**
  - Original Budget: $40,517,615
  - Final Budget: $40,517,615
  - Actual: $40,517,615
  - Variance: $0

- **Tuition - from Individual**
  - Original Budget: $300,000
  - Final Budget: $584,016
  - Actual: $284,016
  - Variance: $284,016

- **Interest**
  - Original Budget: $1
  - Final Budget: $2,999
  - Actual: 3,000
  - Variance: 25,129

- **Miscellaneous**
  - Original Budget: $60,499
  - Final Budget: (2,999)
  - Actual: 57,500
  - Variance: 47,786

#### Total - Local Sources

- **Total**
  - Original Budget: $40,878,115
  - Final Budget: $41,174,546
  - Actual: $296,431

#### State Sources:
- **Equalization Aid**
  - Original Budget: $20,209,857
  - Final Budget: $20,845,846
  - Variance: $635,989

- **Nonpublic Transportation Aid**
  - Original Budget: $91,512
  - Final Budget: $91,512
  - Variance: $0

- **Extraordinary Aid**
  - Original Budget: $250,000
  - Final Budget: $352,828
  - Variance: $102,828

- **Categorical Special Education Aid**
  - Original Budget: $2,328,005
  - Final Budget: $2,328,005
  - Variance: $0

- **Categorical Security Aid**
  - Original Budget: $483,815
  - Final Budget: $483,815
  - Variance: $0

- **Categorical Transportation Aid**
  - Original Budget: $365,085
  - Final Budget: $365,085
  - Variance: $0

- **Under Adequacy Aid**
  - Original Budget: $12,894
  - Final Budget: $12,894
  - Variance: $0

- **School Choice Aid**
  - Original Budget: $126,182
  - Final Budget: $126,182
  - Variance: $0

- **PARCC Readiness**
  - Original Budget: $41,780
  - Final Budget: $41,780
  - Variance: $0

- **Per Pupil Growth**
  - Original Budget: $41,780
  - Final Budget: $41,780
  - Variance: $0

- **Professional Learning Community**
  - Original Budget: $41,980
  - Final Budget: $41,980
  - Variance: $0

- **On-Behalf T.P.A.F. Pension Contributions (non-budgeted)**
  - Original Budget: $4,129,834
  - Final Budget: $4,129,834
  - Variance: $0

- **On-Behalf T.P.A.F. Non-contributory Insurance (non-budgeted)**
  - Original Budget: $100,221
  - Final Budget: $100,221
  - Variance: $0

- **On-Behalf T.P.A.F. Long-Term Disability Insurance (non-budgeted)**
  - Original Budget: $5,110
  - Final Budget: $5,110
  - Variance: $0

- **On-Behalf T.P.A.F. Post Retirement Pension Contributions (non-budgeted)**
  - Original Budget: $2,732,102
  - Final Budget: $2,732,102
  - Variance: $0

- **Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)**
  - Original Budget: $1,981,113
  - Final Budget: $1,981,113
  - Variance: $0

#### Total - State Sources

- **Total**
  - Original Budget: $23,901,378
  - Final Budget: $33,680,087
  - Variance: $9,778,709

#### Federal Sources:
- **Medicaid Reimbursement**
  - Original Budget: $107,008
  - Final Budget: $107,008
  - Variance: $0

#### Total - Federal Sources

- **Total**
  - Original Budget: $107,008
  - Final Budget: $107,008
  - Variance: $0

#### Total Revenues

- **Total**
  - Original Budget: $64,886,501
  - Final Budget: $74,961,641
  - Variance: $10,075,140

(Continued)
## TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018

### EXPENDITURES:

**Current Expense:**

**Regular Programs - Instruction:**

<table>
<thead>
<tr>
<th>Subcategory</th>
<th>Original Budget</th>
<th>Budget Modifications</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kindergarten</td>
<td>$1,226,067</td>
<td>$10,136</td>
<td>$1,236,203</td>
<td>$1,224,153</td>
<td>$12,050</td>
</tr>
<tr>
<td>Grades 1-5</td>
<td>8,803,692</td>
<td>128,642</td>
<td>8,932,334</td>
<td>8,912,334</td>
<td>20,000</td>
</tr>
<tr>
<td>Grades 6-8</td>
<td>4,216,950</td>
<td>342,656</td>
<td>4,559,606</td>
<td>4,536,556</td>
<td>23,050</td>
</tr>
<tr>
<td>Grades 9-12</td>
<td>5,800,361</td>
<td>(71,540)</td>
<td>5,728,841</td>
<td>5,706,983</td>
<td>21,858</td>
</tr>
</tbody>
</table>

**Regular Programs - Home Instruction:**

<table>
<thead>
<tr>
<th>Subcategory</th>
<th>Original Budget</th>
<th>Budget Modifications</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries of Teachers</td>
<td>90,000</td>
<td>27,183</td>
<td>117,183</td>
<td>115,716</td>
<td>1,467</td>
</tr>
<tr>
<td>Purchased Services</td>
<td>65,000</td>
<td>65,000</td>
<td>65,000</td>
<td>34,889</td>
<td>30,111</td>
</tr>
</tbody>
</table>

**Regular Programs - Undistributed Instruction:**

<table>
<thead>
<tr>
<th>Subcategory</th>
<th>Original Budget</th>
<th>Budget Modifications</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Salaries for Instruction</td>
<td>105,026</td>
<td>130,894</td>
<td>235,920</td>
<td>235,420</td>
<td>500</td>
</tr>
<tr>
<td>Purchased Professional / Educational Services</td>
<td>635,998</td>
<td>98,698</td>
<td>734,696</td>
<td>733,176</td>
<td>1,520</td>
</tr>
<tr>
<td>Purchased Technical Services</td>
<td>47,226</td>
<td>(7,474)</td>
<td>39,752</td>
<td>39,752</td>
<td>-</td>
</tr>
<tr>
<td>Rentals</td>
<td>226,000</td>
<td>226,000</td>
<td>211,998</td>
<td>14,002</td>
<td>-</td>
</tr>
<tr>
<td>Other Purchased Services</td>
<td>213,994</td>
<td>(179,641)</td>
<td>34,353</td>
<td>34,353</td>
<td>-</td>
</tr>
<tr>
<td>Travel</td>
<td>2,568</td>
<td>2,568</td>
<td>2,553</td>
<td>15</td>
<td>-</td>
</tr>
<tr>
<td>General Supplies</td>
<td>578,488</td>
<td>(66,912)</td>
<td>511,576</td>
<td>507,236</td>
<td>4,340</td>
</tr>
<tr>
<td>Textbooks</td>
<td>51,652</td>
<td>(32,814)</td>
<td>18,838</td>
<td>18,838</td>
<td>-</td>
</tr>
<tr>
<td>Other Objects</td>
<td>1,500</td>
<td>(822)</td>
<td>678</td>
<td>678</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total Regular Programs**

| Amount | 21,835,974 | 607,574 | 22,443,548 | 22,314,635 | 128,913 |

**Special Education - Instruction:**

**Cognitive - Moderate:**

<table>
<thead>
<tr>
<th>Subcategory</th>
<th>Original Budget</th>
<th>Budget Modifications</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries of Teachers</td>
<td>209,782</td>
<td>5,831</td>
<td>215,613</td>
<td>215,613</td>
<td>-</td>
</tr>
<tr>
<td>Other Salaries for Instruction</td>
<td>105,026</td>
<td>(33,032)</td>
<td>71,994</td>
<td>61,948</td>
<td>10,046</td>
</tr>
<tr>
<td>General Supplies</td>
<td>7,177</td>
<td>(219)</td>
<td>6,958</td>
<td>5,224</td>
<td>1,734</td>
</tr>
<tr>
<td>Other Objects</td>
<td>1,500</td>
<td>1,500</td>
<td>904</td>
<td>596</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total Cognitive - Moderate**

| Amount | 323,485 | (27,420) | 296,065 | 283,689 | 12,376 |

**Learning and Language Disabled:**

<table>
<thead>
<tr>
<th>Subcategory</th>
<th>Original Budget</th>
<th>Budget Modifications</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries of Teachers</td>
<td>670,057</td>
<td>168,901</td>
<td>838,958</td>
<td>821,775</td>
<td>17,183</td>
</tr>
<tr>
<td>Other Salaries for Instruction</td>
<td>595,146</td>
<td>(28,879)</td>
<td>566,267</td>
<td>528,889</td>
<td>37,378</td>
</tr>
<tr>
<td>General Supplies</td>
<td>10,757</td>
<td>(155)</td>
<td>10,602</td>
<td>5,562</td>
<td>5,040</td>
</tr>
</tbody>
</table>

**Total Learning and Language Disabled**

| Amount | 1,275,960 | 139,867 | 1,415,827 | 1,356,226 | 59,601 |

(Continued)
**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**

Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018

## General Fund

### For the Fiscal Year Ended June 30, 2018

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Budget Modifications</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Positive (Negative) Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXPENDITURES (CONT'D):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Expense (Cont'd)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Special Education - Instruction (Cont'd):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Behavioral Disabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of Teachers</td>
<td>402,261 $</td>
<td>36,953 $</td>
<td>439,214 $</td>
<td>430,714 $</td>
<td>8,500 (Negative)</td>
</tr>
<tr>
<td>Other Salaries for Instruction</td>
<td>192,548 (32,713)</td>
<td>159,835</td>
<td>129,618</td>
<td>30,217</td>
<td></td>
</tr>
<tr>
<td>General Supplies</td>
<td>4,970 155</td>
<td>5,125</td>
<td>3,312</td>
<td>1,813</td>
<td></td>
</tr>
<tr>
<td>Total Behavioral Disabilities</td>
<td>599,779 4,395</td>
<td>604,174</td>
<td>563,644</td>
<td>40,530</td>
<td></td>
</tr>
<tr>
<td>Multiple Disabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of Teachers</td>
<td>620,320 20,223</td>
<td>640,543</td>
<td>640,543</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other Salaries for Instruction</td>
<td>210,052 8,898</td>
<td>218,950</td>
<td>200,970</td>
<td>17,980</td>
<td></td>
</tr>
<tr>
<td>General Supplies</td>
<td>4,675</td>
<td>4,675</td>
<td>3,700</td>
<td>975</td>
<td></td>
</tr>
<tr>
<td>Total Multiple Disabilities</td>
<td>835,047 29,121</td>
<td>864,168</td>
<td>845,213</td>
<td>18,955</td>
<td></td>
</tr>
<tr>
<td>Autism:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of Teachers</td>
<td>240,808 4,594</td>
<td>245,402</td>
<td>245,402</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other Salaries for Instruction</td>
<td>140,035 (67,366)</td>
<td>72,669</td>
<td>72,089</td>
<td>580</td>
<td></td>
</tr>
<tr>
<td>General Supplies</td>
<td>2,820</td>
<td>2,820</td>
<td>2,788</td>
<td>32</td>
<td></td>
</tr>
<tr>
<td>Total Autism</td>
<td>383,663 (62,772)</td>
<td>320,891</td>
<td>320,279</td>
<td>612</td>
<td></td>
</tr>
<tr>
<td>Preschool Disabilities - Part Time:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of Teachers</td>
<td>155,784</td>
<td>155,784</td>
<td>155,784</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other Salaries for Instruction</td>
<td>140,035 2,525</td>
<td>142,560</td>
<td>132,765</td>
<td>9,795</td>
<td></td>
</tr>
<tr>
<td>General Supplies</td>
<td>2,350</td>
<td>2,350</td>
<td>1,931</td>
<td>419</td>
<td></td>
</tr>
<tr>
<td>Total Preschool Disabilities - Part Time</td>
<td>298,169 2,525</td>
<td>300,694</td>
<td>290,480</td>
<td>10,214</td>
<td></td>
</tr>
<tr>
<td>Total Special Education - Instruction</td>
<td>3,716,103 85,716</td>
<td>3,801,819</td>
<td>3,659,531</td>
<td>142,288</td>
<td></td>
</tr>
<tr>
<td>Basic Skills / Remedial - Instruction:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of Teachers</td>
<td>1,148,129 (251,651)</td>
<td>896,478</td>
<td>880,443</td>
<td>16,035</td>
<td></td>
</tr>
</tbody>
</table>
| Total Basic Skills / Remedial - Instruction | 1,148,129 (251,651) | 896,478    | 880,443       | 16,035  | (Continued)
## General Fund
For the Fiscal Year Ended June 30, 2018

### Required Supplementary Information

#### Budgetary Comparison Schedule

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**

<table>
<thead>
<tr>
<th>EXPENDITURES (CONT'D):</th>
<th>Original Budget</th>
<th>Budget Modifications</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Positive (Negative) Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Expense (Cont'd)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bilingual Education - Instruction:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of Teachers</td>
<td>$240,011 $</td>
<td>(29,376) $</td>
<td>210,635 $</td>
<td>210,635</td>
<td></td>
</tr>
<tr>
<td>Total Bilingual Education - Instruction</td>
<td>240,011 $</td>
<td>(29,376) $</td>
<td>210,635 $</td>
<td>210,635</td>
<td>-</td>
</tr>
<tr>
<td>School Sponsored Cocurricular Activities - Instruction:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>203,264 $</td>
<td>(8,770) $</td>
<td>194,494 $</td>
<td>155,486</td>
<td>$7,363</td>
</tr>
<tr>
<td>Salaries of Teachers</td>
<td>37,970 $</td>
<td>37,970 $</td>
<td>30,607 $</td>
<td>30,607</td>
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</tr>
<tr>
<td>General Supplies</td>
<td>18500 $</td>
<td>(5,838) $</td>
<td>12,662 $</td>
<td>12,662</td>
<td></td>
</tr>
<tr>
<td>Other Objects</td>
<td>8,275 $</td>
<td>(2,607) $</td>
<td>5,668 $</td>
<td>5,668</td>
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<tr>
<td>Total School Sponsored Cocurricular Activities - Instruction</td>
<td>230,039 $</td>
<td>20,755 $</td>
<td>250,794 $</td>
<td>204,423</td>
<td>46,371</td>
</tr>
<tr>
<td>School Sponsored Athletics - Instruction:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>355,561 $</td>
<td>38,669 $</td>
<td>394,230 $</td>
<td>342,625</td>
<td>51,605</td>
</tr>
<tr>
<td>Purchased Services</td>
<td>26,500 $</td>
<td>(2,843) $</td>
<td>23,657 $</td>
<td>23,657</td>
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</tr>
<tr>
<td>General Supplies</td>
<td>54,400 $</td>
<td>(8,600) $</td>
<td>45,800 $</td>
<td>45,800</td>
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</tr>
<tr>
<td>Other Objects</td>
<td>29,700 $</td>
<td>24,818 $</td>
<td>54,518 $</td>
<td>47,055</td>
<td>7,463</td>
</tr>
<tr>
<td>Total School Sponsored Athletics - Instruction</td>
<td>466,161 $</td>
<td>52,044 $</td>
<td>518,205 $</td>
<td>459,137</td>
<td>59,068</td>
</tr>
<tr>
<td>Total Instruction</td>
<td>27,636,417 $</td>
<td>485,062 $</td>
<td>28,121,479 $</td>
<td>27,728,804</td>
<td>392,675 (Continued)</td>
</tr>
</tbody>
</table>
# TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
## Required Supplementary Information
### Budgetary Comparison Schedule
#### General Fund
For the Fiscal Year Ended June 30, 2018

## EXPENDITURES (CONT'D):

### Current Expense (Cont'd)

#### Undistributed Expenditures - Instruction:

<table>
<thead>
<tr>
<th>Item</th>
<th>Original Budget</th>
<th>Budget Modifications</th>
<th>Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition to Other LEA's Within State - Regular</td>
<td>$165,000</td>
<td>$(71,305)</td>
<td>$93,695</td>
<td>$93,695</td>
</tr>
<tr>
<td>Tuition to Other LEA's Within State - Special</td>
<td>$262,598</td>
<td>(88,903)</td>
<td>$173,695</td>
<td>$173,695</td>
</tr>
<tr>
<td>Tuition to County Voc. School Dist. - Regular</td>
<td>$421,200</td>
<td>19,071</td>
<td>$440,271</td>
<td>$440,271</td>
</tr>
<tr>
<td>Tuition to CSSD &amp; Reg. Day Schools</td>
<td>$1,701,960</td>
<td>313,428</td>
<td>$2,015,388</td>
<td>$2,015,388</td>
</tr>
<tr>
<td>Tuition to Private Schools for the Disabled - Within State</td>
<td>$1,512,540</td>
<td>(244,725)</td>
<td>$1,267,815</td>
<td>$1,260,223</td>
</tr>
<tr>
<td>Tuition to Priv Sch Disabled &amp; Oth LEAs - Spl,O/S St</td>
<td>$168,340</td>
<td>43,515</td>
<td>$211,855</td>
<td>$211,855</td>
</tr>
<tr>
<td>Tuition - State Facilities</td>
<td>$35,465</td>
<td></td>
<td>$35,465</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total Undistributed Expenditures - Instruction**

| Amount                  | $4,267,103 | $(28,919) | $4,238,184 | $4,230,592 | $7,592 |

#### Attendance and Social Work Services:

<table>
<thead>
<tr>
<th>Item</th>
<th>Original Budget</th>
<th>Budget Modifications</th>
<th>Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$91,282</td>
<td>7,831</td>
<td>$99,113</td>
<td>$99,113</td>
</tr>
<tr>
<td>Total Attendance and Social Work Services</td>
<td>$91,282</td>
<td>7,831</td>
<td>$99,113</td>
<td>$99,113</td>
</tr>
</tbody>
</table>

#### Undistributed Expenditures - Health Services:

<table>
<thead>
<tr>
<th>Item</th>
<th>Original Budget</th>
<th>Budget Modifications</th>
<th>Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$531,853</td>
<td>(25,181)</td>
<td>$506,672</td>
<td>$494,220</td>
</tr>
<tr>
<td>Other Salaries</td>
<td>$25,000</td>
<td>(2,052)</td>
<td>$22,948</td>
<td>$22,948</td>
</tr>
<tr>
<td>Supplies and Materials</td>
<td>$10,444</td>
<td>4,951</td>
<td>$15,395</td>
<td>$14,049</td>
</tr>
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</table>

**Total Undistributed Expenditures - Health Services**

| Amount                  | $569,264         | 11,634               | $580,880     | $565,677| 15,203|

#### Undistributed Expenditures - Other Support Services - Speech, OT, PT & Related Services:

<table>
<thead>
<tr>
<th>Item</th>
<th>Original Budget</th>
<th>Budget Modifications</th>
<th>Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$563,190</td>
<td>11,898</td>
<td>$575,088</td>
<td>$575,088</td>
</tr>
<tr>
<td>Purchased Professional - Educational Services</td>
<td>$199,610</td>
<td>35,624</td>
<td>$235,234</td>
<td>$235,234</td>
</tr>
<tr>
<td>Supplies and Materials</td>
<td>$9,260</td>
<td></td>
<td>$9,260</td>
<td>$6,568</td>
</tr>
</tbody>
</table>

**Total Undistributed Expenditures - Other Support Services - Speech, OT, PT & Related Services**

| Amount                  | $772,060        | 47,522               | $819,582     | $816,890| 2,692 |

(Continued)
TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018

EXPENDITURES (CONT'D):

<table>
<thead>
<tr>
<th>Original Budget</th>
<th>Budget Modifications</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Positive (Negative)</td>
</tr>
<tr>
<td>EXPENDITURES (CONT'D):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Expense (Cont'd)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undistributed Expenditures - Other Support Services - Students - Extraordinary:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Salaries from Instruction</td>
<td>$ 1,835,505</td>
<td>$ (196,787)</td>
<td>$ 1,638,718</td>
<td>$ 1,638,718</td>
</tr>
<tr>
<td>Purchased Professional - Educational Services</td>
<td>250,170</td>
<td>251,757</td>
<td>501,927</td>
<td>484,203</td>
</tr>
<tr>
<td>Supplies and Materials</td>
<td>3,460</td>
<td>3,460</td>
<td>3,114</td>
<td>3,114</td>
</tr>
<tr>
<td>Total Undistributed Expenditures - Other Support Services - Students - Extraordinary</td>
<td>2,089,135</td>
<td>54,970</td>
<td>2,144,105</td>
<td>2,126,035</td>
</tr>
<tr>
<td>Undistributed Expenditures - Other Support Services - Guidance:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of Other Professional Staff</td>
<td>819,836</td>
<td>13,944</td>
<td>833,780</td>
<td>833,780</td>
</tr>
<tr>
<td>Salaries of Secretarial and Clerical Assistants</td>
<td>73,395</td>
<td>1,470</td>
<td>74,865</td>
<td>74,865</td>
</tr>
<tr>
<td>Supplies and Materials</td>
<td>11,888</td>
<td>532</td>
<td>12,420</td>
<td>11,227</td>
</tr>
<tr>
<td>Other Objects</td>
<td>676</td>
<td>(426)</td>
<td>250</td>
<td>200</td>
</tr>
<tr>
<td>Total Undistributed Expenditures - Other Support Services - Guidance</td>
<td>905,795</td>
<td>15,520</td>
<td>921,315</td>
<td>920,072</td>
</tr>
<tr>
<td>Undistributed Expenditures - Other Support Services - Child Study Teams:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of Other Professional Staff</td>
<td>851,888</td>
<td>85,924</td>
<td>937,812</td>
<td>931,562</td>
</tr>
<tr>
<td>Salaries of Secretarial and Clerical Assistants</td>
<td>87,610</td>
<td>1,676</td>
<td>89,286</td>
<td>89,286</td>
</tr>
<tr>
<td>Other Salaries</td>
<td>211,938</td>
<td>49,479</td>
<td>261,417</td>
<td>261,417</td>
</tr>
<tr>
<td>Other Professional/Tech Services</td>
<td>523,771</td>
<td>523,771</td>
<td>501,543</td>
<td>22,228</td>
</tr>
<tr>
<td>Travel</td>
<td>4,575</td>
<td>4,575</td>
<td>3,135</td>
<td>1,440</td>
</tr>
<tr>
<td>Supplies and Materials</td>
<td>24,904</td>
<td>24,904</td>
<td>24,554</td>
<td>350</td>
</tr>
<tr>
<td>Total Undistributed Expenditures - Other Support Services - Child Study Teams</td>
<td>1,704,686</td>
<td>137,079</td>
<td>1,841,765</td>
<td>1,811,497</td>
</tr>
</tbody>
</table>

(Continued)
TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018

EXPENDITURES (CONT'D):

<table>
<thead>
<tr>
<th>Current Expense (Cont'd)</th>
<th>Original Budget</th>
<th>Budget Modifications</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Positive (Negative) Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undistributed Expenditures - Improvement of Instruction Services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of Supervisor of Instruction</td>
<td>$90,955</td>
<td>$6</td>
<td>$90,961</td>
<td>$72,074</td>
<td>$18,887</td>
</tr>
<tr>
<td>Salaries of Secretarial and Clerical Assistants</td>
<td>36,698</td>
<td>877</td>
<td>37,575</td>
<td>37,575</td>
<td>-</td>
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<tr>
<td>Unused Vacation Payout</td>
<td>3,846</td>
<td></td>
<td>3,846</td>
<td>3,846</td>
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</tr>
<tr>
<td>Other Salaries</td>
<td>42,983</td>
<td>(1,635)</td>
<td>41,348</td>
<td>40,223</td>
<td>1,125</td>
</tr>
<tr>
<td>Total Undistributed Expenditures - Improvement of Instruction Services</td>
<td>170,636</td>
<td>3,094</td>
<td>173,730</td>
<td>153,718</td>
<td>20,012</td>
</tr>
<tr>
<td>Undistributed Expend. - Educational Media Services / Sch Library:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>270,257</td>
<td>(12,665)</td>
<td>257,592</td>
<td>257,592</td>
<td>-</td>
</tr>
<tr>
<td>Salaries of Secretarial and Clerical Assistance</td>
<td>17,947</td>
<td></td>
<td>17,947</td>
<td>17,947</td>
<td>-</td>
</tr>
<tr>
<td>Salaries of Technology Coordinators</td>
<td>149,094</td>
<td>1,003</td>
<td>150,097</td>
<td>150,097</td>
<td>-</td>
</tr>
<tr>
<td>Library Media Services</td>
<td>5,700</td>
<td>(300)</td>
<td>5,400</td>
<td>4,900</td>
<td>500</td>
</tr>
<tr>
<td>Other Purchased Services</td>
<td>2,119</td>
<td>6,045</td>
<td>8,164</td>
<td>8,164</td>
<td>-</td>
</tr>
<tr>
<td>Supplies and Materials</td>
<td>18,382</td>
<td>(3,827)</td>
<td>14,555</td>
<td>13,721</td>
<td>834</td>
</tr>
<tr>
<td>Total Undistributed Expend. - Educational Media Services / Sch Library</td>
<td>445,552</td>
<td>8,203</td>
<td>453,755</td>
<td>452,421</td>
<td>1,334</td>
</tr>
<tr>
<td>Undistributed Expenditures - Instructional Staff Training Services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of Supervisors of Instruction</td>
<td>207,385</td>
<td>35,199</td>
<td>242,584</td>
<td>202,584</td>
<td>40,000</td>
</tr>
<tr>
<td>Salaries of Secretarial and Clerical Assistance</td>
<td>36,698</td>
<td>682</td>
<td>37,380</td>
<td>37,380</td>
<td>-</td>
</tr>
<tr>
<td>Other Salaries</td>
<td>17,640</td>
<td>13,173</td>
<td>30,813</td>
<td>17,983</td>
<td>12,830</td>
</tr>
<tr>
<td>Purchased Professional-Education services</td>
<td>22,432</td>
<td>(13,280)</td>
<td>9,152</td>
<td>9,152</td>
<td>-</td>
</tr>
<tr>
<td>Other Purchased Services</td>
<td>18,575</td>
<td>(10,002)</td>
<td>8,573</td>
<td>2,914</td>
<td>5,659</td>
</tr>
<tr>
<td>Total Undistributed Expenditures - Instructional Staff Training Services</td>
<td>302,730</td>
<td>25,772</td>
<td>328,502</td>
<td>270,013</td>
<td>58,489</td>
</tr>
</tbody>
</table>

(Continued)
### Expenditures (Cont'd):

#### Current Expense (Cont'd)

| Category                                                                 | Original Budget | Budget Modifications | Final Budget | Actual | Variance
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>36,987</td>
<td>(336,987)</td>
<td>316,810</td>
<td>315,414</td>
<td>1,396</td>
</tr>
<tr>
<td>Salaries of Other Professional Staff</td>
<td>316,810</td>
<td></td>
<td>101,708</td>
<td>101,708</td>
<td>-</td>
</tr>
<tr>
<td>Salaries of Secretarial and Clerical Assistance</td>
<td>3,605</td>
<td></td>
<td>3,605</td>
<td>3,605</td>
<td>-</td>
</tr>
<tr>
<td>Legal Services</td>
<td>175,000</td>
<td>33,135</td>
<td>208,135</td>
<td>176,838</td>
<td>31,297</td>
</tr>
<tr>
<td>Audit Fees</td>
<td>40,950</td>
<td>(1,950)</td>
<td>39,000</td>
<td>39,000</td>
<td>-</td>
</tr>
<tr>
<td>Architect/Engineer Fees</td>
<td>20,000</td>
<td>(12,000)</td>
<td>8,000</td>
<td>2,322</td>
<td>5,678</td>
</tr>
<tr>
<td>Other Purchased Professional Services</td>
<td>4,500</td>
<td>(410)</td>
<td>4,090</td>
<td>4,090</td>
<td>-</td>
</tr>
<tr>
<td>Purchased Technical Services</td>
<td>40,000</td>
<td></td>
<td>207,580</td>
<td>206,746</td>
<td>834</td>
</tr>
<tr>
<td>Communications / Telephone</td>
<td>121,580</td>
<td>86,000</td>
<td>1,550</td>
<td>154</td>
<td>1,396</td>
</tr>
<tr>
<td>Misc Other Purchased Services</td>
<td>170,350</td>
<td>(50,889)</td>
<td>119,461</td>
<td>118,995</td>
<td>466</td>
</tr>
<tr>
<td>General Supplies</td>
<td>9,143</td>
<td>(4,640)</td>
<td>4,503</td>
<td>4,440</td>
<td>63</td>
</tr>
<tr>
<td>Miscellaneous Expenditures</td>
<td>10,450</td>
<td>(8,950)</td>
<td>1,500</td>
<td>1,073</td>
<td>427</td>
</tr>
<tr>
<td>BOE Membership Dues and Fees</td>
<td>25,210</td>
<td>(1,564)</td>
<td>23,646</td>
<td>23,646</td>
<td>-</td>
</tr>
<tr>
<td>**Total Undistributed Expenditures - Support Services - General Admin.</td>
<td>954,170</td>
<td>85,418</td>
<td>1,039,588</td>
<td>998,031</td>
<td>41,557</td>
</tr>
<tr>
<td>Salaries of Principals / Assistant Principals / Program Directors</td>
<td>1,790,069</td>
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<td>Salaries of Secretarial and Clerical Assistants</td>
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<td>11,726</td>
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<td>Unused Vacation Payout</td>
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<td>Other Purchased Services (400-500 series)</td>
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<td>339</td>
<td>14,067</td>
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<td>Supplies and Materials</td>
<td>17,757</td>
<td>72</td>
<td>17,829</td>
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<td>Other Objects</td>
<td>32,337</td>
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<td>**Total Undistributed Expenditures - Support Services - School Admin.</td>
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<td>110,946</td>
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<tr>
<th>EXPENDITURES (CONT'D):</th>
<th>Original Budget</th>
<th>Budget Modifications</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Positive (Negative) Final to Actual</th>
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<tbody>
<tr>
<td><strong>Current Expense (Cont'd)</strong></td>
<td></td>
<td></td>
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<tr>
<td>Undistributed Expenditures - Central Services:</td>
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<tr>
<td>Salaries</td>
<td>$376,626 $</td>
<td>(376,626) $</td>
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<td>$94,220</td>
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<td>Undistributed Expenditures - Required Maintenance for Sch Facilities:</td>
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<td><strong>Total Undistributed Expenditures - Required Maintenance for Sch Facilities</strong></td>
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<tr>
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TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>EXPENDITURES (CONT'D):</th>
<th>Original Budget</th>
<th>Budget Modifications</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Positive (Negative) Final to Actual</th>
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</thead>
<tbody>
<tr>
<td><strong>EXPENDITURES (CONT'D):</strong></td>
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<td></td>
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<tr>
<td><strong>Current Expense (Cont'd)</strong></td>
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<tr>
<td><strong>Undistributed Expenditures - Operation and Maintenance:</strong></td>
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<td></td>
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<td><strong>of Plant Services:</strong></td>
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<tr>
<td>Salaries of Other Professional Staff</td>
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</tr>
<tr>
<td>Salaries of Secretarial and Clerical Assistants</td>
<td></td>
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<tr>
<td>Salaries of Non-Instructional Aides</td>
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<tr>
<td>202,300</td>
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<td>Energy (Natural Gas)</td>
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<td>481,255</td>
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<td>Energy (Electricity)</td>
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<td>Other Objects</td>
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<td><strong>Total Undistributed Expenditures - Operation and Maintenance of Plant Services:</strong></td>
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<td>4,180,011</td>
<td>4,154,510</td>
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<td><strong>Undistributed Expenditures - Care &amp; Upkeep of Grounds:</strong></td>
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<td>Salaries</td>
<td>435,533</td>
<td>6,195</td>
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<td>32,373</td>
<td>30,956</td>
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<td><strong>Total Undistributed Expenditures - Care &amp; Upkeep Grounds</strong></td>
<td>491,163</td>
<td>(17,062)</td>
<td>474,101</td>
<td>472,684</td>
<td>1,417</td>
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<td><strong>Undistributed Expenditures - Security Services:</strong></td>
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<tr>
<td>Cleaning, Repair, and Maintenance Services</td>
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<td>95,000</td>
<td>86,335</td>
<td>8,665</td>
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<td><strong>Total Undistributed Expenditures - Security Services</strong></td>
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<td>10,000</td>
<td>95,000</td>
<td>86,335</td>
<td>8,665</td>
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TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018

EXPENDITURES (CONT'D):

<table>
<thead>
<tr>
<th>Item</th>
<th>Original Budget</th>
<th>Budget Modifications</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance</th>
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<td>EXPENDITURES (CONT'D):</td>
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<tr>
<td>Current Expense (Cont'd)</td>
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<tr>
<td>Undistributed Expenditures - Student Transportation Services:</td>
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<td></td>
<td></td>
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<tr>
<td>Salaries of Other Professional Staff</td>
<td></td>
<td></td>
<td>$ 90,061</td>
<td>$ 90,061</td>
<td>$ 90,061</td>
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<tr>
<td>Salaries of Secretaryal and Clerical Assistants</td>
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<td>$ 83,720</td>
<td>$ 83,720</td>
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<td>Salaries for Non-Instructional Aides</td>
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<td>(176,692)</td>
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<td>$ 363,921</td>
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<td>Sal for Pupil Trans (Bet Home &amp; Sch) - Reg.</td>
<td>$ 889,452</td>
<td>191,666</td>
<td>$ 1,081,118</td>
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<td>Sal for Pupil Trans (Bet Home &amp; Sch) - Sp Ed</td>
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<td>49,132</td>
<td>$ 393,776</td>
<td>$ 393,776</td>
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<td>Sal for Pupil Trans (Other than Bet. Home &amp; Sch)</td>
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<td>104,634</td>
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<td>(13,582)</td>
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<td>$ 165,308</td>
<td>56,138</td>
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<td>Contracted Services - (Other than Bet Home &amp; Sch) - Vendors</td>
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<td>Contracted Services - (Special Education) - Joint Agreement</td>
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<td>$ 766,131</td>
<td>$ 4,245,739</td>
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(Continued)
## TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018

### EXPENDITURES (CONT'D):

<table>
<thead>
<tr>
<th>Current Expense (Cont'd)</th>
<th>Original Budget</th>
<th>Budget Modifications</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance</th>
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<td>Positive (Negative) Final to Actual</td>
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<td>Other Employee Benefits</td>
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<td>On-behalf T.P.A.F. Pension Contributions (non-budgeted)</td>
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<td>-</td>
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<td>(4,129,834)</td>
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<td>100,221</td>
<td>(100,221)</td>
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<td>On-behalf T.P.A.F. Long-Term Disability Insurance (non-budgeted)</td>
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<td>-</td>
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<td>(7,716,842)</td>
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</table>

### Capital Outlay:

- **Interest Deposit to Capital Reserve**: 1
- **Equipment**:
  - **Undistributed Expenditures**:
    - Admin Info Tech: 4,000
    - School Buses- Regular: 188,216
  - **Total Equipment**: 188,216

(Continued)
## TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

### Required Supplementary Information

**Budgetary Comparison Schedule**

**General Fund**

For the Fiscal Year Ended June 30, 2018

### EXPENDITURES (CONT'D):

<table>
<thead>
<tr>
<th>Facilities Acquisition and Construction Services:</th>
<th>Original Budget</th>
<th>Budget Modifications</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Positive (Negative) Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment for Debt Service on SDA Funding</td>
<td>$ 147,841</td>
<td>$ 756,787</td>
<td>$ 147,841</td>
<td>$ 147,841</td>
<td>$ 750,213</td>
</tr>
<tr>
<td>Construction Services</td>
<td>$ 147,841</td>
<td>$ 756,787</td>
<td>$ 147,841</td>
<td>$ 147,841</td>
<td>$ 750,213</td>
</tr>
<tr>
<td>Total Facilities Acquisition and Construction Services</td>
<td>147,841</td>
<td>756,787</td>
<td>904,628</td>
<td>898,054</td>
<td>6,574</td>
</tr>
<tr>
<td>Total Capital Outlay</td>
<td>336,058</td>
<td>760,786</td>
<td>1,096,844</td>
<td>1,089,990</td>
<td>6,854</td>
</tr>
<tr>
<td>Other Special Schools - Instruction:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of Teachers</td>
<td>25,020</td>
<td>(4,515)</td>
<td>21,405</td>
<td>21,405</td>
<td>-</td>
</tr>
<tr>
<td>Other Salaries for Instruction</td>
<td>11,200</td>
<td>900</td>
<td>12,100</td>
<td>12,100</td>
<td>-</td>
</tr>
<tr>
<td>General Supplies</td>
<td>1,500</td>
<td>(867)</td>
<td>633</td>
<td>633</td>
<td>-</td>
</tr>
<tr>
<td>Total Other Special Schools - Instruction</td>
<td>38,620</td>
<td>(4,482)</td>
<td>34,138</td>
<td>34,138</td>
<td>-</td>
</tr>
<tr>
<td>Other Special Schools - Support Services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>51,079</td>
<td>(41,314)</td>
<td>9,765</td>
<td>9,765</td>
<td>-</td>
</tr>
<tr>
<td>Salaries of Principal and Assistant</td>
<td>24,816</td>
<td>24,816</td>
<td>24,816</td>
<td>24,816</td>
<td>-</td>
</tr>
<tr>
<td>Salaries of Secretarial and Clerical Assistant</td>
<td>6,060</td>
<td>6,060</td>
<td>6,060</td>
<td>6,060</td>
<td>-</td>
</tr>
<tr>
<td>Total Other Special Schools - Support Services</td>
<td>51,079</td>
<td>(10,438)</td>
<td>40,641</td>
<td>40,641</td>
<td>-</td>
</tr>
<tr>
<td>Total Special Schools</td>
<td>89,699</td>
<td>(14,920)</td>
<td>74,779</td>
<td>74,779</td>
<td>-</td>
</tr>
<tr>
<td>Transfer of Funds to Charter Schools</td>
<td>173,869</td>
<td>91,364</td>
<td>265,233</td>
<td>265,233</td>
<td>-</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>65,127,804</td>
<td>3,128,708</td>
<td>68,256,512</td>
<td>75,966,500</td>
<td>(7,709,988)</td>
</tr>
</tbody>
</table>

(Continued)
TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>Variance Positive (Negative)</th>
<th>Original Budget</th>
<th>Budget Modifications</th>
<th>Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final to Actual</td>
<td>(2,365,152)</td>
<td>(2,375,931)</td>
<td>(2,909,421)</td>
<td>(3,370,011)</td>
</tr>
</tbody>
</table>

Calculation of Excess (Deficiency) of Revenues Over (Under) Expenditures

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Budget Modifications</th>
<th>Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess (Deficiency) of Revenues Over (Under) Expenditures</td>
<td>$ (241,303)</td>
<td>$ (3,128,708)</td>
<td>$ (3,370,011)</td>
<td>$ (1,004,859)</td>
</tr>
<tr>
<td>Other Financing Sources (Uses):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Contribution - Transfer to Special Revenue Fund - Regular</td>
<td>(455,066)</td>
<td>455,066</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Operating Transfer Out - Food Service Fund Transfer to Cover Deficit</td>
<td>(235,779)</td>
<td>(235,779)</td>
<td>(225,000)</td>
<td>(10,779)</td>
</tr>
<tr>
<td>Total Other Financing Sources (Uses)</td>
<td>(455,066)</td>
<td>219,287</td>
<td>(235,779)</td>
<td>(225,000)</td>
</tr>
<tr>
<td>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</td>
<td>(696,369)</td>
<td>(2,909,421)</td>
<td>(3,605,790)</td>
<td>(1,229,859)</td>
</tr>
<tr>
<td>Fund Balances, July 1</td>
<td>5,190,253</td>
<td>5,190,253</td>
<td>5,190,253</td>
<td>-</td>
</tr>
<tr>
<td>Fund Balances, June 30</td>
<td>$ 4,493,884</td>
<td>$ (2,909,421)</td>
<td>$ 1,584,463</td>
<td>$ 3,960,394</td>
</tr>
</tbody>
</table>

Recapitulation:

| Description                                                                 | $ 408,088       | $ 1,202,869          | $ 647,235    | $ 1,534,702 |
| Capital Reserve                                                             |                |                      |              |          |
| Excess Surplus                                                               |                |                      |              |          |
| Excess Surplus - Designated for Subsequent Year's Expenditures              |                |                      |              |          |
| Assigned:                                                                   |                |                      |              |          |
| Year-End Encumbrances                                                       | 41,768         |                      |              |          |
| Designated for Subsequent Year's Expenditures                               | 125,732        |                      |              |          |
| Unassigned                                                                  | 1,534,702      |                      |              |          |
| Reconciliation to Governmental Funds Statements (GAAP):                     |                |                      |              |          |
| Last 17-18 State Aid Payment Not Recognized on GAAP Basis                   | (2,205,508)    |                      |              |          |
| Fund Balance per Governmental Funds (GAAP)                                  | $ 1,754,886    |                      |              |          |
# TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

## Required Supplementary Information

### Budgetary Comparison Schedule

**Special Revenue Fund**

For the Fiscal Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>Variance</th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Local Sources:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Local Grants</td>
<td>$ 500</td>
<td>$ 500</td>
<td>$ 500</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total - Local Sources</td>
<td></td>
<td>500</td>
<td>500</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>State Sources:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chapter 192 - Auxiliary Services</td>
<td>8,190</td>
<td>8,190</td>
<td>$ (8,190)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chapter 193 - Handicapped Services</td>
<td>20,388</td>
<td>20,388</td>
<td>(20,388)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Preschool Education Aid</td>
<td>$ 1,118,894</td>
<td>(455,066)</td>
<td>663,828</td>
<td>2,521,670</td>
</tr>
<tr>
<td></td>
<td>Total - State Sources</td>
<td>1,118,894</td>
<td>(426,488)</td>
<td>692,406</td>
<td>2,521,670</td>
</tr>
<tr>
<td></td>
<td>Federal Sources:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Title I</td>
<td>515,522</td>
<td>30,647</td>
<td>546,169</td>
<td>542,440</td>
</tr>
<tr>
<td></td>
<td>Title IIA</td>
<td>86,523</td>
<td>18,705</td>
<td>105,228</td>
<td>70,800</td>
</tr>
<tr>
<td></td>
<td>Title III</td>
<td>34,538</td>
<td>(1,581)</td>
<td>32,957</td>
<td>30,659</td>
</tr>
<tr>
<td></td>
<td>Title IV</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ROTC</td>
<td>78,158</td>
<td>78,158</td>
<td>63,435</td>
<td>(14,723)</td>
</tr>
<tr>
<td></td>
<td>I.D.E.I.A., Part B</td>
<td>970,282</td>
<td>144,018</td>
<td>1,114,300</td>
<td>1,114,300</td>
</tr>
<tr>
<td></td>
<td>Preschool Expansion</td>
<td>1,988,386</td>
<td>1,988,386</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total - Federal Sources</td>
<td>1,637,133</td>
<td>2,273,312</td>
<td>3,910,445</td>
<td>1,866,881</td>
</tr>
<tr>
<td></td>
<td>Total Revenues</td>
<td>2,756,027</td>
<td>1,847,324</td>
<td>4,603,351</td>
<td>4,389,051</td>
</tr>
</tbody>
</table>

(Continued)
## TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2018

### Expenditures:

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Instruction:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of Teachers</td>
<td>$791,513</td>
<td>$333,371</td>
<td>$1,124,884</td>
<td>$1,113,051</td>
<td>$11,833</td>
</tr>
<tr>
<td>Other Salaries for Instruction</td>
<td>210,052</td>
<td>105,858</td>
<td>315,910</td>
<td>315,910</td>
<td>28,578</td>
</tr>
<tr>
<td>Purchased Professional and Technical Services</td>
<td>4,000</td>
<td>28,106</td>
<td>32,106</td>
<td>3,528</td>
<td>28,578</td>
</tr>
<tr>
<td>Other Purchased Services</td>
<td>800</td>
<td>(800)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Supplies</td>
<td>61,918</td>
<td>29,756</td>
<td>91,674</td>
<td>79,660</td>
<td>12,014</td>
</tr>
<tr>
<td>Tuition</td>
<td>955,321</td>
<td>194,226</td>
<td>1,149,547</td>
<td>1,149,547</td>
<td></td>
</tr>
<tr>
<td>Other Objects</td>
<td>955,321</td>
<td>194,226</td>
<td>1,149,547</td>
<td>1,149,547</td>
<td></td>
</tr>
<tr>
<td><strong>Total Instruction</strong></td>
<td>2,023,604</td>
<td>696,373</td>
<td>2,719,977</td>
<td>2,664,890</td>
<td>55,087</td>
</tr>
<tr>
<td><strong>Support Services:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries Personal Services</td>
<td>276,034</td>
<td>(48,806)</td>
<td>227,228</td>
<td>225,538</td>
<td>1,690</td>
</tr>
<tr>
<td>Personal Services - Employee Benefits</td>
<td>307,083</td>
<td>(123,702)</td>
<td>183,381</td>
<td>183,381</td>
<td></td>
</tr>
<tr>
<td>Purchased Professional - Educational Services</td>
<td>-</td>
<td>1,285,000</td>
<td>1,285,000</td>
<td>1,203,300</td>
<td>81,700</td>
</tr>
<tr>
<td>Purchased Technical Services</td>
<td>70,000</td>
<td>(13,376)</td>
<td>56,624</td>
<td>56,624</td>
<td></td>
</tr>
<tr>
<td>Other Purchased Services (400-500 series)</td>
<td>79,306</td>
<td>45,873</td>
<td>125,179</td>
<td>111,638</td>
<td>13,541</td>
</tr>
<tr>
<td>Supplies and Materials</td>
<td></td>
<td></td>
<td>5,962</td>
<td>5,962</td>
<td>5,658</td>
</tr>
<tr>
<td><strong>Total Support Services</strong></td>
<td>732,423</td>
<td>1,150,951</td>
<td>1,883,374</td>
<td>1,724,161</td>
<td>159,213</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>2,756,027</td>
<td>1,847,324</td>
<td>4,603,351</td>
<td>4,389,051</td>
<td>214,300</td>
</tr>
<tr>
<td><strong>Other Financing Sources (Uses):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer from Operating Budget - Pre K</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Outflows</strong></td>
<td>2,756,027</td>
<td>1,847,324</td>
<td>4,603,351</td>
<td>4,389,051</td>
<td>214,300</td>
</tr>
<tr>
<td><strong>Excess (Deficiency) of Revenues Over (Under) Expenditures</strong></td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
</tbody>
</table>
TOWNSHIP OF DEPTFORD SCHOOL DISTRICT  
Required Supplementary Information  
Budgetary Comparison Schedule  
Note to RSI  
For the Fiscal Year Ended June 30, 2018

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

Sources / Inflows of Resources:

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Special Revenue Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 74,961,641</td>
<td>$ 4,389,051</td>
</tr>
</tbody>
</table>

Differences - Budget to GAAP:

Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.

<table>
<thead>
<tr>
<th>Current Year</th>
<th>Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>(17,994)</td>
<td>1,831</td>
</tr>
</tbody>
</table>

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)

<table>
<thead>
<tr>
<th>Current Year</th>
<th>Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,162,604</td>
<td>81,919</td>
</tr>
<tr>
<td>(2,205,508)</td>
<td>(265,221)</td>
</tr>
</tbody>
</table>

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Special Revenue Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 74,918,737</td>
<td>$ 4,189,586</td>
</tr>
</tbody>
</table>

Uses / Outflows of Resources:

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Special Revenue Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 75,966,500</td>
<td>$ 4,389,051</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Current Year</th>
<th>Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>(17,994)</td>
<td>1,831</td>
</tr>
</tbody>
</table>

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Special Revenue Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 75,966,500</td>
<td>$ 4,372,888</td>
</tr>
</tbody>
</table>
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 Five Plan Years

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>School District's Proportion of the Net Pension Liability</td>
<td>0.1490986763%</td>
<td>0.1422886451%</td>
<td>0.1357273274%</td>
<td>0.1306388697%</td>
<td>0.1271431943%</td>
</tr>
<tr>
<td>School District's Proportionate Share of the Net Pension Liability</td>
<td>$34,707,789</td>
<td>$42,141,815</td>
<td>$30,468,065</td>
<td>$24,459,169</td>
<td>$24,299,591</td>
</tr>
<tr>
<td>School District's Covered Payroll (Plan Measurement Period)</td>
<td>$11,104,628</td>
<td>$10,556,844</td>
<td>$9,323,724</td>
<td>$9,804,780</td>
<td>$9,473,252</td>
</tr>
<tr>
<td>School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</td>
<td>312.55%</td>
<td>399.19%</td>
<td>326.78%</td>
<td>249.46%</td>
<td>256.51%</td>
</tr>
<tr>
<td>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</td>
<td>48.10%</td>
<td>40.14%</td>
<td>47.93%</td>
<td>52.08%</td>
<td>48.72%</td>
</tr>
</tbody>
</table>

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 Five Fiscal Years

---

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractually Required Contribution</td>
<td>$1,422,788</td>
<td>$1,384,240</td>
<td>$1,264,072</td>
<td>$1,166,891</td>
<td>$1,076,968</td>
</tr>
<tr>
<td>Contributions in Relation to the Contractually Required Contribution</td>
<td>(1,422,788)</td>
<td>(1,381,240)</td>
<td>(1,264,072)</td>
<td>(1,166,891)</td>
<td>(1,076,968)</td>
</tr>
<tr>
<td>Contribution Deficiency (Excess)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>School District's Covered Payroll</td>
<td>$9,552,482</td>
<td>$9,866,195</td>
<td>$9,815,164</td>
<td>$9,365,869</td>
<td>$8,833,369</td>
</tr>
<tr>
<td>Contributions as a Percentage of School District's Covered Payroll</td>
<td>14.89%</td>
<td>14.00%</td>
<td>12.88%</td>
<td>12.46%</td>
<td>12.19%</td>
</tr>
</tbody>
</table>

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.
### Required Supplementary Information

Schedule of the School District's Proportionate Share of the Net Pension Liability

Teachers’ Pension and Annuity Fund (TPAF)

Last Four Plan Years

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>School District's Proportion of the Net Pension Liability</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>State's Proportion of the Net Pension Liability Associated with the School District</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>School District's Proportionate Share of the Net Pension Liability</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>State's Proportionate Share of the Net Pension Liability Associated with the School District</td>
<td>183,982,727</td>
<td>211,608,201</td>
<td>166,634,271</td>
<td>150,528,448</td>
<td>139,598,239</td>
</tr>
<tr>
<td>$183,982,727</td>
<td>$211,608,201</td>
<td>$166,634,271</td>
<td>$150,528,448</td>
<td>$139,598,239</td>
<td></td>
</tr>
<tr>
<td>School District's Covered Payroll (Plan Measurement Period)</td>
<td>$34,083,908</td>
<td>$32,892,216</td>
<td>$31,988,592</td>
<td>$31,137,396</td>
<td>$32,299,932</td>
</tr>
<tr>
<td>School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</td>
<td>539.79%</td>
<td>643.34%</td>
<td>520.92%</td>
<td>483.43%</td>
<td>432.19%</td>
</tr>
<tr>
<td>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</td>
<td>25.41%</td>
<td>22.33%</td>
<td>28.71%</td>
<td>33.64%</td>
<td>33.76%</td>
</tr>
</tbody>
</table>

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.
Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None

Changes in Assumptions - For 2017, the discount rate changed to 4.25% and the long-term expected rate of return changed to 7.00%. For 2016, the discount rate changed to 3.22% and the long-term expected rate of return changed to 7.65% from 7.90%. Further, the demographic assumptions were revised to reflect those recommended on the basis of the July 1, 2012 - June 30, 2015 experience study. For 2015, the discount rate changed to 4.13%. For 2014, the discount rate was at 4.68%.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None

Changes in Assumptions - For 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65% from 7.90%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at $118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at $265,000 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.
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 Plan Year

<table>
<thead>
<tr>
<th>Measurement Date Ending</th>
<th>June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District</td>
<td></td>
</tr>
<tr>
<td>Changes for the Year:</td>
<td></td>
</tr>
<tr>
<td>Service Cost</td>
<td>$7,584,372.00</td>
</tr>
<tr>
<td>Interest Cost</td>
<td>5,386,251.00</td>
</tr>
<tr>
<td>Changes in Assumptions</td>
<td>(22,679,135.00)</td>
</tr>
<tr>
<td>Gross Benefit Payments</td>
<td>(3,932,723.00)</td>
</tr>
<tr>
<td>Member Contributions</td>
<td>144,813.00</td>
</tr>
<tr>
<td>Net Change in Total Non-Employer OPEB Liability</td>
<td>(13,496,422.00)</td>
</tr>
<tr>
<td>Total Non-Employer OPEB Liability - Beginning of Fiscal Year</td>
<td>183,287,538.00</td>
</tr>
<tr>
<td>Total Non-Employer OPEB Liability - End of Fiscal Year</td>
<td>$169,791,116.00</td>
</tr>
<tr>
<td>School District's Covered Payroll (Plan Measurement Period)</td>
<td>$38,630,257.00</td>
</tr>
<tr>
<td>State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll</td>
<td>439.53%</td>
</tr>
</tbody>
</table>

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, 2018

Changes in Benefit Terms - None

Changes of Assumptions - The discount rate changed from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.
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, 2018

## REVENUES:

<table>
<thead>
<tr>
<th>Source/Category</th>
<th>Total</th>
<th>Local</th>
<th>Preschool</th>
<th>Title I</th>
<th>Title II</th>
<th>Carried</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Sources</td>
<td>$1,866,881</td>
<td></td>
<td></td>
<td>$542,440</td>
<td>$70,800</td>
<td>$1,253,641</td>
</tr>
<tr>
<td>State Sources</td>
<td>2,521,670</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Sources</td>
<td>500</td>
<td>$500</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$4,389,051</td>
<td>$500</td>
<td>$2,521,670</td>
<td>$542,440</td>
<td>$70,800</td>
<td>$1,253,641</td>
</tr>
</tbody>
</table>

## EXPENDITURES:

### Instruction:

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
<th>Local</th>
<th>Preschool</th>
<th>Title I</th>
<th>Title II</th>
<th>Carried</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries of Teachers</td>
<td>$1,113,051</td>
<td></td>
<td></td>
<td>$591,930</td>
<td>$451,422</td>
<td>$69,699</td>
</tr>
<tr>
<td>Other Salaries for Instruction</td>
<td>315,910</td>
<td>315,910</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased Professional and Technical Services</td>
<td>3,528</td>
<td>3,528</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Supplies</td>
<td>79,660</td>
<td>$500</td>
<td>15,990</td>
<td>34,402</td>
<td>28,768</td>
<td></td>
</tr>
<tr>
<td>Tuition</td>
<td>1,149,547</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Objects</td>
<td>3,194</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,194</td>
</tr>
<tr>
<td><strong>Total Instruction</strong></td>
<td>$2,664,890</td>
<td>$500</td>
<td>$927,358</td>
<td>$485,824</td>
<td>$70,800</td>
<td>$1,251,208</td>
</tr>
</tbody>
</table>

### Support Services:

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
<th>Local</th>
<th>Preschool</th>
<th>Title I</th>
<th>Title II</th>
<th>Carried</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries Personal Services</td>
<td>225,538</td>
<td></td>
<td></td>
<td>225,068</td>
<td>$470</td>
<td>-</td>
</tr>
<tr>
<td>Personal Services - Employee Benefits</td>
<td>183,381</td>
<td></td>
<td>130,000</td>
<td>52,442</td>
<td>165</td>
<td>774</td>
</tr>
<tr>
<td>Purchased Professional - Educational Services</td>
<td>1,203,300</td>
<td></td>
<td>1,161,744</td>
<td>41,556</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Purchased Technical Services</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Other Purchased Services (400-500 series)</td>
<td>111,638</td>
<td></td>
<td>77,500</td>
<td>4,129</td>
<td>28,609</td>
<td>1,400</td>
</tr>
<tr>
<td>Supplies and Materials</td>
<td>304</td>
<td></td>
<td>45</td>
<td></td>
<td></td>
<td>259</td>
</tr>
<tr>
<td>Other Objects</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Support Services</strong></td>
<td>$1,724,161</td>
<td></td>
<td>$1,594,312</td>
<td>$56,616</td>
<td>$70,800</td>
<td>$2,433</td>
</tr>
</tbody>
</table>

### Facilities Acquisition and Construction Services:

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
<th>Local</th>
<th>Preschool</th>
<th>Title I</th>
<th>Title II</th>
<th>Carried</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction Equipment</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Facilities Acquisition and Construction Services</strong></td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Total Expenditures:

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
<th>Local</th>
<th>Preschool</th>
<th>Title I</th>
<th>Title II</th>
<th>Carried</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$4,389,051</td>
<td>$500</td>
<td>$2,521,670</td>
<td>$542,440</td>
<td>$70,800</td>
<td>$1,253,641</td>
</tr>
</tbody>
</table>

### Other Financing Sources (Uses):

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
<th>Local</th>
<th>Preschool</th>
<th>Title I</th>
<th>Title II</th>
<th>Carried</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer from Operating Budget - Pre K</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Outflows</strong></td>
<td>$4,389,051</td>
<td>$500</td>
<td>$2,521,670</td>
<td>$542,440</td>
<td>$70,800</td>
<td>$1,253,641</td>
</tr>
</tbody>
</table>

### Excess (Deficiency) of Revenues Over (Under) Expenditures

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
<th>Local</th>
<th>Preschool</th>
<th>Title I</th>
<th>Title II</th>
<th>Carried</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Excess (Deficiency) of Revenues Over (Under) Expenditures</strong></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

(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, 2018

<table>
<thead>
<tr>
<th></th>
<th>I.D.E.I.A.</th>
<th>I.D.E.I.A.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Part B</td>
<td>Preschool</td>
</tr>
<tr>
<td></td>
<td>Basic</td>
<td></td>
</tr>
<tr>
<td>REVENUES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Sources</td>
<td>$1,253,641</td>
<td>$35,247</td>
</tr>
<tr>
<td>State Sources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Sources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$1,253,641</td>
<td>$35,247</td>
</tr>
<tr>
<td>EXPENDITURES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of Teachers</td>
<td>$69,699</td>
<td>$9,130</td>
</tr>
<tr>
<td>Other Salaries for Instruction</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Purchased Professional and Technical Services</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>General Supplies</td>
<td>28,768</td>
<td>672</td>
</tr>
<tr>
<td>Tuition</td>
<td>$1,149,547</td>
<td>$35,247</td>
</tr>
<tr>
<td>Other Objects</td>
<td>3,194</td>
<td></td>
</tr>
<tr>
<td>Total Instruction</td>
<td>$1,251,208</td>
<td>$35,247</td>
</tr>
<tr>
<td>Support Services:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries Personal Services</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Personal Services - Employee Benefits</td>
<td>774</td>
<td>698</td>
</tr>
<tr>
<td>Purchased Professional - Educational Services</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Purchased Technical Services</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Purchased Services (400-500 series)</td>
<td>1,400</td>
<td>-</td>
</tr>
<tr>
<td>Supplies and Materials</td>
<td>259</td>
<td>-</td>
</tr>
<tr>
<td>Other Objects</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Support Services</td>
<td>$2,433</td>
<td>$698</td>
</tr>
<tr>
<td>Facilities Acquisition and Construction Services:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instructional Equipment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Facilities Acquisition and Construction Services</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$1,253,641</td>
<td>$35,247</td>
</tr>
<tr>
<td>Other Financing Sources (Uses):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer from Operating Budget - Pre K</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Outflows</td>
<td>$1,253,641</td>
<td>$35,247</td>
</tr>
<tr>
<td>Excess (Deficiency) of Revenues Over (Under) Expenditures</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>EXPENDITURES:</td>
<td>Budgeted</td>
<td>Actual</td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>------------</td>
<td>------------</td>
</tr>
<tr>
<td>Instruction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of Teachers</td>
<td>$592,050</td>
<td>$591,930</td>
</tr>
<tr>
<td>Other Salaries for Instruction</td>
<td>315,910</td>
<td>315,910</td>
</tr>
<tr>
<td>Purchased Professional and Technical Services</td>
<td>3,528</td>
<td>3,528</td>
</tr>
<tr>
<td>Supplies</td>
<td>23,158</td>
<td>15,990</td>
</tr>
<tr>
<td>Total Instruction</td>
<td>934,646</td>
<td>927,358</td>
</tr>
<tr>
<td>Support services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries Personal Services</td>
<td>225,068</td>
<td>225,068</td>
</tr>
<tr>
<td>Personal Services - Employee Benefits</td>
<td>130,000</td>
<td>130,000</td>
</tr>
<tr>
<td>Purchased Professional - Educational Services</td>
<td>1,285,000</td>
<td>1,161,744</td>
</tr>
<tr>
<td>Other Purchased Services (400-500 series)</td>
<td>77,500</td>
<td>77,500</td>
</tr>
<tr>
<td>Total Support Services</td>
<td>1,717,568</td>
<td>1,594,312</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$2,652,214</td>
<td>$2,521,670</td>
</tr>
</tbody>
</table>

**Calculation of Budget and Carryover**

Total Revised 2017-2018 Preschool Education Aid Allocation $2,652,214
Add: Actual ECPA Carryover (June 30, 2017) 14,596
Add: Budgeted Transfer from the General Fund 2017-2018 -

Total Preschool Education Aid Funds Available for 2017-2018 Budget 2,666,810
Less: 2017-2018 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover) (2,652,214)

Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2018 14,596
Add: 2017-2018 Unexpended Preschool Education Aid 130,544
Less: 2017-2018 Commissioner Approved Transfer to General Fund -

2017-2018 Carryover -- Preschool Education Aid $145,140

2017-2018 Preschool Education Aid Carryover Budgeted in 2018-2019 -
PROPRIETARY FUNDS
## TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

### Proprietary Funds

#### Combining Statement of Net Position

June 30, 2018

<table>
<thead>
<tr>
<th>ASSETS:</th>
<th>Food Service</th>
<th>Child Care Program</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$ 83,198</td>
<td>$ 21,553</td>
<td>$ 104,751</td>
</tr>
<tr>
<td>Accounts Receivable:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>3,427</td>
<td></td>
<td>3,427</td>
</tr>
<tr>
<td>Federal</td>
<td>201,691</td>
<td></td>
<td>201,691</td>
</tr>
<tr>
<td>Other</td>
<td>106,594</td>
<td></td>
<td>106,594</td>
</tr>
<tr>
<td>Inventories</td>
<td>17,514</td>
<td></td>
<td>17,514</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>412,424</td>
<td>21,553</td>
<td>433,977</td>
</tr>
<tr>
<td><strong>Noncurrent Assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>661,159</td>
<td></td>
<td>661,159</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>(532,190)</td>
<td>(532,190)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Noncurrent Assets</strong></td>
<td>128,969</td>
<td></td>
<td>128,969</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>541,393</td>
<td>21,553</td>
<td>562,946</td>
</tr>
</tbody>
</table>

| LIABILITIES:                    |              |                   |           |
| **Current Liabilities:**        |              |                   |           |
| Interfund Payable               | 189,987      |                   | 189,987   |
| Accounts Payable                | 313,630      |                   | 313,630   |
| **Total Current Liabilities**   | 503,617      |                   | 503,617   |
| **Noncurrent Liabilities:**     |              |                   |           |
| Compensated Absences Payable    | 32,794       |                   | 32,794    |
| **Total Liabilities**           | 536,411      |                   | 536,411   |

| NET POSITION:                   |              |                   |           |
| Net Investment In Capital Assets| 128,969      |                   | 128,969   |
| Unrestricted (Deficit)          | (123,987)    | 21,553            | (102,434) |
| **Total Net Position**          | $ 4,982      |                   | $ 26,535  |
### Business-Type Activities - Enterprise Funds

<table>
<thead>
<tr>
<th></th>
<th>Food Service</th>
<th>Child Care Program</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for Services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Daily Sales - Reimbursable Programs</td>
<td>$404,651</td>
<td>$404,651</td>
<td></td>
</tr>
<tr>
<td>Daily Sales - Non-Reimbursable Programs</td>
<td>183,570</td>
<td>183,570</td>
<td></td>
</tr>
<tr>
<td>Special Functions</td>
<td>28,479</td>
<td>28,479</td>
<td></td>
</tr>
<tr>
<td>Community Service Activities</td>
<td>$267,564</td>
<td>$267,564</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>135</td>
<td>135</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>616,700</td>
<td>267,699</td>
<td>884,399</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Food Service</th>
<th>Child Care Program</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING EXPENSES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>817,044</td>
<td>189,660</td>
<td>1,006,704</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>196,875</td>
<td>44,958</td>
<td>241,833</td>
</tr>
<tr>
<td>Supplies and Materials</td>
<td>78,661</td>
<td>12,308</td>
<td>90,969</td>
</tr>
<tr>
<td>Cost of Sales - Reimbursable Programs</td>
<td>614,015</td>
<td>614,015</td>
<td></td>
</tr>
<tr>
<td>Cost of Sales - Non-Reimbursable Programs</td>
<td>88,132</td>
<td>88,132</td>
<td></td>
</tr>
<tr>
<td>Purchased Professional Services</td>
<td>11,475</td>
<td>11,475</td>
<td></td>
</tr>
<tr>
<td>Other Purchased Services</td>
<td>2,824</td>
<td>2,824</td>
<td></td>
</tr>
<tr>
<td>Office and Uniform Expense</td>
<td>8,202</td>
<td>8,202</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>9,296</td>
<td>9,296</td>
<td></td>
</tr>
<tr>
<td>Repairs and Maintenance</td>
<td>19,080</td>
<td>19,080</td>
<td></td>
</tr>
<tr>
<td>Bank Charges</td>
<td>22,052</td>
<td>22,052</td>
<td></td>
</tr>
<tr>
<td>Insurance and Fees</td>
<td>24,890</td>
<td>24,890</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>25,969</td>
<td>25,969</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>3,001</td>
<td>3,001</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>1,915,691</td>
<td>252,751</td>
<td>2,168,442</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Food Service</th>
<th>Child Care Program</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Income (Loss)</strong></td>
<td>(1,298,991)</td>
<td>14,948</td>
<td>(1,284,043)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Food Service</th>
<th>Child Care Program</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NONOPERATING REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Sources:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State School Lunch Program</td>
<td>16,935</td>
<td>16,935</td>
<td></td>
</tr>
<tr>
<td>Federal Sources:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National School Lunch Program</td>
<td>684,311</td>
<td>684,311</td>
<td></td>
</tr>
<tr>
<td>National School Breakfast Program</td>
<td>253,567</td>
<td>253,567</td>
<td></td>
</tr>
<tr>
<td>Healthy Hunger Free Kids Program</td>
<td>19,103</td>
<td>19,103</td>
<td></td>
</tr>
<tr>
<td>Special Milk Program</td>
<td>3,934</td>
<td>3,934</td>
<td></td>
</tr>
<tr>
<td>After School Snack Program</td>
<td>2,849</td>
<td>2,849</td>
<td></td>
</tr>
<tr>
<td>United States Department of Agriculture Commodities</td>
<td>91,998</td>
<td>91,998</td>
<td></td>
</tr>
<tr>
<td>Interest and Investment Revenue</td>
<td>208</td>
<td>208</td>
<td></td>
</tr>
<tr>
<td><strong>Total Nonoperating Revenues</strong></td>
<td>1,072,905</td>
<td>1,072,905</td>
<td></td>
</tr>
<tr>
<td>Income (loss) before contributions</td>
<td>(226,086)</td>
<td>14,948</td>
<td>(211,138)</td>
</tr>
<tr>
<td>Board Contribution</td>
<td>225,000</td>
<td>225,000</td>
<td></td>
</tr>
<tr>
<td><strong>Change in Net Position</strong></td>
<td>(1,086)</td>
<td>14,948</td>
<td>13,862</td>
</tr>
<tr>
<td>Net Position -- July 1</td>
<td>6,068</td>
<td>6,065</td>
<td>12,673</td>
</tr>
<tr>
<td><strong>Net Position -- June 30</strong></td>
<td>$4,082</td>
<td>$21,553</td>
<td>$26,635</td>
</tr>
</tbody>
</table>
## TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
### Proprietary Fund
### Combining Statement of Cash Flows
### For the Fiscal Year Ended June 30, 2018

#### Business-Type Activities - Enterprise Funds

<table>
<thead>
<tr>
<th>Food Service</th>
<th>Child Care Program</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from Customers</td>
<td>$622,029</td>
<td>$267,699</td>
</tr>
<tr>
<td>Payments to Employees</td>
<td>(816,284)</td>
<td>(189,660)</td>
</tr>
<tr>
<td>Payments for Employee Benefits</td>
<td>(196,875)</td>
<td>(44,958)</td>
</tr>
<tr>
<td>Payments to Suppliers</td>
<td>(767,647)</td>
<td>(18,133)</td>
</tr>
<tr>
<td>Net Cash Provided by (used for) Operating Activities</td>
<td>(1,158,777)</td>
<td>14,948</td>
</tr>
</tbody>
</table>

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

- Cash Received from State and Federal Reimbursements: 832,802
- Transfers from Other Funds: 225,000

Net Cash Provided by (used for) Non-Capital Financing Activities: 1,057,802

#### CASH FLOWS FROM INVESTING ACTIVITIES:

- Interest and Dividends: 208

Net Cash Provided by (used for) Investing Activities: 208

#### Net Increase (Decrease) in Cash and Cash Equivalents:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents -- July 1</td>
<td>183,965</td>
<td>6,605</td>
</tr>
<tr>
<td>Cash and Cash Equivalents -- June 30</td>
<td>$83,198</td>
<td>$21,553</td>
</tr>
</tbody>
</table>

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

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income (Loss)</td>
<td>$(1,298,991)</td>
<td>$14,948</td>
</tr>
<tr>
<td>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and Net Amortization</td>
<td>25,969</td>
<td>25,969</td>
</tr>
<tr>
<td>Federal Commodities</td>
<td>91,998</td>
<td>91,998</td>
</tr>
<tr>
<td>(Increase) Decrease in Inventories</td>
<td>7,132</td>
<td>7,132</td>
</tr>
<tr>
<td>(Increase) Decrease in Other Current Receivables</td>
<td>5,329</td>
<td>5,329</td>
</tr>
<tr>
<td>Increase (Decrease) in Other Current Liabilities</td>
<td>9,026</td>
<td>9,026</td>
</tr>
<tr>
<td>Increase (Decrease) in Compensated Absences Payable</td>
<td>760</td>
<td>760</td>
</tr>
<tr>
<td>Total Adjustments</td>
<td>140,214</td>
<td>-</td>
</tr>
</tbody>
</table>

Net Cash Provided by (used for) Operating Activities: $(1,158,777) $14,948 $(1,143,829)
FIDUCIARY FUNDS
# TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

## Fiduciary Funds

Combining Statement of Fiduciary Net Position

June 30, 2018

<table>
<thead>
<tr>
<th>Private-Purpose Trust Funds</th>
<th>Agency Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New Jersey Unemployment Compensation Trust</strong></td>
<td><strong>Student Activity</strong></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$695,776</td>
</tr>
<tr>
<td>Total Assets</td>
<td>695,776</td>
</tr>
</tbody>
</table>

| **Liabilities:** | |
| Net Payroll - Summer Salary | $1,278,510 |
| Payable to Student Groups | 284,559 |
| Total Liabilities | 284,559 | 1,278,510 | 1,563,069 |

| **Net Position:** | |
| Held in Trust for Unemployment Claims and Other Purpose | 695,776 | 72,286 | 768,062 |
| Total Net Position | $695,776 | $72,286 | $2,331,131 |
### Private Purpose Trust Funds

<table>
<thead>
<tr>
<th>Contributions:</th>
<th>New Jersey Unemployment Compensation Trust</th>
<th>Scholarship Trust</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Withholdings</td>
<td>$106,927</td>
<td></td>
<td>$106,927</td>
</tr>
<tr>
<td>Gifts and Contributions</td>
<td></td>
<td>$19,273</td>
<td>19,273</td>
</tr>
<tr>
<td><strong>Total Contributions</strong></td>
<td>106,927</td>
<td>19,273</td>
<td>126,200</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investment Earnings:</th>
<th>New Jersey Unemployment Compensation Trust</th>
<th>Scholarship Trust</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest on Investments</strong></td>
<td>201</td>
<td></td>
<td>201</td>
</tr>
<tr>
<td><strong>Net Investment Earnings</strong></td>
<td>201</td>
<td>-</td>
<td>201</td>
</tr>
<tr>
<td><strong>Total Additions</strong></td>
<td>107,128</td>
<td>19,273</td>
<td>126,401</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DEDUCTIONS:</th>
<th>New Jersey Unemployment Compensation Trust</th>
<th>Scholarship Trust</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment Compensation Insurance Claims</td>
<td>122,189</td>
<td></td>
<td>122,189</td>
</tr>
<tr>
<td>Scholarships Awarded</td>
<td></td>
<td>10,507</td>
<td>10,507</td>
</tr>
<tr>
<td><strong>Total Deductions</strong></td>
<td>122,189</td>
<td>10,507</td>
<td>132,696</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Change in Net Position</th>
<th>New Jersey Unemployment Compensation Trust</th>
<th>Scholarship Trust</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(15,061)</td>
<td>8,766</td>
<td>(6,295)</td>
</tr>
<tr>
<td><strong>Net Position -- July 1</strong></td>
<td>710,837</td>
<td>63,520</td>
<td>774,357</td>
</tr>
<tr>
<td><strong>Net Position -- June 30</strong></td>
<td>$695,776</td>
<td>$72,286</td>
<td>$768,062</td>
</tr>
</tbody>
</table>
TOWNSHIP OF DEPTFORD SCHOOL DISTRICT  
Fiduciary Funds  
Student Activity Agency Fund Schedule of Receipts and Disbursements  
For the Fiscal Year Ended June 30, 2018

<table>
<thead>
<tr>
<th></th>
<th>Balance June 30, 2017</th>
<th>Cash Receipts</th>
<th>Cash Disbursements</th>
<th>Balance June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total All Schools</td>
<td>$ 250,592</td>
<td>$ 585,917</td>
<td>$ 551,950</td>
<td>$ 284,559</td>
</tr>
</tbody>
</table>
## Payroll Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2018

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$1,314,717</td>
<td>$23,972,016</td>
<td>$24,008,223</td>
<td>$1,278,510</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$1,314,717</td>
<td>$23,972,016</td>
<td>$24,008,223</td>
<td>$1,278,510</td>
</tr>
<tr>
<td><strong>LIABILITIES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll Deductions and Withholdings</td>
<td>$1,314,717</td>
<td>$23,972,016</td>
<td>$24,008,223</td>
<td>$1,278,510</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$1,314,717</td>
<td>$23,972,016</td>
<td>$24,008,223</td>
<td>$1,278,510</td>
</tr>
</tbody>
</table>
LONG-TERM DEBT
TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>Issue</th>
<th>Date of Issue</th>
<th>Amount of Issue</th>
<th>Annual Maturities Date</th>
<th>Amount</th>
<th>Interest Rate</th>
<th>Balance June 30, 2017</th>
<th>Issued</th>
<th>Retired</th>
<th>Balance June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refunding of Bonds 2016</td>
<td>3/23/16</td>
<td>$ 7,490,000</td>
<td>2/1/19</td>
<td>$ 1,230,000</td>
<td>3.000%</td>
<td>$ 6,280,000</td>
<td>$ 1,210,000</td>
<td>$ 5,070,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2/1/20</td>
<td>$ 1,265,000</td>
<td>2.000%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2/1/21</td>
<td>$ 1,290,000</td>
<td>2.000%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2/1/22</td>
<td>$ 1,285,000</td>
<td>2.000%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$ 6,280,000 $ - $ 1,210,000 $ 5,070,000

-112-
## TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Schedule of Obligations Under Capital Leases
For the Fiscal Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>Series</th>
<th>Date of Lease</th>
<th>Term of Lease</th>
<th>Amount of Original Issue</th>
<th>Interest Rate</th>
<th>Amount Outstanding June 30, 2017 (a)</th>
<th>Issued Current Year</th>
<th>Retired Current Year</th>
<th>Amount Outstanding June 30, 2018 (a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Buses</td>
<td>7/15/15</td>
<td>5 Years</td>
<td>$445,617</td>
<td>1.65%</td>
<td>$276,444</td>
<td>$90,644</td>
<td>$185,800</td>
<td></td>
</tr>
<tr>
<td>Network Switches</td>
<td>7/15/15</td>
<td>3 Years</td>
<td>$187,206</td>
<td>1.34%</td>
<td>$63,242</td>
<td>$63,242</td>
<td>$153,886</td>
<td>$185,800</td>
</tr>
</tbody>
</table>

(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, 2018

<table>
<thead>
<tr>
<th>Variance</th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Local Sources:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Local Tax Levy</td>
<td>$ 1,338,631</td>
<td>$ 1,338,631</td>
<td>$ 1,347,900</td>
<td>$(9,269)</td>
</tr>
<tr>
<td></td>
<td>Total Revenues</td>
<td>1,338,631</td>
<td>-</td>
<td>1,347,900</td>
<td>$(9,269)</td>
</tr>
<tr>
<td></td>
<td>EXPENDITURES:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Regular Debt Service:</td>
<td>137,900</td>
<td>137,900</td>
<td>137,900</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Interest on Bonds</td>
<td>137,900</td>
<td>137,900</td>
<td>137,900</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Redemption of Principal</td>
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<td>Total Expenditures</td>
<td>1,347,900</td>
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<td>Excess (Deficiency) of Revenues Over (Under) Expenditures</td>
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<td>Fund Balance, July 1</td>
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<td>-</td>
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<td>Fund Balance, June 30</td>
<td>$(9,269)</td>
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</table>

-114-
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.
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<td>Governmental Activities</td>
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<td>Net Investment in Capital Assets</td>
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<td>6,965,420</td>
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<td>28,211,169</td>
<td>26,754,828</td>
<td>26,730,672</td>
<td>26,563,414</td>
<td>(2,477,153)</td>
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<td>Net Investment in Capital Assets</td>
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<td>Restricted</td>
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<td>185,401</td>
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<td>85,016</td>
<td>102,054</td>
<td>125,610</td>
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<td>(142,265)</td>
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<tr>
<td>Unrestricted (Deficit)</td>
<td>(33,781,136)</td>
<td>(36,076,381)</td>
<td>(27,860,905)</td>
<td>(27,321,455)</td>
<td>(28,222,208)</td>
<td>(17,659,980)</td>
<td>(2,628,582)</td>
<td>(1,616,728)</td>
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<td>(2,369,588)</td>
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<td>Total District-wide Net Position</td>
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<td>27,109,778</td>
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<td>28,033,788</td>
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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
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<tr>
<td><strong>Governmental Activities</strong></td>
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<td>Instruction</td>
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<tr>
<td>Regular</td>
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<td>$32,376,995</td>
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<td>$23,571,594</td>
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<tr>
<td>Student &amp; Instruction Related Services</td>
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<td>8,747,993</td>
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<td>Business-type Activities:</td>
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(Continued)
DEPTFORD TOWNSHIP BOARD OF EDUCATION
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)
Unaudited

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<td>Program Revenues</td>
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<td>Charges for Services:</td>
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<td>$184,978</td>
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<td>Charges for services:</td>
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<tr>
<td>Food Service</td>
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<td>$1,526,300</td>
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<td>$(225,470)</td>
<td>$(241,155)</td>
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(Continued)
## DEPTHFORD TOWNSHIP BOARD OF EDUCATION
### Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)
Unaudited

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<td><strong>General Revenues and Other Changes in Net Assets</strong></td>
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<td><strong>Governmental Activities</strong></td>
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<td>$61,273,587</td>
<td>$59,733,030</td>
<td>$59,814,482</td>
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<tr>
<td><strong>Business-type Activities</strong></td>
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</tr>
<tr>
<td>Investment Earnings</td>
<td>$208</td>
<td>$7,785</td>
<td>$3,848</td>
<td></td>
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</tr>
<tr>
<td>Transfers</td>
<td>$225,000</td>
<td>$200,000</td>
<td>$7,785</td>
<td>$3,848</td>
<td></td>
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<tr>
<td><strong>Total Business-type Activities</strong></td>
<td>$225,208</td>
<td>$200,000</td>
<td>$7,785</td>
<td>$3,848</td>
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<tr>
<td><strong>Total District-wide</strong></td>
<td>$75,682,829</td>
<td>$85,796,609</td>
<td>$70,753,517</td>
<td>$68,436,225</td>
<td>$66,319,226</td>
<td>$65,005,608</td>
<td>$62,479,618</td>
<td>$61,273,587</td>
<td>$60,005,436</td>
<td>$60,050,349</td>
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<tr>
<td>Governmental Activities</td>
<td>(3,270,628)</td>
<td>(4,441,139)</td>
<td>(12,704,157)</td>
<td>(1,641,081)</td>
<td>(489,048)</td>
<td>$1,456,341</td>
<td>$24,156</td>
<td>$167,258</td>
<td>$1,190,638</td>
<td>$2,594,979</td>
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<td>Business-type Activities</td>
<td>13,862</td>
<td>7,172</td>
<td>(129,725)</td>
<td>(27,361)</td>
<td>(52,266)</td>
<td>(93,093)</td>
<td>(71,160)</td>
<td>52,434</td>
<td>46,936</td>
<td>(5,288)</td>
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<tr>
<td><strong>Total District</strong></td>
<td>(3,256,766)</td>
<td>(4,433,967)</td>
<td>(12,833,882)</td>
<td>(1,668,442)</td>
<td>(541,314)</td>
<td>$1,363,248</td>
<td>(47,004)</td>
<td>219,692</td>
<td>(1,143,702)</td>
<td>$2,589,691</td>
</tr>
</tbody>
</table>

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
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>General Fund</td>
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<tr>
<td>Restricted</td>
<td>$2,258,192</td>
<td>$1,751,692</td>
<td>$3,951,093</td>
<td>$6,926,291</td>
<td>$8,432,412</td>
<td>$6,695,420</td>
<td>$4,331,416</td>
<td>$864,957</td>
<td>$4,559,161</td>
<td>$6,408,960</td>
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<tr>
<td>Assigned</td>
<td>$167,500</td>
<td>$1,992,432</td>
<td>$1,084,280</td>
<td>$247,050</td>
<td>$202,274</td>
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<td>$220,586</td>
<td>$2,892,581</td>
<td>$6,695,420</td>
<td>$4,331,416</td>
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<tr>
<td>Unassigned (Deficit)</td>
<td>$670,806</td>
<td>$716,475</td>
<td>$736,865</td>
<td>$754,667</td>
<td>$864,032</td>
<td>$984,952</td>
<td>$684,979</td>
<td>$505,031</td>
<td>$1,114,761</td>
<td>$(378,306)</td>
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<td>$1,754,886</td>
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<td>$4,288,508</td>
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<td>$3,867,024</td>
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<td>$3,444,400</td>
<td>$6,102,654</td>
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<tr>
<td>All Other Governmental Funds</td>
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<td></td>
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</tr>
<tr>
<td>Restricted</td>
<td>$925,092</td>
<td>$1,453,159</td>
<td>$87,954</td>
<td>$9,269</td>
<td>$9,269</td>
<td>$9,269</td>
<td>$9,269</td>
<td>$9,269</td>
<td>$9,269</td>
<td>$9,269</td>
</tr>
<tr>
<td>Unassigned (Deficit), Reported in:</td>
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<td></td>
</tr>
<tr>
<td>Debt Service Fund</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Revenue Fund</td>
<td>$(265,221)</td>
<td>$(81,919)</td>
<td>$(70,620)</td>
<td>$(83,332)</td>
<td>$(88,981)</td>
<td>$(101,839)</td>
<td>$(73,608)</td>
<td>$(81,711)</td>
<td>$(86,955)</td>
<td>$(71,819)</td>
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<tr>
<td>Capital Projects Fund</td>
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</tr>
<tr>
<td>Total All Other Governmental Funds</td>
<td>$(255,952)</td>
<td>$(72,850)</td>
<td>$(61,351)</td>
<td>$(83,332)</td>
<td>$(88,981)</td>
<td>$(101,839)</td>
<td>$(73,608)</td>
<td>$(1,293,750)</td>
<td>$(1,500,746)</td>
<td>$(40,902)</td>
</tr>
</tbody>
</table>

(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
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$39,088,282</td>
<td>$39,064,880</td>
<td>$39,064,880</td>
<td>$39,064,880</td>
<td>$39,064,880</td>
<td>$39,064,880</td>
<td>$39,064,880</td>
<td>$39,064,880</td>
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<tr>
<td>Tuition</td>
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<td>$1,632,904</td>
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<td>$1,632,904</td>
<td>$1,632,904</td>
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<td>$1,632,904</td>
<td>$1,632,904</td>
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<tr>
<td>Miscellaneous</td>
<td>$5,760</td>
<td>$5,760</td>
<td>$5,760</td>
<td>$5,760</td>
<td>$5,760</td>
<td>$5,760</td>
<td>$5,760</td>
<td>$5,760</td>
<td>$5,760</td>
</tr>
<tr>
<td>State Sources</td>
<td>$34,511,721</td>
<td>$34,511,721</td>
<td>$34,511,721</td>
<td>$34,511,721</td>
<td>$34,511,721</td>
<td>$34,511,721</td>
<td>$34,511,721</td>
<td>$34,511,721</td>
<td>$34,511,721</td>
</tr>
<tr>
<td>Federal Sources</td>
<td>$3,007,978</td>
<td>$3,007,978</td>
<td>$3,007,978</td>
<td>$3,007,978</td>
<td>$3,007,978</td>
<td>$3,007,978</td>
<td>$3,007,978</td>
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</tr>
<tr>
<td>Local Sources</td>
<td>$500</td>
<td>$500</td>
<td>$500</td>
<td>$500</td>
<td>$500</td>
<td>$500</td>
<td>$500</td>
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<tr>
<td>Total Revenue</td>
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<td>$80,456,223</td>
<td>$80,456,223</td>
<td>$80,456,223</td>
<td>$80,456,223</td>
<td>$80,456,223</td>
<td>$80,456,223</td>
<td>$80,456,223</td>
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<tr>
<td>Expenditure</td>
<td>$22,651,872</td>
<td>$22,651,872</td>
<td>$22,651,872</td>
<td>$22,651,872</td>
<td>$22,651,872</td>
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<td>$22,651,872</td>
<td>$22,651,872</td>
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<tr>
<td>Total Expenditure</td>
<td>$52,426,155</td>
<td>$52,426,155</td>
<td>$52,426,155</td>
<td>$52,426,155</td>
<td>$52,426,155</td>
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<td>$52,426,155</td>
<td>$52,426,155</td>
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<tr>
<td>Excess (Deficiency) of Revenues</td>
<td>$8,258,234</td>
<td>$8,258,234</td>
<td>$8,258,234</td>
<td>$8,258,234</td>
<td>$8,258,234</td>
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<td>$8,258,234</td>
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<tr>
<td>Other Financing Sources (Uses)</td>
<td>$1,456,065</td>
<td>$1,456,065</td>
<td>$1,456,065</td>
<td>$1,456,065</td>
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<td>$1,456,065</td>
<td>$1,456,065</td>
<td>$1,456,065</td>
</tr>
<tr>
<td>Net Change in Fund Balances</td>
<td>$1,456,065</td>
<td>$1,456,065</td>
<td>$1,456,065</td>
<td>$1,456,065</td>
<td>$1,456,065</td>
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<td>$1,456,065</td>
<td>$1,456,065</td>
<td>$1,456,065</td>
</tr>
</tbody>
</table>

**Debt Service as a Percentage of Noncapital Expenditures:**

<table>
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</thead>
<tbody>
<tr>
<td>Noncapital Expenditures</td>
<td>1.7%</td>
<td>1.7%</td>
<td>1.7%</td>
<td>1.7%</td>
<td>1.7%</td>
<td>1.7%</td>
<td>1.7%</td>
<td>1.7%</td>
<td>1.7%</td>
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</tbody>
</table>

**Source:** District Records
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Interest on Investments</td>
<td>$23,736</td>
<td>$4,250</td>
<td>$64,388</td>
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<tr>
<td>Interest on Investments- Capital Reserve Grant</td>
<td></td>
<td></td>
<td></td>
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<td>$1,000</td>
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<tr>
<td>Prior Year Purchase Order Adjustments</td>
<td>$2,212</td>
<td>$182,601</td>
<td>$20,015</td>
<td>$42,409</td>
<td>$15,951</td>
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<td>Prior Year Tuition Adjustments</td>
<td>$6,545</td>
<td>$875</td>
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<td>Refunds</td>
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<td>Rentals</td>
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<td>Scrap/Salvage</td>
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<td>3,608</td>
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<td>Seminar/Class Fees</td>
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<td>61,413</td>
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<td>Township Share of Community Activities</td>
<td>84,414</td>
<td>184,978</td>
<td>179,860</td>
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<td>15,593</td>
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<td>Advertising Fees - School Buses</td>
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</tbody>
</table>

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.
<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30</th>
<th>Vacant Land</th>
<th>Residential</th>
<th>Farm Reg.</th>
<th>Qfarm</th>
<th>Commercial</th>
<th>Industrial</th>
<th>Apartment</th>
<th>Total Assessed Value</th>
<th>Less: Tax-Exempt Property</th>
<th>Public Utilities (1)</th>
<th>Net Valuation</th>
<th>Estimated Actual (County Equalized)</th>
<th>Total Direct School Tax Rate (2)</th>
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<tr>
<td>2018</td>
<td>$51,502,300</td>
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<td>$2,812,813,930</td>
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<td>2017</td>
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<tr>
<td>2010</td>
<td>$37,429,200</td>
<td>$1,128,365,285</td>
<td>$5,876,000</td>
<td>$412,900</td>
<td>$899,914,727</td>
<td>$10,000,900</td>
<td>$52,861,400</td>
<td>$1,731,501,735</td>
<td>$192,804,700</td>
<td>$4,439,720</td>
<td>$1,739,215,382</td>
<td>$3,197,087,099</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>$39,710,700</td>
<td>$1,121,758,900</td>
<td>$6,180,900</td>
<td>$417,100</td>
<td>$505,689,460</td>
<td>$10,001,000</td>
<td>$53,967,600</td>
<td>$1,737,325,660</td>
<td>$180,444,800</td>
<td>$4,161,638</td>
<td>$1,741,487,298</td>
<td>$3,177,316,726</td>
<td></td>
</tr>
</tbody>
</table>

(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

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30</th>
<th>District Direct Rate</th>
<th>Overlapping Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Basic Rate (1)</td>
<td>General Obligation and Service (2)</td>
</tr>
<tr>
<td>2018</td>
<td>$1.4701</td>
<td>$0.0479</td>
</tr>
<tr>
<td>2017</td>
<td>1.4488</td>
<td>0.0482</td>
</tr>
<tr>
<td>2016</td>
<td>1.4190</td>
<td>0.0480</td>
</tr>
<tr>
<td>2015</td>
<td>1.3701</td>
<td>0.0515</td>
</tr>
<tr>
<td>2014</td>
<td>1.3229</td>
<td>0.0501</td>
</tr>
<tr>
<td>2013</td>
<td>1.2495</td>
<td>0.0505</td>
</tr>
<tr>
<td>2012</td>
<td>1.1973</td>
<td>0.0500</td>
</tr>
<tr>
<td>2011</td>
<td>1.1943</td>
<td>0.0100</td>
</tr>
<tr>
<td>2010</td>
<td>1.9840</td>
<td>0.0100</td>
</tr>
<tr>
<td>2009</td>
<td>1.9800</td>
<td>0.0100</td>
</tr>
</tbody>
</table>

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

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

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

Source: Municipal Tax Collector
### DEPTFORD TOWNSHIP BOARD OF EDUCATION
Principle Property Tax Payers
Current Year and Ten Years Ago
Unaudited

<table>
<thead>
<tr>
<th>Taxpayer</th>
<th>2018 Assessed Value</th>
<th>Rank</th>
<th>2018 % of Total</th>
<th>Taxpayer</th>
<th>2008 Assessed Value</th>
<th>Rank</th>
<th>2008 % of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deptford Mall Associates</td>
<td>$161,775,700</td>
<td>1</td>
<td>5.56%</td>
<td>Deptford Mall Associates</td>
<td>$85,515,900</td>
<td>1</td>
<td>5.01%</td>
</tr>
<tr>
<td>BRE RC Deptford NJ LLC</td>
<td>57,819,600</td>
<td>2</td>
<td>1.99%</td>
<td>BRE RC Deptford NJ LLC</td>
<td>57,819,600</td>
<td>2</td>
<td>1.99%</td>
</tr>
<tr>
<td>Longfish Holdings LLC</td>
<td>34,900,000</td>
<td>3</td>
<td>1.20%</td>
<td>Longfish Holdings LLC</td>
<td>34,900,000</td>
<td>3</td>
<td>1.20%</td>
</tr>
<tr>
<td>CNI THL PROPCO FE LLC</td>
<td>27,500,000</td>
<td>4</td>
<td>0.94%</td>
<td>CNI THL PROPCO FE LLC</td>
<td>27,500,000</td>
<td>4</td>
<td>0.94%</td>
</tr>
<tr>
<td>MERION LOCUST GROVE LP</td>
<td>26,317,200</td>
<td>5</td>
<td>0.90%</td>
<td>MERION LOCUST GROVE LP</td>
<td>26,317,200</td>
<td>5</td>
<td>0.90%</td>
</tr>
<tr>
<td>NARRATICON SPE LLC &amp; D&amp;A LLC</td>
<td>23,625,300</td>
<td>6</td>
<td>0.81%</td>
<td>NARRATICON SPE LLC &amp; D&amp;A LLC</td>
<td>23,625,300</td>
<td>6</td>
<td>0.81%</td>
</tr>
<tr>
<td>Walmart</td>
<td>21,300,000</td>
<td>7</td>
<td>0.73%</td>
<td>Walmart</td>
<td>21,300,000</td>
<td>7</td>
<td>0.73%</td>
</tr>
<tr>
<td>Almonesson Associates - II</td>
<td>14,278,000</td>
<td>5</td>
<td>0.84%</td>
<td>Almonesson Associates - II</td>
<td>18,000,000</td>
<td>8</td>
<td>0.62%</td>
</tr>
<tr>
<td>MACYS EAST INC</td>
<td>14,300,000</td>
<td>4</td>
<td>0.84%</td>
<td>MACYS EAST INC</td>
<td>17,687,300</td>
<td>9</td>
<td>0.61%</td>
</tr>
<tr>
<td>INVERNESS APARTMENTS LLC</td>
<td>17,256,200</td>
<td>10</td>
<td>0.59%</td>
<td>INVERNESS APARTMENTS LLC</td>
<td>17,256,200</td>
<td>10</td>
<td>0.59%</td>
</tr>
<tr>
<td>Almonesson Associates - I</td>
<td>35,000,000</td>
<td>2</td>
<td>2.05%</td>
<td>Almonesson Associates - I</td>
<td>35,000,000</td>
<td>2</td>
<td>2.05%</td>
</tr>
<tr>
<td>QRP Land II, LP</td>
<td>15,000,000</td>
<td>3</td>
<td>0.88%</td>
<td>QRP Land II, LP</td>
<td>15,000,000</td>
<td>3</td>
<td>0.88%</td>
</tr>
<tr>
<td>AIG Baker</td>
<td>13,955,200</td>
<td>6</td>
<td>0.82%</td>
<td>AIG Baker</td>
<td>13,955,200</td>
<td>6</td>
<td>0.82%</td>
</tr>
<tr>
<td>Sears &amp; Roebuck &amp; Co.</td>
<td>13,900,000</td>
<td>7</td>
<td>0.81%</td>
<td>Sears &amp; Roebuck &amp; Co.</td>
<td>13,900,000</td>
<td>7</td>
<td>0.81%</td>
</tr>
<tr>
<td>Deptford Crossing</td>
<td>12,750,000</td>
<td>8</td>
<td>0.75%</td>
<td>Deptford Crossing</td>
<td>12,750,000</td>
<td>8</td>
<td>0.75%</td>
</tr>
<tr>
<td>JC Penney</td>
<td>12,509,800</td>
<td>9</td>
<td>0.73%</td>
<td>JC Penney</td>
<td>12,509,800</td>
<td>9</td>
<td>0.73%</td>
</tr>
<tr>
<td>Lowes Home Improvement Centers</td>
<td>11,000,000</td>
<td>10</td>
<td>0.64%</td>
<td>Lowes Home Improvement Centers</td>
<td>11,000,000</td>
<td>10</td>
<td>0.64%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$406,181,300</strong></td>
<td></td>
<td><strong>13.95%</strong></td>
<td><strong>Total</strong></td>
<td><strong>$228,208,900</strong></td>
<td></td>
<td><strong>13.37%</strong></td>
</tr>
</tbody>
</table>

Source: Municipal Tax Assessor
<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30,</th>
<th>School Taxes Levied for the Fiscal Year</th>
<th>Collected within the Fiscal Year of the Levy</th>
<th>Percentage of Levy</th>
<th>Collections in Subsequent Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$40,517,615</td>
<td>$40,517,615</td>
<td>100.00%</td>
<td>-</td>
</tr>
<tr>
<td>2017</td>
<td>39,687,220</td>
<td>39,687,220</td>
<td>100.00%</td>
<td>-</td>
</tr>
<tr>
<td>2016</td>
<td>38,464,482</td>
<td>38,464,482</td>
<td>100.00%</td>
<td>-</td>
</tr>
<tr>
<td>2015</td>
<td>37,188,880</td>
<td>37,188,880</td>
<td>100.00%</td>
<td>-</td>
</tr>
<tr>
<td>2014</td>
<td>37,326,922</td>
<td>37,326,922</td>
<td>100.00%</td>
<td>-</td>
</tr>
<tr>
<td>2013</td>
<td>36,132,119</td>
<td>36,132,119</td>
<td>100.00%</td>
<td>-</td>
</tr>
<tr>
<td>2012</td>
<td>33,520,000</td>
<td>33,520,000</td>
<td>100.00%</td>
<td>-</td>
</tr>
<tr>
<td>2011</td>
<td>33,285,000</td>
<td>33,285,000</td>
<td>100.00%</td>
<td>-</td>
</tr>
<tr>
<td>2010</td>
<td>33,263,531</td>
<td>33,263,531</td>
<td>100.00%</td>
<td>-</td>
</tr>
<tr>
<td>2009</td>
<td>32,640,400</td>
<td>32,640,400</td>
<td>100.00%</td>
<td>-</td>
</tr>
</tbody>
</table>

(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

<table>
<thead>
<tr>
<th>Fiscal Year Ended</th>
<th>General Obligation Certificates of Participation</th>
<th>Capital Leases</th>
<th>Bond Anticipation Notes (BANs)</th>
<th>Capital Leases</th>
<th>Total District Income (2)</th>
<th>Percentage of Per Capita (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30,</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>$ 5,070,000 (1) N/A $ 185,800 N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>$ 5,255,800</td>
<td>0.344%</td>
<td>$ 171.86</td>
</tr>
<tr>
<td>2017</td>
<td>6,280,000 N/A</td>
<td>339,686 N/A</td>
<td>N/A</td>
<td>6,619,686</td>
<td>0.442%</td>
<td>216.60</td>
</tr>
<tr>
<td>2016</td>
<td>7,490,000 N/A</td>
<td>650,558 N/A</td>
<td>N/A</td>
<td>8,140,558</td>
<td>0.570%</td>
<td>266.11</td>
</tr>
<tr>
<td>2015</td>
<td>8,595,000 N/A</td>
<td>46,449 N/A</td>
<td>N/A</td>
<td>8,641,449</td>
<td>0.624%</td>
<td>282.86</td>
</tr>
<tr>
<td>2014</td>
<td>9,645,000 N/A</td>
<td>68,819 N/A</td>
<td>N/A</td>
<td>9,713,819</td>
<td>0.715%</td>
<td>318.29</td>
</tr>
<tr>
<td>2013</td>
<td>10,655,000 N/A</td>
<td>- N/A</td>
<td>N/A</td>
<td>10,655,000</td>
<td>0.802%</td>
<td>348.59</td>
</tr>
<tr>
<td>2012</td>
<td>11,620,000 N/A</td>
<td>- N/A</td>
<td>N/A</td>
<td>11,620,000</td>
<td>0.904%</td>
<td>379.75</td>
</tr>
<tr>
<td>2011</td>
<td>12,545,000 N/A</td>
<td>- N/A</td>
<td>N/A</td>
<td>12,545,000</td>
<td>0.985%</td>
<td>409.33</td>
</tr>
<tr>
<td>2010</td>
<td>13,430,000 N/A</td>
<td>- N/A</td>
<td>N/A</td>
<td>13,430,000</td>
<td>1.051%</td>
<td>437.15</td>
</tr>
<tr>
<td>2009</td>
<td>14,280,000 N/A</td>
<td>- N/A</td>
<td>N/A</td>
<td>14,280,000</td>
<td>1.187%</td>
<td>466.01</td>
</tr>
</tbody>
</table>

**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
### General Bonded Debt Outstanding

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>General Obligation</th>
<th>Net General Bonded Debt</th>
<th>Percentage of Actual Taxable</th>
<th>Per Capita (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ended June 30</td>
<td>Bonds</td>
<td>Deductions</td>
<td>Outstanding</td>
<td>Value of Property</td>
</tr>
<tr>
<td>2018</td>
<td>$5,070,000</td>
<td>-</td>
<td>$5,070,000</td>
<td>0.18%</td>
</tr>
<tr>
<td>2017</td>
<td>6,280,000</td>
<td>-</td>
<td>6,280,000</td>
<td>0.22%</td>
</tr>
<tr>
<td>2016</td>
<td>7,490,000</td>
<td>-</td>
<td>7,940,000</td>
<td>0.28%</td>
</tr>
<tr>
<td>2015</td>
<td>8,595,000</td>
<td>-</td>
<td>9,213,970</td>
<td>0.33%</td>
</tr>
<tr>
<td>2014</td>
<td>9,645,000</td>
<td>-</td>
<td>9,645,000</td>
<td>0.34%</td>
</tr>
<tr>
<td>2013</td>
<td>10,655,000</td>
<td>-</td>
<td>10,655,000</td>
<td>0.37%</td>
</tr>
<tr>
<td>2012</td>
<td>11,620,000</td>
<td>-</td>
<td>11,620,000</td>
<td>0.40%</td>
</tr>
<tr>
<td>2011</td>
<td>12,545,000</td>
<td>-</td>
<td>12,545,000</td>
<td>0.72%</td>
</tr>
<tr>
<td>2010</td>
<td>13,430,000</td>
<td>-</td>
<td>13,430,000</td>
<td>0.77%</td>
</tr>
<tr>
<td>2009</td>
<td>14,280,000</td>
<td>-</td>
<td>14,280,000</td>
<td>0.82%</td>
</tr>
</tbody>
</table>

**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, 2017
##### Unaudited

<table>
<thead>
<tr>
<th>Governmental Unit</th>
<th>Debt Outstanding</th>
<th>Estimated Percentage Applicable (1)</th>
<th>Estimated Share of Overlapping Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt repaid with property taxes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Township of Deptford</td>
<td>$16,867,305</td>
<td>100.00%</td>
<td>$16,867,305</td>
</tr>
<tr>
<td>Other debt</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>County of Gloucester</td>
<td>220,421,000</td>
<td>11.03%</td>
<td>24,312,436</td>
</tr>
<tr>
<td>Subtotal, overlapping debt</td>
<td></td>
<td></td>
<td>41,179,741</td>
</tr>
<tr>
<td>Deptford Township School District Direct Debt</td>
<td></td>
<td></td>
<td>5,070,000</td>
</tr>
<tr>
<td>Total direct and overlapping debt</td>
<td></td>
<td></td>
<td>$46,249,741</td>
</tr>
</tbody>
</table>

**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.
### Legal Debt Margin Information

#### Last Ten Fiscal Years

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total net debt applicable to limit</td>
<td>$5,070,000</td>
<td>$6,280,000</td>
<td>$7,490,000</td>
<td>$8,595,000</td>
<td>$9,645,000</td>
<td>$10,655,000</td>
<td>$11,620,000</td>
<td>$12,545,000</td>
<td>$13,430,000</td>
<td>$14,280,000</td>
</tr>
<tr>
<td>Legal debt margin</td>
<td>$107,050,511</td>
<td>$103,869,466</td>
<td>$70,060,263</td>
<td>$109,572,679</td>
<td>$108,327,580</td>
<td>$108,854,217</td>
<td>$110,622,459</td>
<td>$99,962,516</td>
<td>$93,857,967</td>
<td>$88,103,824</td>
</tr>
</tbody>
</table>

(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

<table>
<thead>
<tr>
<th>Fiscal Year Ended</th>
<th>Population (1)</th>
<th>Personal Income (2)</th>
<th>Per Capita Personal Income (3)</th>
<th>Unemployment Rate (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>30,582</td>
<td>$1,529,283,492</td>
<td>$50,006</td>
<td>5.10%</td>
</tr>
<tr>
<td>2017</td>
<td>30,562</td>
<td>1,497,049,008</td>
<td>48,984</td>
<td>5.60%</td>
</tr>
<tr>
<td>2016</td>
<td>30,591</td>
<td>1,427,070,150</td>
<td>46,650</td>
<td>5.10%</td>
</tr>
<tr>
<td>2015</td>
<td>30,550</td>
<td>1,385,717,450</td>
<td>45,359</td>
<td>6.10%</td>
</tr>
<tr>
<td>2014</td>
<td>30,519</td>
<td>1,359,407,817</td>
<td>44,543</td>
<td>6.50%</td>
</tr>
<tr>
<td>2013</td>
<td>30,566</td>
<td>1,329,223,642</td>
<td>43,487</td>
<td>10.60%</td>
</tr>
<tr>
<td>2012</td>
<td>30,599</td>
<td>1,285,402,792</td>
<td>42,008</td>
<td>9.50%</td>
</tr>
<tr>
<td>2011</td>
<td>30,648</td>
<td>1,273,761,528</td>
<td>41,561</td>
<td>9.50%</td>
</tr>
<tr>
<td>2010</td>
<td>30,722</td>
<td>1,278,158,088</td>
<td>41,604</td>
<td>9.30%</td>
</tr>
<tr>
<td>2009</td>
<td>30,643</td>
<td>1,202,952,251</td>
<td>39,257</td>
<td>10.30%</td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th>Employer</th>
<th>Employees</th>
<th>Rank</th>
<th>Percentage of</th>
<th>Employees</th>
<th>Rank</th>
<th>Percentage of</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inspira Health</td>
<td>1,800</td>
<td>1</td>
<td>N/A</td>
<td>1,810</td>
<td>1</td>
<td>N/A</td>
</tr>
<tr>
<td>Gloucester County Government</td>
<td>1,346</td>
<td>2</td>
<td>N/A</td>
<td>1,600</td>
<td>2</td>
<td>N/A</td>
</tr>
<tr>
<td>Deptford Township School District</td>
<td>721</td>
<td>3</td>
<td>N/A</td>
<td>670</td>
<td>3</td>
<td>N/A</td>
</tr>
<tr>
<td>Walmart</td>
<td>335</td>
<td>4</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Woodbury City School District</td>
<td>324</td>
<td>5</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shop Rite</td>
<td>275</td>
<td>6</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Township of Deptford</td>
<td>265</td>
<td>7</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Deptford Center for Rehabilitation and Nursing</td>
<td>232</td>
<td>8</td>
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<td></td>
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<tr>
<td>Gateway Regional School District</td>
<td>207</td>
<td>9</td>
<td>N/A</td>
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<td></td>
<td></td>
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<tr>
<td>Boscov's Department Store</td>
<td>200</td>
<td>10</td>
<td>N/A</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Macy's Department Store</td>
<td>200</td>
<td>10</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>5,905</strong></td>
<td><strong>0.00%</strong></td>
<td></td>
<td><strong>4,080</strong></td>
<td><strong>0.00%</strong></td>
<td></td>
</tr>
</tbody>
</table>

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.
### Full-time Equivalent District Employees by Function/Program

#### Last Ten Fiscal Years

**Function/Program**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Instruction</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular</td>
<td>298</td>
<td>318</td>
<td>315</td>
<td>297</td>
<td>375</td>
<td>354</td>
<td>356</td>
<td>331</td>
<td>308</td>
<td>302</td>
</tr>
<tr>
<td>Special education</td>
<td>80</td>
<td>109</td>
<td>105</td>
<td>88</td>
<td>93</td>
<td>93</td>
<td>93</td>
<td>93</td>
<td>106</td>
<td>112</td>
</tr>
<tr>
<td>Other special education</td>
<td>17</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>18</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Support Services:</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition</td>
<td>-</td>
<td>-</td>
<td>105</td>
<td>90</td>
<td>92</td>
<td>73</td>
<td>51</td>
<td>62</td>
<td>65</td>
<td>64</td>
</tr>
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<td>General administrative services</td>
<td>95</td>
<td>99</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>School administrative services</td>
<td>4</td>
<td>4</td>
<td>34</td>
<td>31</td>
<td>30</td>
<td>32</td>
<td>28</td>
<td>28</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td>Business administrative services</td>
<td>69</td>
<td>32</td>
<td>13</td>
<td>11</td>
<td>18</td>
<td>18</td>
<td>18</td>
<td>18</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Plant operations and maintenance</td>
<td>7</td>
<td>7</td>
<td>72</td>
<td>98</td>
<td>59</td>
<td>60</td>
<td>60</td>
<td>62</td>
<td>62</td>
<td>59</td>
</tr>
<tr>
<td>Pupil transportation</td>
<td>58</td>
<td>68</td>
<td>43</td>
<td>61</td>
<td>63</td>
<td>65</td>
<td>68</td>
<td>70</td>
<td>70</td>
<td>70</td>
</tr>
<tr>
<td>Special Schools</td>
<td>55</td>
<td>46</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food Service</td>
<td>20</td>
<td>21</td>
<td>18</td>
<td>25</td>
<td>33</td>
<td>33</td>
<td>37</td>
<td>37</td>
<td>37</td>
<td>37</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>721</td>
<td>704</td>
<td>708</td>
<td>704</td>
<td>767</td>
<td>732</td>
<td>715</td>
<td>705</td>
<td>699</td>
<td>694</td>
</tr>
</tbody>
</table>

**Source:** District Personnel Records
## DEPTFORD TOWNSHIP BOARD OF EDUCATION
### Operating Statistics
#### Last Ten Fiscal Years
Unaudited

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Enrollment</th>
<th>Operating Expenditures (1)</th>
<th>Cost Per Pupil</th>
<th>Percentage Change</th>
<th>Teaching Staff (2)</th>
<th>Pupil/Teacher Ratio</th>
<th>Average Daily Enrollment (ADE) (3)</th>
<th>Average Daily Attendance (ADA) (3)</th>
<th>% Change in Average Daily Enrollment</th>
<th>Student Attendance Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>4,241</td>
<td>$79,490,561</td>
<td>$18,743.35</td>
<td>7.82%</td>
<td>378</td>
<td>1:12</td>
<td>4,231</td>
<td>4,004</td>
<td>-1.95%</td>
<td>94.63%</td>
</tr>
<tr>
<td>2017</td>
<td>4,333</td>
<td>75,325,894</td>
<td>17,384.24</td>
<td>2.26%</td>
<td>381</td>
<td>1:12</td>
<td>4,315</td>
<td>4,100</td>
<td>-0.19%</td>
<td>95.02%</td>
</tr>
<tr>
<td>2016</td>
<td>4,336</td>
<td>73,713,549</td>
<td>17,000.36</td>
<td>13.66%</td>
<td>524</td>
<td>1:10</td>
<td>4,323</td>
<td>4,118</td>
<td>0.32%</td>
<td>95.26%</td>
</tr>
<tr>
<td>2015</td>
<td>4,305</td>
<td>64,392,398</td>
<td>14,957.58</td>
<td>9.58%</td>
<td>447</td>
<td>1:10</td>
<td>4,309</td>
<td>4,081</td>
<td>-0.83%</td>
<td>94.71%</td>
</tr>
<tr>
<td>2014</td>
<td>4,342</td>
<td>59,267,757</td>
<td>13,649.87</td>
<td>-1.84%</td>
<td>448</td>
<td>1:12</td>
<td>4,345</td>
<td>4,117</td>
<td>0.31%</td>
<td>94.75%</td>
</tr>
<tr>
<td>2013</td>
<td>4,388</td>
<td>61,016,657</td>
<td>13,905.35</td>
<td>-2.05%</td>
<td>436</td>
<td>1:10</td>
<td>4,331</td>
<td>4,098</td>
<td>-0.56%</td>
<td>94.62%</td>
</tr>
<tr>
<td>2012</td>
<td>4,402</td>
<td>62,491,174</td>
<td>14,196.09</td>
<td>5.67%</td>
<td>386</td>
<td>1:12</td>
<td>4,356</td>
<td>4,141</td>
<td>0.09%</td>
<td>95.06%</td>
</tr>
<tr>
<td>2011</td>
<td>4,390</td>
<td>58,978,036</td>
<td>13,434.63</td>
<td>2.17%</td>
<td>386</td>
<td>1:12</td>
<td>4,352</td>
<td>4,122</td>
<td>1.59%</td>
<td>94.72%</td>
</tr>
<tr>
<td>2010</td>
<td>4,352</td>
<td>57,223,761</td>
<td>13,148.84</td>
<td>5.32%</td>
<td>386</td>
<td>1:12</td>
<td>4,284</td>
<td>4,055</td>
<td>-1.63%</td>
<td>94.65%</td>
</tr>
<tr>
<td>2009</td>
<td>4,339</td>
<td>54,171,297</td>
<td>12,484.74</td>
<td>7.79%</td>
<td>385</td>
<td>1:12</td>
<td>4,355</td>
<td>4,131</td>
<td>2.43%</td>
<td>94.86%</td>
</tr>
</tbody>
</table>

**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).
## District Building

### Elementary

<table>
<thead>
<tr>
<th>School</th>
<th>Square Feet</th>
<th>Capacity (students)</th>
<th>Enrollment</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Elementary School (2004)</td>
<td>71,000</td>
<td>552</td>
<td>634</td>
<td>2018</td>
</tr>
<tr>
<td>Good Intent Elementary School (1960)</td>
<td>23,565</td>
<td>515</td>
<td>357</td>
<td>2017</td>
</tr>
<tr>
<td>Lake Tract Elementary School (1964)</td>
<td>25,256</td>
<td>294</td>
<td>483</td>
<td>2016</td>
</tr>
<tr>
<td>New Sharon Elementary School (1924)</td>
<td>9,282</td>
<td>70</td>
<td>17</td>
<td>2015</td>
</tr>
<tr>
<td>Oak Valley Elementary School (1959)</td>
<td>35,450</td>
<td>290</td>
<td>370</td>
<td>2014</td>
</tr>
<tr>
<td>Pine Acres Elementary School (1964)</td>
<td>35,540</td>
<td>290</td>
<td>245</td>
<td>2013</td>
</tr>
<tr>
<td>Shady Lane Elementary School (1957)</td>
<td>63,015</td>
<td>500</td>
<td>414</td>
<td>2012</td>
</tr>
</tbody>
</table>

### Middle School

<table>
<thead>
<tr>
<th>School</th>
<th>Square Feet</th>
<th>Capacity (students)</th>
<th>Enrollment</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monongahela Middle School (1984)</td>
<td>93,186</td>
<td>560</td>
<td>637</td>
<td>2011</td>
</tr>
</tbody>
</table>

### High School

<table>
<thead>
<tr>
<th>School</th>
<th>Square Feet</th>
<th>Capacity (students)</th>
<th>Enrollment</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deptford High School (1974)</td>
<td>221,992</td>
<td>1,468</td>
<td>1,074</td>
<td>2010</td>
</tr>
</tbody>
</table>

### Other

<table>
<thead>
<tr>
<th>School</th>
<th>Square Feet</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>District Wide</td>
<td>24,988</td>
<td>2018</td>
</tr>
</tbody>
</table>

### Number of Schools at June 30, 2018

- 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.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deptford High School</td>
<td>N/A</td>
<td>$255,510</td>
<td>$145,263</td>
<td>$88,499</td>
<td>$91,147</td>
<td>$78,874</td>
<td>$157,725</td>
<td>$205,316</td>
<td>$172,974</td>
<td>$170,695</td>
<td>$156,305</td>
</tr>
<tr>
<td>Monongahela Middle School</td>
<td>N/A</td>
<td>113,560</td>
<td>64,561</td>
<td>36,891</td>
<td>36,951</td>
<td>34,167</td>
<td>31</td>
<td>6,679</td>
<td>6,542</td>
<td>55,929</td>
<td>64,684</td>
</tr>
<tr>
<td>Central Elementary School</td>
<td>N/A</td>
<td>78,073</td>
<td>68,596</td>
<td>29,513</td>
<td>29,561</td>
<td>32,032</td>
<td>2,486</td>
<td>6,219</td>
<td>28,006</td>
<td>26,269</td>
<td></td>
</tr>
<tr>
<td>Good Intent Elementary School</td>
<td>N/A</td>
<td>42,585</td>
<td>20,175</td>
<td>9,838</td>
<td>9,854</td>
<td>12,813</td>
<td>222</td>
<td>8,320</td>
<td>18,836</td>
<td>16,388</td>
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</tr>
<tr>
<td>Lake Tract Elementary School</td>
<td>N/A</td>
<td>35,488</td>
<td>20,175</td>
<td>9,838</td>
<td>9,854</td>
<td>10,677</td>
<td>1,000</td>
<td>1,715</td>
<td>3,661</td>
<td>14,034</td>
<td>18,569</td>
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<tr>
<td>New Sharon Elementary School</td>
<td>N/A</td>
<td>7,096</td>
<td>4,035</td>
<td>4,919</td>
<td>4,927</td>
<td>2,135</td>
<td>222</td>
<td>1,867</td>
<td>6,625</td>
<td>5,525</td>
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</tr>
<tr>
<td>Pine Acres Elementary School</td>
<td>N/A</td>
<td>42,585</td>
<td>24,210</td>
<td>14,757</td>
<td>14,781</td>
<td>12,813</td>
<td>3,639</td>
<td>8,244</td>
<td>15,040</td>
<td>18,388</td>
<td></td>
</tr>
<tr>
<td>Oak Valley Elementary School</td>
<td>N/A</td>
<td>42,585</td>
<td>24,210</td>
<td>14,757</td>
<td>14,781</td>
<td>12,813</td>
<td>1,559</td>
<td>10,269</td>
<td>19,207</td>
<td>18,468</td>
<td></td>
</tr>
<tr>
<td>Shady Lane Elementary School</td>
<td>N/A</td>
<td>63,878</td>
<td>32,281</td>
<td>24,594</td>
<td>24,634</td>
<td>19,219</td>
<td>958</td>
<td>17,796</td>
<td>33,946</td>
<td>30,916</td>
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</tr>
<tr>
<td>District Wide</td>
<td>N/A</td>
<td>28,390</td>
<td>9,838</td>
<td>9,854</td>
<td>9,854</td>
<td>9,854</td>
<td>9,854</td>
<td>9,854</td>
<td>9,854</td>
<td>9,854</td>
<td>9,854</td>
</tr>
</tbody>
</table>

Total School Facilities: $709,750 | $403,506 | $243,444 | $246,344 | $213,543 | $158,756 | $222,796 | $235,881 | $362,318 | $355,512

*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
<table>
<thead>
<tr>
<th>Company</th>
<th>Type of Coverage</th>
<th>Coverage</th>
<th>Deductible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gloucester Cumberland Salem School Districts Joint Insurance Fund</td>
<td>Property, Inland Marine and Automobiles Physical Damage</td>
<td>$175,000,000</td>
<td>$250,000</td>
</tr>
<tr>
<td></td>
<td>Limit of Liability</td>
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<td>$500</td>
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<tr>
<td></td>
<td>GCSSD JIF Self Insured Retention</td>
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</tr>
<tr>
<td></td>
<td>Member District Deductible</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Property Valuation</td>
<td>Replacement Cost</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Buildings and Contents</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Contractors Equipment</td>
<td>Actual Cash Value</td>
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</tr>
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<td>Automobiles</td>
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<td>GCSSD JIF Self Insured Retention</td>
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<td>Crime</td>
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<td>GCSSD JIF Self Insured Retention</td>
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<td>Worker's Compensation</td>
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<td>Limit of Liability</td>
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<td>Educator's Legal Liability</td>
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<td>Cyber Legal Liability</td>
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<td>Violent Malicious Acts</td>
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<td>Selective Insurance Company</td>
<td>Surety Bond</td>
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<td></td>
<td>School Board Secretary &amp; Treasurer</td>
<td>$718,000</td>
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Source: District records
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, 2018. The School District's major federal and state programs are identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility

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

Auditor’s Responsibility

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

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

In our opinion, the Township of Deptford School District, in the County of Gloucester, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2018.

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
Certified Public Accountants & Consultants

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

Voorhees, New Jersey
February 21, 2019
### Schedule of Expenditures of Federal Awards

#### Federal Grantor/Grantor/Program Title
<table>
<thead>
<tr>
<th>Federal Grantor/Grantor/Program Title</th>
<th>CFDA Number</th>
<th>FAIN Number</th>
<th>Project Number</th>
<th>Award Amount</th>
<th>Grant Period</th>
<th>From</th>
<th>To</th>
<th>Balance</th>
<th>Unearned</th>
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</thead>
<tbody>
<tr>
<td>General Fund: U.S. Department of Education</td>
<td>Grant or Federal Grantor/Program Title</td>
<td>93.778</td>
<td>165SNJ2MAP</td>
<td>N/A</td>
<td>143,620</td>
<td>7-1-2017</td>
<td>6-30-2018</td>
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<tr>
<td>Total General Fund</td>
<td>-</td>
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</tr>
<tr>
<td>Special Revenue Fund: U.S. Department of Defense</td>
<td>NJROTC</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>85,186</td>
<td>7-1-2016</td>
<td>6-30-2017</td>
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<td>Total U.S. Department of Defense</td>
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<tr>
<td>U.S. Department of Education</td>
<td>N.C.L.B./E.S.S.A. Title I, Part A Carryover</td>
<td>84.010</td>
<td>5010A150030</td>
<td>NCLB267017</td>
<td>656,495</td>
<td>7-1-2016</td>
<td>6-30-2017</td>
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<tr>
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<td>6-30-2018</td>
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<td>-</td>
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</tr>
<tr>
<td>Total Title I, Part A</td>
<td>(102,716)</td>
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<td>Title II, Part A Carryover</td>
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<td>3376A150029</td>
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<td>Title II, Part A</td>
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<td>3376A150029</td>
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<td>105,610</td>
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<td>6-30-2018</td>
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<td>Title III</td>
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<td>7-1-2017</td>
<td>6-30-2018</td>
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<td>Total Title III</td>
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<td>Title IV Carryover</td>
<td>84.184</td>
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<td>12,356</td>
<td>7-1-2016</td>
<td>6-30-2017</td>
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<td>Title IV</td>
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<td>7-1-2017</td>
<td>6-30-2018</td>
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<tr>
<td>Total Title IV</td>
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<td>I.D.E.A. Part B: Special Education Cluster</td>
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<td>H027A150100</td>
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<tr>
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<td>Total Title II, Part A Carryover</td>
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<td>Title IV Carryover</td>
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<td>12,356</td>
<td>7-1-2016</td>
<td>6-30-2017</td>
<td>(2,955)</td>
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<td>Title IV Carryover</td>
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<td>7-1-2017</td>
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<td>Total Title IV</td>
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<td>Enterprise Fund: U.S. Department of Agriculture</td>
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<td>171NJ304N1099</td>
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<td>6-30-2017</td>
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<td>National School Lunch Program - HHKFA</td>
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<td>171NJ304N1099</td>
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<td>181NJ304N1099</td>
<td>N/A</td>
<td>19,103</td>
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<td>School Breakfast Program</td>
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<td>230,894</td>
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<td>253,567</td>
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<td>Special Milk Program</td>
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<td>Special Milk Program</td>
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<td>3,934</td>
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<tr>
<td>After School Snack Program</td>
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<td>7-1-2016</td>
<td>6-30-2017</td>
<td>(81)</td>
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<td>After School Snack Program</td>
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<td>7-1-2017</td>
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<td>Non-Cash Assistance: Food Distribution Program</td>
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<td>Total Child Nutrition Cluster</td>
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<tr>
<td>Total Enterprise Fund</td>
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<tr>
<td>Total Federal Financial Assistance</td>
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## Exhibit K-3

<table>
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<tr>
<th>Cash Received</th>
<th>Pass-through Funds</th>
<th>Direct Funds</th>
<th>Total Budgetary Expenditures</th>
<th>Balance June 30, 2018</th>
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<td></td>
<td></td>
<td></td>
<td>Passed Through to Subrecipients</td>
<td>Repayment of Prior Years' Balances (Accounts Receivable)</td>
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<tr>
<td>107,008</td>
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<td>107,008</td>
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<tr>
<td>107,008</td>
<td></td>
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<td>107,008</td>
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</tr>
</tbody>
</table>

| 63,981        | 63,435            |              | 3,188$                       | $3,188               | 546              | -                              |
| 63,981        |                   |              | 63,435                       | -                    | -                | -                              |

| 106,845       | 4,129             |              | 538,311                      | $192,249             | -                | -                              |
| 452,907       |                   |              | 542,440                      | -                    | -                | -                              |
| 11,633        | 9,943             |              | 60,857                       | (999)                | -                | -                              |
| 71,491        |                   |              | 70,800                       | -                    | -                | -                              |

| 4,899         | 30,659            |              | $7,932                       | (25,760)             | -                | -                              |
| 7,166         |                   |              | 30,659                       | 7,932                | (25,760)         | -                              |

| 4,875         | 10,000            |              | (8,080)                      | 8,499                | -                | -                              |

| 1,179,577     |                   |              | 1,149,547                    | (382,384)            | -                | -                              |
| 1,176,016     |                   |              | 1,803,446                    | -                    | 8,499            | -                              |

| 1,779,997     |                   |              | 1,866,881                    | -                    | 12,233           | -                              |

| 38,977        |                   |              | 684,311                      | (139,752)            | -                | -                              |
| 15,972        |                   |              | 19,103                       | (3,864)              | -                | -                              |
| 106,927       |                   |              | 253,567                      | (56,740)             | -                | -                              |
| 165           |                   |              | 3,934                        | (828)                | -                | -                              |
| 2,342         |                   |              | 2,849                        | (507)                | -                | -                              |
| 91,998        |                   |              | 91,998                       | -                    | -                | -                              |

| 910,375       | 1,055,762         |              | 910,375                      | 201,691              | -                | -                              |
| 910,375       |                   |              | 1,055,762                    | -                    | -                | -                              |

| $2,797,380    | -                 |              | $3,029,651                   | $7,932               | $12,233          | -                              |

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## TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

### Schedule of Expenditures of State Awards, Schedule B

For the Fiscal Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>Grant or Program</th>
<th>Number</th>
<th>Fiscal Year Ended</th>
<th>State Grantor/Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equalization Aid</td>
<td>17-485-034-0120-078</td>
<td>7-1-2015</td>
<td>6-30-2017</td>
<td>$20,399,857</td>
</tr>
<tr>
<td>Special Education Aid</td>
<td>18-485-034-0120-078</td>
<td>7-1-2015</td>
<td>6-30-2016</td>
<td>$20,945,940</td>
</tr>
<tr>
<td>School Choice</td>
<td>17-485-034-0120-088</td>
<td>7-1-2016</td>
<td>6-30-2017</td>
<td>$126,182</td>
</tr>
<tr>
<td>School Choice</td>
<td>18-485-034-0120-088</td>
<td>7-1-2016</td>
<td>6-30-2017</td>
<td>$126,182</td>
</tr>
<tr>
<td>Under Adequacy Aid</td>
<td>18-485-034-0120-084</td>
<td>7-1-2016</td>
<td>6-30-2017</td>
<td>$483,815</td>
</tr>
<tr>
<td>Security Aid</td>
<td>18-485-034-0120-089</td>
<td>7-1-2016</td>
<td>6-30-2017</td>
<td>$2,396,025</td>
</tr>
<tr>
<td>Security Aid</td>
<td>18-485-034-0120-089</td>
<td>7-1-2016</td>
<td>6-30-2017</td>
<td>$2,396,025</td>
</tr>
<tr>
<td>Special Education Aid</td>
<td>17-485-034-0120-086</td>
<td>7-1-2015</td>
<td>6-30-2016</td>
<td>$12,684</td>
</tr>
<tr>
<td>Special Education Aid</td>
<td>18-485-034-0120-086</td>
<td>7-1-2015</td>
<td>6-30-2016</td>
<td>$12,684</td>
</tr>
<tr>
<td>Preschool Education Aid</td>
<td>17-485-034-0120-102</td>
<td>7-1-2016</td>
<td>6-30-2017</td>
<td>$41,800</td>
</tr>
<tr>
<td>Preschool Education Aid</td>
<td>18-485-034-0120-102</td>
<td>7-1-2016</td>
<td>6-30-2017</td>
<td>$41,800</td>
</tr>
</tbody>
</table>

### State Grantor/Revenue

<table>
<thead>
<tr>
<th>State Grantor/Revenue</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Jersey Department of Education</td>
<td>$20,399,857</td>
</tr>
<tr>
<td>New Jersey Department of the Treasury</td>
<td>$20,945,940</td>
</tr>
</tbody>
</table>

### State Financial Assistance not subject to Calculation for State Single Audit

<table>
<thead>
<tr>
<th>State Financial Assistance</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Jersey Department of Education</td>
<td>$20,399,857</td>
</tr>
<tr>
<td>New Jersey Department of the Treasury</td>
<td>$20,945,940</td>
</tr>
</tbody>
</table>

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.
### Exhibit K-4

**Total Repayment of Passed Budgetary Cumulative Cash Budgetary Prior Years’ Through to Accounts Unearned Due to Receivable Total Received Expenditures Balances Subrecipients Adjustments Receivable Revenue Grantor 6/30/2017**

<table>
<thead>
<tr>
<th>Cash</th>
<th>Budget</th>
<th>Prior</th>
<th>Through</th>
<th>Accounts</th>
<th>Unearned</th>
<th>Excess</th>
<th>Revenue</th>
<th>Grantor</th>
<th>6/30/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,816,451</td>
<td>$20,845,846</td>
<td>$ (1,861,355)</td>
<td>$ (1,861,355)</td>
<td>$20,845,846</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12,618</td>
<td>105,162</td>
<td>(12,618)</td>
<td>126,182</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4,198</td>
<td>41,780</td>
<td>(4,178)</td>
<td>41,780</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4,178</td>
<td>41,780</td>
<td>(4,178)</td>
<td>41,780</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>23,879,378</td>
<td>23,922,282</td>
<td>(2,168,999)</td>
<td>(2,168,999)</td>
<td>23,922,282</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$48</td>
<td>$9,499</td>
<td>$16</td>
<td>$4,978</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8,152</td>
<td>36,728</td>
<td>7,011</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3,000</td>
<td>25,909</td>
<td>14,596</td>
<td>1,107,972</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2,386,993</td>
<td>2,507,074</td>
<td>(265,221)</td>
<td>145,140</td>
<td>(2,470,729)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3,827,605</td>
<td>36,509</td>
<td>3,017,861</td>
<td>110,637</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Balance at June 30, 2018 Memo**

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TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2018

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, payments are not recognized until the subsequent budget year due to the State deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more June state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.
Note 4: **RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT’D)**

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is $(42,904) for the general fund and $(199,465) 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:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Federal</th>
<th>State</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>$107,008</td>
<td>$26,721,341</td>
<td>$26,828,349</td>
</tr>
<tr>
<td>Special Revenue</td>
<td>1,866,881</td>
<td>2,521,670</td>
<td>4,388,551</td>
</tr>
<tr>
<td>Food Service</td>
<td>1,055,762</td>
<td>16,935</td>
<td>1,072,697</td>
</tr>
<tr>
<td>Total Awards and Financial Assistance</td>
<td>$3,029,651</td>
<td>$29,259,946</td>
<td>$32,289,597</td>
</tr>
</tbody>
</table>

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, 2018, 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.
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


Identification of major programs:

<table>
<thead>
<tr>
<th>CFDA Number(s)</th>
<th>FAIN Number(s)</th>
<th>Name of Federal Program or Cluster</th>
</tr>
</thead>
<tbody>
<tr>
<td>84.027</td>
<td>H027A150100</td>
<td>I.D.E.A. Basic</td>
</tr>
<tr>
<td>84.173</td>
<td>H173A150114</td>
<td>I.D.E.A. Preschool</td>
</tr>
</tbody>
</table>

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:

Dollar threshold used to determine Type A programs

$ 750,000

Auditee qualified as low-risk auditee?

x  yes  no
### Section 1- Summary of Auditor’s Results (Cont’d)

#### State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified?  
  - yes  
  - no

- Significant deficiency(ies) identified?  
  - yes  
  - none reported

Type of auditor’s report issued on compliance for major programs:  
- Unmodified

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

Identification of major programs:

<table>
<thead>
<tr>
<th>GMIS Number(s)</th>
<th>Name of State Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>495-034-5120-078</td>
<td>State Aid Public: Equalization Aid</td>
</tr>
<tr>
<td>495-034-5120-089</td>
<td>Special Education Categorical Aid</td>
</tr>
<tr>
<td>495-034-5120-085</td>
<td>Security Aid</td>
</tr>
<tr>
<td>495-034-5120-068</td>
<td>School Choice</td>
</tr>
<tr>
<td>495-034-5095-094</td>
<td>Under Adequacy Aid</td>
</tr>
<tr>
<td>495-034-5120-098</td>
<td>PARCC Readiness Aid</td>
</tr>
<tr>
<td>495-034-5120-097</td>
<td>Per Pupil Growth Aid</td>
</tr>
<tr>
<td>495-034-5120-101</td>
<td>Professional Learning Community Aid</td>
</tr>
<tr>
<td>495-034-5095-002</td>
<td>Reimbursed T.P.A.F. Social Security</td>
</tr>
<tr>
<td>495-034-5120-086</td>
<td>Preschool Education Aid</td>
</tr>
</tbody>
</table>

Dollar threshold used to determine Type A programs: $877,798

Auditee qualified as low-risk auditee?  
- yes  
- no
Section 2- Schedule of Financial Statement Findings

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

No current year findings.
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, 2018

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.
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.