

**TOWNSHIP OF DEPTFORD**

**SCHOOL DISTRICT**

**DEPTFORD, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2012**

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## INTRODUCTORY SECTION

**DEPTFORD TOWNSHIP BOARD OF EDUCATION**  
**Office of the**  
**School Business Administrator/Board Secretary**

2022 Good Intent Road Deptford, NJ 08096	Telephone: 856-232-2700, ext. 3008 Fax: 856-232-7961
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December 4, 2012

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, 2012, 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 and account groups 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 Single Audit Act of 1996, as amended, the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 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

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 and account groups of the District are included in this report. The Deptford Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2011-2012 fiscal year with an average daily enrollment of 4355.9 students, which are 4 students above the previous year's enrollment. The following detail the changes in the student enrollment of the District over the last five years.

Average Daily Enrollment		
Fiscal Year	Average Daily Enrollment	Percent Increase/ (Decrease)
2007-08	4339.2	.92%
2008-09	4355.1	.37%
2009-10	4283.7	(1.64%)
2010-11	4351.9	1.6%
2011-12	4355.9	0.09%

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

**3. MAJOR INITIATIVES:** Students in the Deptford Township School District receive a comprehensive educational program. The district's 2012-2013 major initiatives are listed below:

Elementary:

- The continued implementation of a kindergarten through six grade inquiry-based science program (FOSS and STC).
- The continued implementation of a comprehensive core English Language Arts program in grades K-6.
- The implementation of a new MAP testing program in grades K-6.

- The continued implementation of a Kindergarten program which is developmentally appropriate and based on the State Kindergarten regulations.
- Expansion of our basic skills program and staff.
- A gifted and talented teacher provides services to students in grades 2-6.
- The continued implementation of an ongoing diagnostic reading assessment in grades K-5.
- The continued implementation of a research based comprehensive Pre-K program endorsed by NCLB and the New Jersey Office of Early Childhood Education.
- Continued increase in technology through the expanded purchase of smart boards and other instructional devices.
- The continued implementation of a researched based 6<sup>th</sup> grade math program, Connected Mathematics.
- Continued computer instruction for grades 3-6 in the elementary schools.

#### Middle School:

- The continued implementation of a comprehensive core English Language Arts program in grades 7 and 8.
- Additional laptop carts available for instruction.
- The continued implementation of an inquiry based science program in grades 7 and 8.
- The continued implementation of UDL strategies to enhance understanding and student achievement in the inclusion classroom.
- The continued implementation of a research-based social studies program in grades 7-8, including gifted and talented Social Studies courses.
- Continued implementation of the computer curriculum.
- The implementation of a new MAP testing program in grades 7-8

#### High School:

- The continued implementation of a comprehensive core English Language Arts program in all language arts literacy courses.
- The continued implementation of a new math program in all Algebra I courses.
- Continued increase in technology through the expanded purchase of smart boards and laptop carts.
- Continued implementation of a discovery-based mathematics program.
- Continued implementation of the business practice firm course.
- The implementation of a new MAP testing program in grades 9-12.
- The research and development of a new Engineering Program.
- The research and application to become a Choice School.

#### Administration:

- Expectations of teacher performance are being addressed through the new McRel teacher evaluation system and Power Walkthrough.
- The continued participation of teacher-led professional development.

- The expansion of the supervisory staff in the curriculum department to provide further supervision at the school and classroom level.
- Addition of an elementary vice principal to assist with the daily operations in the 3 largest elementary schools.

Technology Initiatives:

- Online classes continue to be offered at the high school and middle school through Virtual High School.
- Smart Boards and Elmos are being used at all schools to integrate technology into all areas of the curriculum.
- Curriculum has been written on integrating technology into math, language arts, science, and social studies. The curriculum is available on the district website.
- Technology mentors have been identified in each building to assist in technology planning, integration, and training throughout the district.
- Compass Learning is being used to increase achievements in grades K-12.
- A computer teacher and the librarians provide computer instruction in grades 4-6.
- Continued implementation of the curriculum at the middle school to integrate multimedia technology.

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

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

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

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. 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 reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2012.

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

A) 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, LLC, 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 Single Audit Act of 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 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.

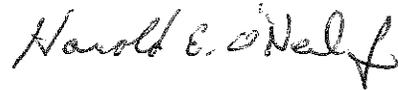
10. ACKNOWLEDGMENTS:

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,



Ralph E. Ross Sr.  
Interim Superintendent



Harold E. O'Neil, Jr.  
Interim Business Administrator/  
Board Secretary



# DEPTFORD TOWNSHIP BOARD OF EDUCATION

DEPTFORD TOWNSHIP, NEW JERSEY

## ROSTER OF OFFICIALS

JUNE 30, 2012

### Members of the Board of Education

### Term Expires

Mark L. Getsinger, Sr.	2012
James Messner	2012
Joseph Wilson	2012
Robert Condo	2013
Edward L. Kiermeier, Jr.	2013
Alice Mantici	2013
Walter Berglund (President)	2014
Rachel Green (Vice President)	2014
Robert Laute, Sr.	2014

### Other Officials

Ralph E. Ross, Interim Superintendent

Carolyn Morehead, Assistant Superintendent

Harold E. O'Neil, Jr., Interim School Business Administrator/Board Secretary

Jane Cummins, Treasurer

# **DEPTFORD TOWNSHIP BOARD OF EDUCATION**

## **CONSULTANTS AND ADVISORS**

### **ARCHITECT**

Garrison Architects  
406 Lippincott Drive, Suite M  
Marlton, NJ 08053

### **AUDIT FIRM**

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

### **ATTORNEYS**

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Trimble & Armano  
Washington Professional Campus  
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Suites B1-B2  
Turnersville, NJ 08012-1453

Frank P. Cavallo, Jr.  
Parker McCay, P.A.  
9000 Midlantic Drive, Suite 300  
P.O. Box 5054  
Mount Laurel, NJ 08054

John D. Wade  
Wade, Long, Wood & Kennedy, LLC  
1250 Chews Landing Road  
Laurel Springs, NJ 08021

### **OFFICIAL DEPOSITORY**

Wells Fargo Bank, N.A.  
190 River Road  
Summit, NJ 07901

FINANCIAL SECTION

## 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 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, 2012, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Deptford School District's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we

601 White Horse Road | Voorhees, NJ 08043 | P 856.435.6200 | F 856.435.0440 | www.bowmanllp.com ;, evidence supporting the amounts and  
significant estimates made by management as well as evaluating the overall financial statement presentation.

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In our opinion, the financial statements referred to previously 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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 4, 2012 on our consideration of the Township of Deptford School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 of the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Deptford School District's 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, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

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 and statistical section listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

Respectfully submitted,

  
BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

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

Voorhees, New Jersey  
December 4, 2012

**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**

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

We have audited 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, 2012, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 4, 2012. 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.

**Internal Control Over Financial Reporting**

Management of the Township of Deptford School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Township of Deptford School District's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

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 School District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township of Deptford School District's financial statements are free of 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.

This report is intended solely for the information and use of management, members of the Board of Education, others within the School District, the Division of Administration and Finance of the New Jersey Department of Education, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



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

Voorhees, New Jersey  
December 4, 2012

REQUIRED SUPPLEMENTARY INFORMATION  
PART I

**DEPTFORD TOWNSHIP PUBLIC SCHOOLS  
DEPTFORD, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**UNAUDITED**

The discussion and analysis of Deptford Township Public Schools' financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2012 are as follows:

- ❖ In total, net assets decreased \$47,004 which represents a .17 percent decrease from 2011.
- ❖ General revenue accounted for \$62,479,618 or ninety three percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$4,743,606 or seven percent of total revenues of \$67,223,224.
- ❖ The School District had \$67,270,228 in expenses; \$4,743,606 of those expenses was offset by program specific charges for services, grants, or contributions. General revenues of \$67,223,224 and the District's net asset balances were adequate to provide for those programs.
- ❖ Among governmental funds, the General Fund had \$61,701,969 in revenues and \$61,077,452 in expenditures. The General Fund's fund balance increased \$624,517 from 2011.

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

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

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

**DEPTFORD TOWNSHIP PUBLIC SCHOOLS  
DEPTFORD, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**UNAUDITED**

**Reporting the School District as a Whole**

**Statement of Net Assets and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

**Fund Financial Statements**

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

**DEPTFORD TOWNSHIP PUBLIC SCHOOLS  
DEPTFORD, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**UNAUDITED**

**Governmental Funds**

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

**Enterprise Fund**

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

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. This information is information that has not been presented on the face of the financial statements, for reasons of practicality, but is essential for the financial statements to be fairly presented.

**The School District as a Whole**

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

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

**DEPTFORD TOWNSHIP PUBLIC SCHOOLS  
DEPTFORD, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**UNAUDITED**

Table 1 provides a summary of the School District's net assets for 2012 and 2011.

	<u>2012</u>	<u>2011</u>
<b>Table 1</b>		
<b>Net Assets</b>		
<b>Assets</b>		
Current and Other Assets	\$ 5,383,580	\$ 6,540,138
Capital Assets	<u>36,888,225</u>	<u>37,105,113</u>
Total Assets	<u>\$ 42,271,805</u>	<u>\$ 43,645,251</u>
<b>Liabilities</b>		
Long-Term Liabilities	\$ 13,870,224	14,663,563
Other Liabilities	<u>1,338,807</u>	<u>1,871,910</u>
Total Liabilities	<u>15,209,031</u>	<u>16,535,473</u>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Debt	25,359,940	24,531,088
Restricted	4,331,416	3,741,418
Unrestricted	<u>(2,628,582)</u>	<u>(1,161,728)</u>
<b>Total Net Assets</b>	<u>\$ 27,062,774</u>	<u>\$ 27,109,778</u>

The District's combined net assets were \$27,062,774 on June 30, 2012. This was an decrease of 0.17% from the prior year.

Total assets decreased \$1,373,446. A decrease in current and other assets of \$1,156,558 was due to a decrease in cash. A decrease in capital assets of \$216,888 is due to capital additions being less than the current year depreciation expense.

Total liabilities decreased \$1,326,442 primarily due to a decrease in bonds payable. Table 2 shows changes in net assets for fiscal year 2012 compared to the fiscal year 2011.

**DEPTFORD TOWNSHIP PUBLIC SCHOOLS  
DEPTFORD, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**UNAUDITED**

Table 2 shows changes in net assets for fiscal year 2012 and 2011.

**Table 2  
Changes in Net Assets**

	<u>2012</u>	<u>2011</u>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 830,913	\$ 803,137
Operating Grants and Contributions	3,912,693	4,548,722
General Revenues:		
Property Taxes	34,511,721	34,690,650
Grants and Entitlements	27,586,012	26,416,376
Other	<u>381,885</u>	<u>166,561</u>
Total Revenues	<u>67,223,224</u>	<u>66,625,446</u>
<b>Program Expenses</b>		
Instruction	37,135,062	36,142,077
Support Services:		
Pupils and Instructional Staff	11,495,362	11,654,786
General Administration, School Administration, Central Services, Administrative Information Technology	6,167,898	5,757,744
Operations and Maintenance of Facilities	7,101,480	7,637,548
Pupil Transportation	3,364,561	3,114,680
Special Schools		
Interest on Debt	396,350	625,053
Food Service	<u>1,609,515</u>	<u>1,473,976</u>
Total Expenses	<u>67,270,228</u>	<u>66,405,864</u>
 Increase (Decrease) in Net Assets	 <u>\$ (47,004)</u>	 <u>\$ 219,692</u>

Program revenues include charges for services and operating grants and contributions. The increase in charges for services is primarily the result of an increase in food service sales. There is a \$636,029 decrease in operating grants and contributions due primarily to an decrease in state grants.

General revenues include property taxes, federal and state aids, and other revenues, with federal and state aids being the predominant source of revenue for the District. Federal and state aids increased \$1,169,636, primarily due to an additional federal grant received in 2012.

Property taxes decreased \$178,929 as grants increased.

Total expenses increased by \$864,364 mainly due to increase in instruction expense.

**DEPTFORD TOWNSHIP PUBLIC SCHOOLS  
DEPTFORD, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**UNAUDITED**

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 52.54% and 52.03% of revenues for governmental activities for the Deptford Township Public Schools for fiscal years 2012 and 2011 respectively. The District's total revenues were \$65,684,869 and \$65,099,146 for the years ended June 30, 2012 and 2011 respectively. Federal, state, and local grants accounted for another 42.00% and 46.47% of revenue in those years.

The total cost of all programs and services was \$65,660,713. Instruction comprises 56.56% of District expenses.

**Business-Type Activities**

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state requirements.

- ❖ Food service expenses exceeded revenues by \$71,160.
- ❖ Charges for services represent \$644,523 of revenue. This represents amounts paid by patrons for daily food service
- ❖ Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast and donated commodities was \$893,832.

**DEPTFORD TOWNSHIP PUBLIC SCHOOLS  
DEPTFORD, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**UNAUDITED**

**Governmental Activities**

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

	<b>Table 3</b>			
	<b>Total Cost of Services <u>2012</u></b>	<b>Total Cost of Services <u>2011</u></b>	<b>Net Cost of Services <u>2012</u></b>	<b>Net Cost of Services <u>2011</u></b>
Instruction	\$ 37,135,062	\$ 36,142,077	\$ 35,625,047	\$ 34,700,322
Support Services:				
Pupils and				
Instructional Staff	11,495,362	11,654,786	9,800,126	9,270,982
General Administration, School Administration, Central Services, Administrative Information Technology	6,167,898	5,757,744	6,167,898	5,757,744
Operation and Maintenance of Facilities	7,101,480	7,637,548	7,101,480	7,637,548
Pupil Transportation	3,364,561	3,114,680	3,364,561	3,114,680
Special Schools				
Interest and Fiscal Charges	<u>396,350</u>	<u>625,053</u>	<u>396,350</u>	<u>625,053</u>
<b>Total Expenses</b>	<b><u>\$ 65,660,713</u></b>	<b><u>\$ 64,931,888</u></b>	<b><u>\$ 62,455,462</u></b>	<b><u>\$ 61,106,329</u></b>

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

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

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

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

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

**DEPTFORD TOWNSHIP PUBLIC SCHOOLS  
DEPTFORD, NJ**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**UNAUDITED**

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

**The School District’s Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues in these funds amounted to \$65,884,295 and expenditures of \$66,712,569. This resulted in a net decrease in fund balance of \$828,274.

**General Fund Budgeting Highlights**

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

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

- Tuition revenue anticipated was less than actually received. Tuition contracts overall were less than the prior year.
- TPAF “on behalf” payments and the TPAF Social Security reimbursement are the state’s contributions to the pension fund and the state’s employer share of social security reimbursement. Neither of these payments are a revenue item nor an expenditure item to the District but are required to be reflected in the financial statements

**Capital Assets**

At the end of the fiscal year 2012, the School District had \$36,786,171 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2012 balances compared to 2011.

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

	<u>2012</u>	<u>2011</u>
Land	\$ 210,136	\$ 210,136
Construction in Progress	897,410	349,270
Sites/Site Improvements	581,770	641,282
Building and Building Improvements	33,396,644	33,906,858
Machinery and Equipment	<u>1,700,211</u>	<u>1,871,957</u>
Total	<u>\$ 36,786,171</u>	<u>\$ 36,979,503</u>

**DEPTFORD TOWNSHIP PUBLIC SCHOOLS  
DEPTFORD, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**UNAUDITED**

Overall capital assets decreased \$193,332 from fiscal year 2011 to fiscal year 2012. This decrease was due to depreciation expense exceeding additions.

**Debt Administration**

At June 30, 2012, the School District had \$13,916,474 of outstanding debt. Of this amount, \$2,296,474 is for compensated absences and \$11,620,000 is for the payment of serial bonds that were issued for school construction.

**Table 5  
Outstanding Bonds Payable at June 30**

	<u>2012</u>	<u>2011</u>
2002 General obligation bonds	\$ 1,730,000	\$ 2,615,000
2006 General obligation bonds	<u>9,890,000</u>	<u>9,930,000</u>
Total	<u>\$ 11,620,000</u>	<u>\$ 12,545,000</u>

**For the Future**

The Deptford Township Public Schools is presently in good financial condition. The School District will have to address a growing population issue within the next few years. An expansion of the School District may become necessary to provide a thorough and efficient education and keep class sizes down. The District has always been proud of its community's support of the public schools and expects that to continue during its upcoming population concerns.

With the possible expansion and the state's current funding, future finances are not without challenges. However, the District will continue its efforts to maintain the high standards it sets for itself while trying to minimize the costs passed on to the taxpayers.

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

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Harold E. O'Neil, Jr., Interim School Business Administrator/Board Secretary at Deptford Township Board of Education, 2022 Good Intent Road, Deptford, NJ 08096. Please visit our website at [www.deptford.k12.nj.us](http://www.deptford.k12.nj.us).

## BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Statement of Net Assets  
June 30, 2012

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 929,633	\$ 315,508	\$ 1,245,141
Receivables, net	3,191,344	41,232	3,232,576
Deposit - Health Insurance Program	401,927		401,927
Inventory		10,475	10,475
Restricted Assets:			
Capital Reserve Account - Cash	250,088		250,088
Bond Issuance Costs	243,373		243,373
Capital Assets, net (Note 6)	<u>36,786,171</u>	<u>102,054</u>	<u>36,888,225</u>
<b>Total Assets</b>	<u>41,802,536</u>	<u>469,269</u>	<u>42,271,805</u>
<b>LIABILITIES:</b>			
Accounts Payable	16,597	161,323	177,920
Payable to Federal Government	4,307		4,307
Payable to State Government	79,980		79,980
Deferred Revenue	197,285		197,285
Accrued Interest Payable	197,908		197,908
Accrued Liability for Insurance Claims	681,407		681,407
Noncurrent Liabilities (Note 7):			
Due within One Year	1,492,868		1,492,868
Due beyond One Year	<u>12,377,356</u>		<u>12,377,356</u>
<b>Total Liabilities</b>	<u>15,047,708</u>	<u>161,323</u>	<u>15,209,031</u>
<b>NET ASSETS:</b>			
Invested in Capital Assets, Net of Related Debt	25,257,886	102,054	25,359,940
Restricted for:			
Debt Service			
Capital Projects			
Other Purposes	4,331,416		4,331,416
Unrestricted (Deficit)	<u>(2,834,474)</u>	<u>205,892</u>	<u>(2,628,582)</u>
<b>Total Net Assets</b>	<u>\$ 26,754,828</u>	<u>\$ 307,946</u>	<u>\$ 27,062,774</u>

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

**Township of DePford School District**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2012

Functions / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 28,060,185	\$ 186,390	\$ 797,662	\$ (27,262,523)	\$	\$ (27,262,523)
Special Education	7,058,348		525,963	(6,345,995)		(6,345,995)
Other Special Instruction	2,016,529			(2,016,529)		(2,016,529)
Support Services:						
Tuition	2,747,369		1,695,236	(2,747,369)		(2,747,369)
Student and Instruction Related Services	8,747,993			(7,052,757)		(7,052,757)
General Administrative Services	725,628			(725,628)		(725,628)
School Administrative Services	5,442,270			(5,442,270)		(5,442,270)
Plant Operations and Maintenance	7,101,480			(7,101,480)		(7,101,480)
Pupil Transportation	3,364,561			(3,364,561)		(3,364,561)
Interest on Long-Term Debt	396,350			(396,350)		(396,350)
Total Governmental Activities	65,660,713	186,390	3,018,861	(62,455,462)		(62,455,462)
Business-Type Activities:						
Food Service	1,609,515	644,523	893,832		\$ (71,160)	(71,160)
Total Business-Type Activities	1,609,515	644,523	893,832	-	(71,160)	(71,160)
Total Primary Government	\$ 67,270,228	\$ 830,913	\$ 3,912,693	(62,455,462)	(71,160)	(62,526,622)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, net				33,520,000		33,520,000
Taxes Levied for Debt Service				991,721		991,721
Federal and State Aid Not Restricted				27,613,694		27,613,694
State Aid Restricted				(27,682)		(27,682)
Interest and Investment Earnings				483		483
Miscellaneous Income				381,402		381,402
Total General Revenues, Special Items, Extraordinary Items and Transfers				62,479,618		62,479,618
Change in Net Assets				24,156	(71,160)	(47,004)
Net Assets -- July 1				26,730,672	379,106	27,109,778
Net Assets -- June 30				\$ 26,754,828	\$ 307,946	\$ 27,062,774

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

FUND FINANCIAL STATEMENTS

**Township of Deptford School District**  
Balance Sheet  
Governmental Funds  
June 30, 2012

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 929,633				\$ 929,633
Capital Reserve Account	250,088				250,088
Deposit - Health Insurance Program	401,927				401,927
Accounts Receivable					
State	384,452	\$ 4,528	\$ 2,287,908		2,676,888
Federal		211,380			211,380
Other	163,881				163,881
Interfunds Receivable	2,429,955				2,429,955
<b>Total Assets</b>	<b>\$ 4,559,936</b>	<b>\$ 215,908</b>	<b>\$ 2,287,908</b>	<b>\$ -</b>	<b>\$ 7,063,752</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 11,505	\$ 5,092			\$ 16,597
Interfunds Payable		2,852	\$ 2,287,908		2,290,760
Payable to Federal Government		4,307			4,307
Payable to State Government		79,980			79,980
Accrued Liability for Insurance Claims	681,407				681,407
Deferred Revenue		197,285			197,285
<b>Total Liabilities</b>	<b>692,912</b>	<b>289,516</b>	<b>2,287,908</b>		<b>3,270,336</b>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Capital Reserve Account	250,088				250,088
Excess Surplus-- Designated for Subsequents Year's Expenditures	2,088,346				2,088,346
Excess Surplus	1,992,982				1,992,982
Capital Projects					-
Debt Service					-
<b>Assigned:</b>					
Other Purposes	220,586				220,586
Designated for Subsequent Year's Expenditures					-
Unassigned	(684,978)	(73,608)			(758,586)
<b>Total Fund Balances</b>	<b>3,867,024</b>	<b>(73,608)</b>			<b>3,793,416</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,559,936</b>	<b>\$ 215,908</b>	<b>\$ 2,287,908</b>	<b>\$ -</b>	

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

The costs associated with the issues of the various bonds are expensed in the governmental funds in the year the bonds are issued but are capitalized on the statement of net assets. The bond issuance cost are \$662,957 and the accumulated amortization is \$472,633.

243,373

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$66,935,217, and the accumulated depreciation is \$30,149,046.

36,786,171

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.

13,870,224

Accrued interest payable

197,908

Net assets of governmental activities

\$ 26,754,828

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

**Township of Deptford School District**  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 For the Fiscal Year Ended June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local Tax Levy	\$ 33,520,000			\$ 991,721	\$ 34,511,721
Tuition Charges	186,390				186,390
Interest	483				483
Unrestricted Miscellaneous Revenues	381,402				381,402
State Sources	26,733,471	\$ 899,749	\$ (27,682)		27,605,538
Federal Sources	880,223	2,118,120			2,998,343
Local Sources		992			992
<b>Total Revenues</b>	<b>61,701,969</b>	<b>3,018,861</b>	<b>(27,682)</b>	<b>991,721</b>	<b>65,684,869</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
Regular Instruction	19,584,515	770,401			20,354,916
Special Education Instruction	4,705,999	513,201			5,219,200
Other Special Instruction	1,452,729				1,452,729
<b>Support Services and Undistributed Costs:</b>					
Tuition	2,747,369				2,747,369
Student and Instruction Related Services	5,080,880	1,654,103			6,734,983
General Administrative Services	725,628				725,628
School Administrative Services	2,242,478				2,242,478
Central Services	610,715				610,715
Administrative Information Technology	1,067,476				1,067,476
Plant Operations and Maintenance	5,115,981				5,115,981
Pupil Transportation	3,364,561				3,364,561
Unallocated Benefits	12,782,085	73,053			12,855,138
<b>Debt Service:</b>					
Principal				925,000	925,000
Interest and Other Charges				517,090	517,090
Capital Outlay	1,597,036		897,410		2,494,446
<b>Total Expenditures</b>	<b>61,077,452</b>	<b>3,010,758</b>	<b>897,410</b>	<b>1,442,090</b>	<b>66,427,710</b>
Excess (Deficiency) of Revenues over Expenditures	624,517	8,103	(925,092)	(450,369)	(742,841)
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from Bond Sale					-
Operating Transfers In					-
Operating Transfers Out					-
<b>Total Other Financing Sources and Uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>624,517</b>	<b>8,103</b>	<b>(925,092)</b>	<b>(450,369)</b>	<b>(742,841)</b>
Fund Balance -- July 1	3,242,507	(81,711)	925,092	450,369	4,536,257
Fund Balance -- June 30	<u>\$ 3,867,024</u>	<u>\$ (73,608)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,793,416</u>

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

**Township of Deptford School District**  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2012

Total Net Change in Fund Balances - Governmental Funds	\$	(742,841)
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$	2,624,665
Capital Outlays not being depreciated		63,113
Capital Outlays		<u>(2,494,446)</u>
		(193,332)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		925,000
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. (+)		205,200
Bond issuance costs are reported in the governmental funds as expenditures in the year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds.		(84,460)
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 (+).		<u>(85,411)</u>
Change in Net Assets of Governmental Activities	\$	<u>24,156</u>

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

**Township of Deptford School District**  
Statement of Net Assets  
Proprietary Funds  
June 30, 2012

	<u>Business-Type Activities - Enterprise Funds</u>
	<u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 315,508
Accounts Receivable:	
State	830
Federal	38,896
Other	1,506
Inventories	<u>10,475</u>
Total Current Assets	<u>367,215</u>
Noncurrent Assets:	
Furniture, Machinery and Equipment	496,633
Less Accumulated Depreciation	<u>(394,579)</u>
Total Noncurrent Assets	<u>102,054</u>
Total Assets	<u>\$ 469,269</u>
<b>LIABILITIES :</b>	
Current Liabilities:	
Interfund Payable	139,195
Accounts Payable	<u>22,128</u>
Total Current Liabilities	<u>161,323</u>
<b>NET ASSETS:</b>	
Invested in Capital Assets, Net of Related Debt	102,054
Unrestricted Net Assets	<u>205,892</u>
Total Net Assets	<u><u>\$ 307,946</u></u>

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

**Township of Deptford School District**  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2012

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 451,773
Daily Sales - Non-Reimbursable Programs	<u>192,750</u>
Total Operating Revenues	<u>644,523</u>
<b>OPERATING EXPENSES:</b>	
Salaries	765,124
Employee Benefits	84,834
Supplies and Materials	67,839
Cost of Sales	639,372
Purchased Professional Services	4,419
Dues and Subscriptions	585
Office and Uniform Expense	3,851
Repairs and Maintenance	13,296
Bank Charges	6,639
Depreciation	<u>23,556</u>
Total Operating Expenses	<u>1,609,515</u>
Operating Income (Loss)	<u>(964,992)</u>
<b>NONOPERATING REVENUES:</b>	
State Sources:	
State School Lunch Program	17,450
Federal Sources:	
Special Milk Program	7,209
National School Lunch Program	585,872
School Breakfast Program	169,724
United States Department of Agriculture Commodities	113,577
Interest and Investment Revenue	<u>-</u>
Total Nonoperating Revenues	<u>893,832</u>
Change in Net Assets	(71,160)
Net Assets -- July 1	<u>379,106</u>
Net Assets -- June 30	<u><u>\$ 307,946</u></u>

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

**Township of Deptford School District**  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2012

	<u>Business-Type Activities - Enterprise Funds</u>
	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers	\$ 645,018
Payments to Employees	(765,124)
Payments for Employee Benefits	(84,834)
Payments to Suppliers	<u>(520,625)</u>
Net Cash Provided by (used for) Operating Activities	<u>(725,565)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
Cash Received from State and Federal Reimbursements	<u>863,340</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>863,340</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchase of Capital Assets	<u>                    </u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>                    </u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest and Dividends	<u>                    </u>
Net Cash Provided by (used for) Investing Activities	<u>                    </u>
Net Increase (Decrease) in Cash and Cash Equivalents	137,775
Cash and Cash Equivalents -- July 1	<u>177,733</u>
Cash and Cash Equivalents -- June 30	<u><u>\$ 315,508</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>	
by Operating Activities:	
Operating Income (Loss)	\$ (964,992)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	23,556
Federal Commodities	113,577
(Increase) Decrease in Inventories	<u>246</u>
Total Adjustments	<u>239,427</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (725,565)</u></u>

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

**Township of Deptford School District**  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2012

	Trust Funds			Agency Funds		
	<u>New Jersey Unemployment Compensation</u>	<u>Private Purpose Trust</u>	<u>Total Trust Fund</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Fund</u>
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$ 676,487	\$ 53,970	\$ 730,457	\$ 287,188	\$ 734,790	\$ 1,021,978
Total Assets	<u>676,487</u>	<u>53,970</u>	<u>730,457</u>	<u>\$ 287,188</u>	<u>\$ 734,790</u>	<u>\$ 1,021,978</u>
<b>LIABILITIES:</b>						
Net Payroll - Summer Salary Payable to Student Groups				<u>\$ 287,188</u>	\$ 734,790	\$ 734,790 <u>287,188</u>
Total Liabilities				<u>\$ 287,188</u>	<u>\$ 734,790</u>	<u>1,021,978</u>
<b>NET ASSETS:</b>						
Held in Trust	<u>\$ 676,487</u>	<u>\$ 53,970</u>	<u>\$ 730,457</u>			

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

**Township of Deptford School District**  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Year Ended June 30, 2012

	New Jersey Unemployment Compensation	Private Purpose Scholarship Fund
ADDITIONS:		
Contributions:		
Employee Withholdings	\$ 88,180	
Gifts and Contributions		\$ 1,070
	<u>88,180</u>	<u>1,070</u>
Investment Earnings:		
Interest on Investments	<u>282</u>	
Net Investment Earnings	<u>282</u>	
Total Additions	<u>88,462</u>	<u>1,070</u>
DEDUCTIONS:		
Unemployment Compensation		
Insurance Claims	114,950	
Scholarships Awarded		4,650
Total Deductions	<u>114,950</u>	<u>4,650</u>
Change in Net Assets	(26,488)	(3,580)
Net Assets -- July 1	<u>702,975</u>	<u>57,550</u>
Net Assets -- June 30	<u>\$ 676,487</u>	<u>\$ 53,970</u>

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2012

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of the Reporting Entity** - The Township of Deptford School District (hereafter referred to as 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 is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to educate students in grades K-12 at its eight schools. The School District has an approximate enrollment at June 30, 2012 of 4,402.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the GASB 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.

**Basis of Presentation** - The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds, provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described in this Note.

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

**District-wide Financial Statements** - The Statement of Net Assets and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The Statement of Net Assets presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Basis of Presentation (cont'd)**

**Fund Financial Statements** - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

**Governmental Funds** - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

**General Fund** - The General Fund is the general 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 Borough of Lindenwold 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, district taxes, 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.

In addition to the capital outlay sub-fund, the School District is accountable for an additional sub-fund, the Education Jobs Fund ("Ed Jobs"), resulting from federal legislation signed into law on August 10, 2010. The Ed Jobs program was created to provide funding assistance to states in order to save or create education jobs for the 2010-2011 school year, through September 30, 2012. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education. Ed Jobs revenues and expenditures are recorded in the general fund (fund 18) on a reimbursement basis. As such, revenue is not included in the fiscal year surplus, and no portion of general fund balance at June 30, 2012 is considered to be attributable to Ed Jobs. Ed Jobs expenditures at June 30, 2012 are included as a component of overall general fund expenditures, and also are included in total general fund expenditures for purposes of the excess surplus calculation.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenues from the State and Federal Government, other than major capital projects, debt service, or the enterprise funds, and local appropriations that are legally restricted to expenditures for specified purposes.

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

**Capital Projects Fund** - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by Proprietary Funds. The financial resources are derived from 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.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

**Proprietary Funds** - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those found in the private sector.

**Enterprise Funds** - The Enterprise Funds are used to account for operations:

1. that are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that the costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or
2. where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The School District's Enterprise Fund is:

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

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net assets) is segregated into investment in capital assets, net of related debt, and unrestricted net assets, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	10 Years
Heavy Trucks and Vehicles	8 Years

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

**Fiduciary Funds** - Fiduciary Fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Pension trust funds are used to account for resources held in trust for employees and their beneficiaries based on defined benefit pension agreements, defined contribution agreements, other postemployment benefit agreements, and other employee benefit arrangements. Investment trust funds are used to report the external portion of an investment pool as defined in GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. 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. 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). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has four fiduciary funds, an unemployment compensation trust fund, scholarship fund, a student activity fund, and payroll fund.

**Measurement Focus**

**District-wide Financial Statements** - The district-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the Statement of Net Assets.

**Fund Financial Statements** - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Net Assets. The Statement of Changes in Fund Net Assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The Statement of Cash Flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

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

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. The restricted formula aids (i.e. Demonstrably Effective Program Aid, Early Childhood Program Aid, and Instructional Supplement Program Aid) are recorded in the special revenue fund in accordance with the Audit Program promulgated by the New Jersey Department of Education which requires that these grants be realized in an amount equal to program expenditures.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: tuition, grants, fees, and rentals.

**Expenses / Expenditures** - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as deferred revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**Budgets / Budgetary Control** - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. 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 fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the 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.

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

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 with the exception of the revenue recognition policy for the last state aid payment.

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

Open encumbrances in the special revenue fund for which the School District has received advances are reflected in the balance sheet as deferred 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 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. 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 governmental fund types 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 expenditures when consumed rather than when purchased.

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

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

**Short-Term Interfund Receivables / Payables** - Short-Term interfund receivables / payables 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. These amounts are eliminated in the governmental and business-type columns of the Statement of Net Assets, except for the net residual amounts due between governmental and business-type activities, which are presented as Interfunds Receivable and / or Interfunds Payable.

**Capital Assets** - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide Statement of Net Assets and the Proprietary Fund Statement of Net Assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	10-20 Years	N/A
Buildings and Improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	12 Years
Vehicles	5-10 Years	4-6 Years

**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, 2012, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

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

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

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

**Deferred Revenue** - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

**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 fund financial statements when due.

**Net Assets** - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Fund Balance Reserves** - The School District reserves portions of fund balance which are legally segregated for specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation for expenditures. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Fund balance reserves are established for encumbrances, legally restricted appropriations, excess surplus, and capital reserve account.

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

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

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

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

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

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

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

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

**Operating and Non-Operating Revenues and Expenses** - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund

When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed.

**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.

**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.

**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 may not be returned to it. 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. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, athletic and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule below.

As of June 30, 2012, the School District's bank balance of \$6,642,958 was exposed to custodial credit risk as follows:

Insured	\$ 500,000
Collateralized under GUDPA	3,961,078
Uninsured/Uncollateralized	<u>2,181,880</u>
	<u><u>\$ 6,642,958</u></u>

**Note 3: CAPITAL RESERVE ACCOUNT**

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

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A school district may also appropriate additional amounts when the excess 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:23-2.13(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, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance July 1, 2011	\$ 248,088
Deposits	2,000
Withdrawals	<u>-</u>
Ending Balance June 30, 2012	<u><u>\$ 250,088</u></u>

The June 30, 2012 LRFP balance of local support costs of uncompleted capital projects \$962,460

**Note 4: ACCOUNTS RECEIVABLES**

Accounts receivable at June 30, 2012 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

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

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>	<b><u>Capital Projects Fund</u></b>	<b><u>Enterprise Funds</u></b>	<b><u>Total</u></b>
Intergovernmental	\$ 548,333	\$ 215,908	\$ 2,287,908	_____	\$ 3,052,149
Total	<u>\$ 548,333</u>	<u>\$ 215,908</u>	<u>\$ 2,287,908</u>	=====	<u>\$ 3,052,149</u>

**Note 5: INVENTORY**

Inventory in the Food Service Fund at June 30, 2012 consisted of the following:

Food	\$ 10,363
Supplies	<u>112</u>
	<u>\$ 10,475</u>

**Note 6: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 210,136			\$ 210,136
Construction in Progress	349,270	\$ 897,410	\$ (349,270)	897,410
Total Capital Assets, not being Depreciated	<u>559,406</u>	<u>897,410</u>	<u>(349,270)</u>	<u>1,107,546</u>
Capital Assets, being Depreciated:				
Land Improvements	1,016,326			1,016,326
Building and Improvements	54,076,292	1,285,933	349,270	55,711,495
Equipment	8,851,860	247,990		9,099,850
Total Capital Assets, being Depreciated	<u>63,944,478</u>	<u>1,533,923</u>	<u>349,270</u>	<u>65,827,671</u>
Less Accumulated Depreciation for:				
Land Improvements	(375,044)	(59,512)		(434,556)
Building and Improvements	(20,169,434)	(2,145,417)		(22,314,851)
Equipment	(6,979,903)	(419,736)		(7,399,639)
Total Accumulated Depreciation	<u>(27,524,381)</u>	<u>(2,624,665)</u>	<u>-</u>	<u>(30,149,046)</u>
Total Capital Assets, being Depreciated, Net	<u>36,420,097</u>	<u>(1,090,742)</u>	<u>349,270</u>	<u>35,678,625</u>
Governmental Activities Capital Assets, Net	<u>\$ 36,979,503</u>	<u>\$ (193,332)</u>	<u>\$ -</u>	<u>\$ 36,786,171</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Equipment	\$ 496,633			496,633
Less Accumulated Depreciation	(371,024)	\$ (23,555)		(394,579)
Total Business-Type Activities Capital Assets, Net	<u>\$ 125,609</u>	<u>\$ (23,555)</u>	<u>\$ -</u>	<u>\$ 102,054</u>

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

\* Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 1,289,558
Special Instruction	309,870
Other Special Instruction	95,656
Student & Instruction Related Services	334,555
School Administrative Services	258,160
Plant Operations and Maintenance	<u>336,866</u>
Total Depreciation Expense	<u>\$ 2,624,665</u>

**Note 7: LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2012, the following changes occurred in long-term obligations:

	<u>Principal Outstanding July 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2012</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 12,545,000		\$ (925,000)	\$ 11,620,000	\$ 965,000
Compensated Absences	<u>2,211,063</u>	<u>\$ 287,001</u>	<u>(201,590)</u>	<u>2,296,474</u>	<u>574,118</u>
Governmental Activity Long-term Liabilities	<u>\$ 14,756,063</u>	<u>\$ 287,001</u>	<u>\$ (1,126,590)</u>	<u>\$ 13,916,474</u>	<u>\$ 1,539,118</u>

Unamortized prepaid interest costs are allocated to current and non-current portions of the outstanding principal balance of long term obligations at June 30, 2012 as follows:

	<u>Due within one year</u>	<u>Due beyond one year</u>	<u>Total</u>
Long term obligations	\$ 1,539,118	\$ 12,377,356	\$ 13,916,474
Less unamortized prepaid interest	<u>(46,250)</u>		<u>(46,250)</u>
	<u>\$ 1,492,868</u>	<u>\$ 12,377,356</u>	<u>\$ 13,870,224</u>

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

**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.

The School District has issued various general obligation bonds at interest rates varying from 3.30% to 4.60% for various construction and renovation projects. The details of these bond issues are listed below:

<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities</u>	<u>Interest Rates</u>
2006	\$ 10,000,000	2013 to 2022	3.30% - 4.00%
2002	\$ 18,175,000	2013 to 2014	4.40% - 4.60%

The final maturity of these bonds is February 1, 2022. The bonds will be paid from property taxes.

Principal and interest due on bonds outstanding is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 965,000	\$ 474,980	\$ 1,439,980
2014	1,010,000	431,030	1,441,030
2015	1,050,000	385,800	1,435,800
2016	1,100,000	343,800	1,443,800
2017	1,140,000	299,800	1,439,800
2018-2022	6,355,000	779,400	7,134,400
	<u>\$ 11,620,000</u>	<u>\$ 2,714,810</u>	<u>\$ 14,334,810</u>

**Bonds Authorized But Not Issued** - As of June 30, 2012, the School District had no authorized but not issued bonds.

**Compensated Absences** - Compensated absences will be paid from the fund from which the employees' salaries are paid.

**Note 8: PENSION PLANS**

Substantially all of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, which are administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295

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

**Teachers' Pension and Annuity Fund** - The Teachers' Pension and Annuity Fund (TPAF) is a cost-sharing contributory defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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 district has been required over several preceding fiscal years.

**Public Employees' Retirement System** - The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, 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. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Paid by District</u>
2012	\$ 291,366	\$ 681,609	\$ 972,975	\$ 972,975
2011	308,965	492,316	801,281	801,281
2010	253,517	325,739	579,256	579,256

**Note 9: POSTEMPLOYMENT BENEFITS**

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for postemployment medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in fiscal year 2011.

**Note 10: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2012, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement costs were \$844,947 and \$1,698,563, respectively.

**Note 11: RISK MANAGEMENT**

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

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

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

The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two fiscal years:

<u>Fiscal Year</u>	<u>District Contribution</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012	None	\$ 88,462	\$ 114,950	\$ 676,487
2011	None	85,142	66,861	702,975
2010	None	85,138	83,434	683,420

**Note 11: RISK MANAGEMENT (CONT'D)**

**Minimum premium health insurance plan** - The School District maintains a minimum premium health insurance program for that portion of healthcare costs not covered by insurance. The Board accounts for the plan in its General Fund. The Board is liable for claims up to \$200,000 per participant. For claims in excess of \$200,000, the Board has purchased insurance coverage. Insurance costs are accrued based upon the aggregate of the liability for reported claims and an actuarially determined estimated liability for claims incurred but not reported. The amount of this liability was \$681,407 as of June 30, 2012.

Changes in the reported liability for the year ended June 30, 2012 resulted from the following:

Beginning Balance July 1, 2011	\$ 766,840
Current year claims and changes in estimates	<u>6,021,234</u>
	6,788,074
Less claims payments	<u>6,106,667</u>
Ending Balance June 30, 2012	<u>\$ 681,407</u>

Minimum premium health costs amounted to \$6,021,234 for the year ended June 30, 2012. Deposits held by the health insurance plan at June 30, 2012 were \$401,927.

**Joint Insurance Pool** - The School District is a member of the Gloucester/Cumberland/Salem School Districts Joint Insurance Fund (GCSSDJIF) public entity risk pool during the fiscal year 2009.

The Fund provides the School District with the following coverage:

- Property
- General Liability
- Automobile Liability
- Workers' Compensation
- School Board Legal Liability
- Boiler and Machinery

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

**Note 12: DEFERRED COMPENSATION**

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

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

**Note 13: COMPENSATED ABSENCES**

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

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to three personal days which may be carried forward to subsequent years. Vacation days not used during the year may be accumulated in accordance with applicable unit agreements. 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, 2012 the liability for compensated absences in the governmental fund was \$2,296,474.

**Note 14: INTERFUND BALANCES AND TRANSFERS**

Transfers between funds are used to repay expenses paid by another fund. The following interfund balances were recorded on the various balance sheets as June 30, 2012:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	2,429,955	
Special Revenue		2,852
Capital Projects		2,287,908
Proprietary		139,195
	<u>\$ 2,429,955</u>	<u>\$ 2,429,955</u>

All interfunds, except for the special revenue fund, were created as a result of the final allocation of costs in the various funds. The interfund, in special revenue, was created as a result of a delay in the cash payments from the State of New Jersey. All interfunds are expected to be liquidated within the next fiscal cycle.

**Note 15: DEFICIT FUND BALANCES**

The School District has a deficit fund balance of \$684,978 and \$73,608 in the General Fund and Special Revenue Fund respectively as of June 30, 2012 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 last state aid payment 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 last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the General and Special Revenue Fund balance deficit does not alone indicate that the school district is facing financial difficulties.

**Note 15: DEFICIT FUND BALANCES (CONT'D)**

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment 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 General and Special Revenue Funds in the GAAP funds statements of \$758,586 is less than the last state aid payments.

**Note 16: DEFICIT UNRESTRICTED NET ASSETS**

The governmental funds have a deficit in unrestricted net assets of \$2,834,474 as of June 30, 2012. This deficit is due primarily to the timing difference of recording the June state aid payments and the recording of the unpaid compensated absences.

**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 reserve 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, 2012 is \$4,081,328.

**For Capital Reserve Account** - As of June 30, 2012, the balance in the capital reserve account is \$250,088. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFPP).

**ASSIGNED**

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

**General Fund -**

**Other Purposes** - As of June 30, 2012, the School District had \$220,586 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

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

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

**General Fund** - As of June 30, 2012, (\$684,978) of general fund balance was unassigned.

**Special Revenue Fund** - As of June 30, 2012, the fund balance of the special revenue fund was a deficit of \$73,608, 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 \$73,608 is less than the last state aid payment.

**Note 18: 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.

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, 2012

REVENUES:	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Local Sources:					
Local Tax Levy	\$ 33,520,000	-	\$ 33,520,000	\$ 33,520,000	
Tuition - from Individual	197,162	(197,161)	1	1,673	\$ 1,672
Tuition - LEAs w/in state		197,161	197,161	184,717	(12,444)
Interest	2,000	-	2,000	483	(1,517)
Miscellaneous	288,075	829	288,904	381,402	92,498
<b>Total - Local Sources</b>	<b>34,007,237</b>	<b>829</b>	<b>34,008,066</b>	<b>34,088,275</b>	<b>80,209</b>
State Sources:					
Equalization Aid	19,224,564		19,224,564	19,477,825	253,261
Nonpublic Transportation Aid				26,892	26,892
Extraordinary Aid	106,000		106,000	257,089	151,089
Other State Aid					
Categorical Special Education Aid	2,107,675		2,107,675	2,107,675	
Categorical Security Aid				335,084	335,084
Categorical Transportation Aid					
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)				844,947	844,947
On-Behalf T.P.A.F. Post Retirement Pension Contributions (non-budgeted)				1,698,563	1,698,563
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				2,083,843	2,083,843
<b>Total - State Sources</b>	<b>21,438,239</b>	<b>-</b>	<b>21,438,239</b>	<b>26,831,918</b>	<b>5,393,679</b>
Federal Sources:					
Medicaid Reimbursement	82,247	-	82,247	70,789	(11,458)
Education Jobs Fund	784,000	25,434	809,434	809,434	
<b>Total - Federal Sources</b>	<b>866,247</b>	<b>25,434</b>	<b>891,681</b>	<b>880,223</b>	<b>(11,458)</b>
<b>Total Revenues</b>	<b>56,311,723</b>	<b>26,263</b>	<b>56,337,986</b>	<b>61,800,416</b>	<b>5,462,430</b>

(Continued)

**Township of Deptford School District**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund

For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES:</b>					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	\$ 1,155,578	\$ 1,521	\$ 1,521	1,521	\$ 92,363
Kindergarten	7,438,026	(25,764)	1,129,814	1,037,451	592
Grades 1-5	3,594,920	(356,249)	7,081,777	7,081,185	49,794
Grades 6-8	5,112,007	269,189	3,864,109	3,814,315	104,850
Grades 9-12		(31,783)	5,080,224	4,975,374	
Regular Programs - Home Instruction:					
Salaries of Teachers	75,000	43,494	118,494	110,754	7,740
Purchased Services	90,000	-	90,000	58,613	31,387
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	145,905	537,212	683,117	683,117	
Purchased Professional / Educational Services	20,900	622,984	643,884	631,265	12,619
Other Purchased Services	284,380	(59,833)	224,547	217,932	6,615
Travel		9,768	9,768	5,031	4,737
General Supplies	761,200	201,389	962,589	832,866	129,723
Textbooks	170,800	(19,928)	150,872	133,387	17,485
Other Objects	6,000	(940)	5,060	1,704	3,356
<b>Total Regular Programs</b>	<b>18,854,716</b>	<b>1,191,060</b>	<b>20,045,776</b>	<b>19,584,515</b>	<b>461,261</b>
Special Education - Instruction:					
Cognitive - Moderate					
Salaries of Teachers	226,813	(57,904)	168,909	137,352	31,557
Other Salaries for Instruction	90,681	(57,650)	33,031	33,031	-
General Supplies	9,475	(1,402)	8,073	7,878	195,00
Other Objects		1,206	1,206	828	378
<b>Total Cognitive - Moderate</b>	<b>326,969</b>	<b>(115,750)</b>	<b>211,219</b>	<b>179,089</b>	<b>32,130</b>
Special Education - Instruction:					
Learning and Language Disabled:					
Salaries of Teachers	3,566,792	(2,934,786)	632,006	627,238	4,768
Other Salaries for Instruction	453,405	(151,312)	302,093	291,910	10,183
General Supplies	6,100	(453)	5,647	2,835.00	2,812
<b>Total Learning and Language Disabled</b>	<b>4,026,297</b>	<b>(3,086,551)</b>	<b>939,746</b>	<b>921,983</b>	<b>17,763</b>

(Continued)

**Township of Deptford School District**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund

For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
Current Expense (Cont'd)					
Multiple Disabilities					
Salaries of Teachers	\$ 111,242	\$ 186,277	\$ 297,519	\$ 294,248	\$ 3,271
Other Salaries for Instruction	60,454	157,962	218,416	218,416	
General Supplies	2,200	12,922	15,122	13,533	1,589
<b>Total Multiple Disabilities</b>	<b>173,896</b>	<b>357,161</b>	<b>531,057</b>	<b>526,197</b>	<b>4,860</b>
Special Education - Instruction:					
Behavioral Disabilities					
Salaries of Teachers	265,684	(75,271)	190,413	187,279	3,134
Other Salaries for Instruction	453,405	(411,879)	41,526	31,870	9,656
General Supplies	12,800	(7,118)	5,682	3,961	1,721
<b>Total Behavioral Disabilities</b>	<b>731,889</b>	<b>(494,268)</b>	<b>237,621</b>	<b>223,110</b>	<b>14,511</b>
Resource Room / Resource Center:					
Salaries of Teachers		2,627,534	2,627,534	2,627,534	
Other Salaries for Instruction		62,454	62,454	40,182	22,272
General Supplies	-	115	115	58	57
<b>Total Resource Room / Resource Center</b>	<b>-</b>	<b>2,690,103</b>	<b>2,690,103</b>	<b>2,667,774</b>	<b>22,329</b>
Preschool Disabilities - Part Time:					
Salaries of Teachers	140,942	(4,603)	136,339	123,807	12,532
Other Salaries for Instruction	60,454	3,427	63,881	63,881	
General Supplies	500	-	500	158	342
<b>Total Preschool Disabilities - Part Time</b>	<b>201,896</b>	<b>(1,176)</b>	<b>200,720</b>	<b>187,846</b>	<b>12,874</b>
<b>Total Special Education - Instruction</b>	<b>5,460,947</b>	<b>(650,481)</b>	<b>4,810,466</b>	<b>4,705,999</b>	<b>104,467</b>
Basic Skills / Remedial - Instruction					
Salaries of Teachers	411,426	134,875	546,301	519,797	26,504
<b>Total Basis Skills / Remedial - Instruction</b>	<b>411,426</b>	<b>134,875</b>	<b>546,301</b>	<b>519,797</b>	<b>26,504</b>

(Continued)

**Township of Deptford School District**  
 Required Supplementary Information  
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 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
Current Expense (Cont'd)					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 208,313		\$ 208,313	\$ 197,021	\$ 11,292
Total Bilingual Education - Instruction	208,313		208,313	197,021	11,292
School Sponsored Cocurricular Activities - Instruction:					
Salaries	265,895	\$ (29,333)	236,562	225,591	10,971
Purchased Services	7,500	1,500	9,000	8,250	750
Supplies and Materials	33,160	621	33,781	28,105	5,676
Other Objects - Cocurricular	17,500	(283)	17,217	8,385	8,832
Total School Sponsored Cocurricular Activities - Instruction	324,055	(27,495)	296,560	270,331	26,229
School Sponsored Athletics - Instruction:					
Salaries	330,493	(20,618)	309,875	281,214	28,661
Purchased Services	29,000	15,342	44,342	44,342	
Supplies and Materials	65,000	4,196	69,196	66,600	2,596
Other Objects	32,900	17,558	50,458	49,139	1,319
Total School Sponsored Athletics - Instruction	457,393	16,478	473,871	441,295	32,576
Community Services Programs/Operations Supplies and Materials	75	-	75		75
Total Community Service Programs/Operations	75	-	75		75
Total Instruction	25,716,925	664,437	26,381,362	25,718,958	662,404

(Continued)

**Township of Deptford School District**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund

For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
Current Expense (Cont'd)					
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within State - Regular	\$ 111,039	\$ 6,904	\$ 117,943	\$ 117,943	\$ 49,895
Tuition to Other LEA's Within State - Special	53,601	16,923	70,524	20,629	7,446
Tuition to County Voc. School Dist. - Regular	394,740	85,680	480,420	472,974	130,000
Tuition to CSSD & Reg. Day Schools	1,908,225	(137,790)	1,770,435	1,640,435	6,702
Tuition to Private Schools for the Disabled - Within State	529,056	(236,366)	292,690	285,988	
Tuition to Priv Sch Disabled & Oth LEAs - Spl,O/S St	73,976	2,154	76,130	76,130	
Tuition - State Facilities	66,000	-	66,000	66,000	
Tuition - Other		67,270	67,270	67,270	
<b>Total Undistributed Expenditures - Instruction</b>	<b>3,136,637</b>	<b>(195,225)</b>	<b>2,941,412</b>	<b>2,747,369</b>	<b>194,043</b>
Attendance and Social Work Services					
Salaries	103,877	1,564	105,441	102,741	2,700
<b>Total Attendance and Social Work Services</b>	<b>103,877</b>	<b>1,564</b>	<b>105,441</b>	<b>102,741</b>	<b>2,700</b>
Undistributed Expenditures - Health Services:					
Salaries	800,433	(132,098)	668,335	584,240	84,095
Purchased Professional and Technical Services	12,500	278	12,778	12,778	
Other Purchased Services	500	(440)	60	60	
Supplies and Materials	10,000	7,197	17,197	15,794	1,403
Other Objects	400	565	965	965	
<b>Total Undistributed Expenditures - Health Services</b>	<b>823,833</b>	<b>(124,498)</b>	<b>699,335</b>	<b>613,777</b>	<b>85,558</b>
Undistributed Expenditures - Other Support Services - Speech, OT, PT & Related Services:					
Salaries	472,526	78,948	551,474	551,181	293
Purchased Professional - Educational Services		45,327	45,327	42,767	2,560
General Supplies		2,303	2,303	1,042	1,261
<b>Total Undistributed Expenditures - Other Support Services - Speech, OT, PT &amp; Related Services</b>	<b>472,526</b>	<b>126,578</b>	<b>599,104</b>	<b>594,990</b>	<b>4,114</b>

(Continued)

**Township of Deptford School District**  
 Required Supplementary Information  
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For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
Current Expense (Cont'd)					
Undistributed Expenditures - Other Support Services - Students - Extraordinary:					
Salaries	\$ 483,632	\$ (60,418)	\$ 423,214	\$ 419,914	\$ 3,300
Purchased Professional - Educational Services	289,000	(25,106)	263,894	261,285	2,609
Supplies and Materials	2,000	662	2,662	2,361	301
<b>Total Undistributed Expenditures - Other Support Services - Students - Extraordinary</b>	<b>774,632</b>	<b>(84,862)</b>	<b>689,770</b>	<b>683,560</b>	<b>6,210</b>
Undistributed Expenditures - Other Support Services - Guidance:					
Salaries of Other Professional Staff	772,737	157,427	930,164	930,164	
Salaries of Secretarial and Clerical Assistants	54,324	-	54,324	54,323	1
Supplies and Materials	15,700	(235)	15,465	5,793	9,672
Other Objects	700	-	700	270	430
<b>Total Undistributed Expenditures - Other Support Services - Guidance:</b>	<b>843,461</b>	<b>157,192</b>	<b>1,000,653</b>	<b>990,550</b>	<b>10,103</b>
Undistributed Expenditures - Other Support Services - Child Study Teams:					
Salaries of Other Professional Staff	971,752	(196,961)	774,791	774,791	
Salaries of Secretarial and Clerical Assistants	142,595	(63,625)	78,970	77,624	1,346
Other Salaries		5,698	5,698	5,698	
Other Professional/Tech Services		800	800	800	
Residential Costs	97,500	(18,077)	79,423	1,250	78,173
Supplies and Materials	38,000	(8,368)	29,632	22,061	7,571
Other Objects	6,000	2,899	8,899	3,458	5,441
<b>Total Undistributed Expenditures - Other Support Services - Child Study Teams:</b>	<b>1,255,847</b>	<b>(277,634)</b>	<b>978,213</b>	<b>885,682</b>	<b>92,531</b>

(Continued)

**Township of Deptford School District**  
 Required Supplementary Information  
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For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
Current Expense (Cont'd)					
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	\$ 265,280	\$ (116)	\$ 265,164	259,110	\$ 6,054
Salaries of Other Professional Staff	72,271	-	72,271	52,741	19,530
Salaries of Secretarial and Clerical Assistants	58,837	20,355	79,192	79,192	-
Other Salaries		116	116	-	116
Supplies and Materials		2,768	2,768	2,768	-
<b>Total Undistributed Expenditures - Improvement of Instruction Services</b>	<b>396,388</b>	<b>23,123</b>	<b>419,511</b>	<b>393,811</b>	<b>25,700</b>
Undistributed Expend. - Educational Media Services / Sch Library:					
Salaries	596,073	(100,760)	495,313	495,313	-
Other Purchased Services	3,000	(732)	2,268	165	2,103
Supplies and Materials	73,500	2,747	76,247	64,599	11,648
<b>Total Undistributed Expend. - Educational Media Services / Sch Library</b>	<b>672,573</b>	<b>(98,745)</b>	<b>573,828</b>	<b>560,077</b>	<b>13,751</b>
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	111,847	(147)	111,700	109,204	2,496
Salaries of Secretarial and Clerical Assistance	17,716	-	17,716	17,716	-
Other Salaries	120,730	1,631	122,361	56,673	65,688
Purchased Professional-Education services	26,629	7,234	33,863	14,235	19,628
Other Professional/Tech Services		17,985	17,985		17,985
Other Purchased Services	19,529	(8,915)	10,614	9,790	824
<b>Total Undistributed Expenditures - Instructional Staff Training Services:</b>	<b>296,451</b>	<b>17,788</b>	<b>314,239</b>	<b>207,618</b>	<b>106,621</b>
Undistributed Expenditures - Support Services - General Administration:					
Salaries	402,023	-	402,023	400,469	1,554
Legal Services	75,000	8,059	83,059	79,960	3,099
Audit Fees	37,000	4,904	41,904	41,904	-
Other Purchased Professional Services	35,000	(14,791)	20,209	3,990	16,219
Purchased Technical Services	4,500	5,134	9,634	8,284	1,350
Communications / Telephone	68,000	(41,412)	26,588	23,224	3,364
BoE Other Purch. Serv		540	540		540
Misc Other Purchased Services	126,688	(18,061)	108,627	108,627	-
General Supplies	10,000	-	10,000	5,894	4,106
Miscellaneous Expenditures	20,000	2,549	22,549	22,549	-
BOE Membership Dues and Fees	32,000	-	32,000	30,187	1,813
<b>Total Undistributed Expenditures - Support Services - General Admin</b>	<b>810,211</b>	<b>(53,078)</b>	<b>757,133</b>	<b>725,628</b>	<b>31,505</b>

(Continued)

**Township of Deptford School District**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund

For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
Current Expense (Cont'd)					
Undistributed Expenditures - Support Services - School Admin:					
Salaries of Principals / Assistant Principals	\$ 1,356,395	\$ (174)	\$ 1,356,221	\$ 1,350,596	\$ 5,625
Salaries of Other Professional Staff	144,659	34,317	178,976	165,836	13,140
Salaries of Secretarial and Clerical Assistants	693,665	1,598	695,263	683,967	11,296
Purchased Professional and Technical Services	500	2,973	3,473	1,692	1,781
Purchased Professional and Educational Services		500	500		500
Other Purchased Services (400-500 series)	8,500	(300)	8,200	2,153	6,047
Supplies and Materials	15,500	42,964	58,464	17,159	41,305
Other Objects	26,200	3,008	29,208	21,075	8,133
<b>Total Undistributed Expenditures - Support Services - School Admin.</b>	<b>2,245,419</b>	<b>84,886</b>	<b>2,330,305</b>	<b>2,242,478</b>	<b>87,827</b>
Undistributed Expenditures - Central Services					
Salaries	575,530	(33,252)	542,278	523,547	18,731
Purchased Technical Services	16,400	4,627	21,027	21,027	
Miscellaneous Purchased Services	34,500	(5,948)	28,552	27,095	1,457
Supplies and Materials	15,000	275	15,275	13,802	1,473
Interest on Lease Purchase Agreements	6,133	3,956	10,089	10,089	
Miscellaneous Expenditures	4,500	10,997	15,497	15,155	342
<b>Total Undistributed Expenditures - Central Services</b>	<b>652,063</b>	<b>(19,345)</b>	<b>632,718</b>	<b>610,715</b>	<b>22,003</b>
Undistributed Expenditures - Admin. Info. Technology					
Salaries	372,480	9,235	381,715	380,915	800
Purchased Professional Services	165,000	77,604	242,604	242,604	
Other Purchased Services	106,170	(44,085)	62,085	62,085	
Supplies and Materials	178,000	201,064	379,064	379,025	39
Other Objects	5,000	(1,918)	3,082	2,847	235
<b>Total Undistributed Expenditures - Admin. Info. Technology</b>	<b>826,650</b>	<b>241,900</b>	<b>1,068,550</b>	<b>1,067,476</b>	<b>1,074</b>
Undistributed Expenditures - Allowable Maintenance for Sch Facilities:					
Salaries	180,000	-	180,000	152,125	27,875
Cleaning, Repair and Maintenance Services	120,135	(282)	119,853	55,197	64,656
General Supplies	28,000	961	28,961	15,474	13,487
<b>Total Undistributed Expenditures - Allowable Maintenance for Sch Facilities</b>	<b>328,135</b>	<b>679</b>	<b>328,814</b>	<b>222,796</b>	<b>106,018</b>

(Continued)

**Township of Deptford School District**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
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For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
Current Expense (Cont'd)					
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Salaries	\$ 2,393,414	\$ (52,429)	\$ 2,340,985	\$ 2,208,354	\$ 132,631
Salaries of Non-Instructional Aides	196,995	41,043	238,038	238,038	
Purchased Professional and Technical Services	214,672	(143)	214,529	212,943	1,586
Cleaning, Repair and Maintenance Services	396,476	2,227	398,703	331,016	67,687
Other Purchased Property Services	72,000	-	72,000	71,846	154
Insurance	149,620	-	149,620	148,455	1,165
General Supplies	275,000	14,842	289,842	282,979	6,863
Energy (Heat and Electricity)	1,425,000	(280,930)	1,144,070	1,057,427	86,643
Other Objects	10,800	-	10,800	8,760	2,040
<b>Total Undistributed Expenditures - Operation and Maintenance of Plant Services</b>	<b>5,133,977</b>	<b>(275,390)</b>	<b>4,858,587</b>	<b>4,559,818</b>	<b>298,769</b>
Undistributed Expenditures - Care & Upkeep of Grounds					
Salaries	314,072	14,873	328,945	328,945	
General Supplies	55,000	(14,873)	40,127	4,422	35,705
<b>Total Undistributed Expenditures - Care &amp; Upkeep Grounds</b>	<b>369,072</b>	<b>-</b>	<b>369,072</b>	<b>333,367</b>	<b>35,705</b>
Undistributed Expenditures - Student Transportation Services:					
Salaries for Non-Instructional Aides	230,420	13,232	243,652	243,652	
Sal for Pupil Trans (Bet Home & Sch) - Reg.	1,118,602	315,366	1,433,968	1,428,260	5,708
Sal for Pupil Trans (Bet Home & Sch) - Sp Ed	390,730	(124,231)	266,499	265,502	997
Sal for Pupil Trans (Other than Bet. Home & Sch)	55,000	(36,411)	18,589	9,606	8,983
Cleaning, Repair and Maintenance Services	64,500	(23,648)	40,852	23,720	17,132
Contracted Services - Aid in Lieu of Payments - NonPub Sch	150,810	(26,651)	124,159	115,632	8,527
Contracted Services - (Between Home and School) - Vendors	663,000	(226,163)	436,837	414,119	22,718
Contracted Services - (Other than Bet Home & Sch) - Vendors	48,000	32,175	80,175	27,354	52,821
Contracted Services - (Special Education) - Joint Agreement	180,000	118,080	298,080	298,080	
Miscellaneous Purchased Services - Transportation	68,608	-	68,608	59,619	8,989
General Supplies	350,000	122,936	472,936	472,786	150
Other Objects	10,500	-	10,500	6,231	4,269
<b>Total Undistributed Expenditures - Student Transportation Services</b>	<b>3,330,170</b>	<b>164,685</b>	<b>3,494,855</b>	<b>3,364,561</b>	<b>130,294</b>

(Continued)

**Township of Deptford School District**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
Current Expense (Cont'd)					
Unallocated Benefits:					
Social Security Contributions	700,000	174,270	874,270	874,070	\$ 200
Other Retirement Contributions - Regular	978,211	3,140	981,351	981,351	
Workman's Compensation	249,000	78,839	327,839	327,839	
Health Benefits	7,301,194	(1,192,707)	6,108,487	5,760,095	348,392
Tuition Reimbursement	46,000	(6,107)	39,893	34,943	4,950
Other Employee Benefits	286,599	(93,505)	193,094	176,434	16,660
<b>Total Unallocated Benefits</b>	<u>9,561,004</u>	<u>(1,036,070)</u>	<u>8,524,934</u>	<u>8,154,732</u>	<u>370,202</u>
On-behalf T.P.A.F. Pension Contributions (non-budgeted)				844,947	(844,947)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				2,083,843	(2,083,843)
On-Behalf T.P.A.F. Post Retirement Pension Contributions (non-budgeted)				1,698,563	(1,698,563)
<b>Total On-behalf Contributions</b>	-	-	-	4,627,353	(4,627,353)
<b>Total Undistributed Expenditures</b>	<u>32,032,926</u>	<u>(1,346,452)</u>	<u>30,686,474</u>	<u>33,689,099</u>	<u>(3,002,625)</u>
<b>Total Current Expense</b>	<u>57,749,851</u>	<u>(682,015)</u>	<u>57,067,836</u>	<u>59,408,057</u>	<u>(2,340,221)</u>

(Continued)

**Township of Deptford School District**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>EXPENDITURES (CONTD):</b>					
Current Expense (Cont'd)					
Capital Outlay:					
Interest Deposit to Capital Reserve	\$ 2,000	\$ (2,000)			
Equipment:					
Grades 9-12	10,000	(10,000)			
Special Education - Cognitive Mod		2,600	\$ 2,600	\$ 2,600	
Undistributed Expenditures:					
Central Services	254,750	59,601	59,601	52,850	\$ 6,751
Admin Info Tech	5,900	(75,901)	178,849	48,849	130,000
Required Maint for School Fac.		(5,900)			
Custodial Services		6,996	6,996	6,996	
<b>Total Equipment</b>	<b>270,650</b>	<b>(22,604)</b>	<b>248,046</b>	<b>111,295</b>	<b>136,751</b>
<b>Facilities Acquisition and Construction Services</b>					
Other Purchased Professional / Technical Services		53,933	53,933	53,933	
Construction Services		1,232,000	1,232,000	1,232,000	
Lease Purchase Payment - Principal	76,560	50,190	126,750	126,750	
School-Sponsored and other Instructional Programs		3,195	3,195	3,195	
Other Objects	69,863	-	69,863	69,863	
<b>Total Facilities Acquisition and Construction Services</b>	<b>146,423</b>	<b>1,339,318</b>	<b>1,485,741</b>	<b>1,485,741</b>	<b>-</b>
<b>Total Capital Outlay</b>	<b>417,073</b>	<b>1,316,714</b>	<b>1,733,787</b>	<b>1,597,036</b>	<b>136,751</b>

(Continued)

**Township of Deptford School District**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd)					
Special Schools					
Summer School - Instruction	3,000		3,000		3,000
Salaries of Teachers					
Total Summer School - Instruction	3,000		3,000		3,000
Other Special Schools - Instruction					
Salaries of Teachers	21,038		21,038	12,815	8,223
Other Salaries for Instruction	13,275		13,275	10,465	2,810
General Supplies	8,334		8,334	1,005	7,329
Total Other Special Schools - Instruction	42,647		42,647	24,285	18,362
Other Special Schools - Support Services					
Salaries	71,293		71,293	48,074	23,219
Total Other Special Schools - Support Services	71,293		71,293	48,074	23,219
Total Special Schools:	116,940		116,940	72,359	44,581
Transfer of Funds to Charter Schools	9,859	(9,859)			-
<b>Total Expenditures</b>	58,295,723	622,840	58,918,563	61,077,452	(2,158,889)

(Continued)

**Township of Deptford School District**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund

For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>Calculation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (1,984,000)	\$ (596,577)	\$ (2,580,577)	\$ 722,964.00	\$ (3,303,541)
Other Financing Sources (Uses):					
Operating Transfer Out - Food Service	300,000	-	300,000		300,000
Operating Transfer In - Capital Projects					-
Capital Leases					-
Total Other Financing Sources (Uses)	300,000	-	300,000	-	300,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,684,000)	(596,577)	(2,280,577)	722,964	(3,003,541)
Fund Balances, July 1	5,136,021	-	5,136,021	5,136,021	-
Fund Balances, June 30	<u>\$ 3,452,021</u>	<u>\$ (596,577)</u>	<u>\$ 2,855,444</u>	<u>\$ 5,858,985</u>	<u>\$ (3,003,541)</u>

**Recapitulation:**

Restricted:	
Capital Reserve	\$ 250,088
Excess Surplus	1,992,982
Assigned:	
Year-End Encumbrances	220,586
Designated for Subsequent Year's Expenditures	2,088,346
Unassigned	<u>1,306,983</u>
	5,858,985
	<u>(1,991,961)</u>
	<u>\$ 3,867,024</u>

Reconciliation to Governmental Funds Statements (GAAP):  
 Last 11-12 State Aid Payment Not Recognized on GAAP Basis

**Township of Deptford School District**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund - Education Jobs Fund 18  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Federal Sources:					
Education Jobs Fund	\$ 784,000	\$ 25,434	\$ 809,434	\$ 809,434	
<b>Total - Federal Sources</b>	<u>784,000</u>	<u>25,434</u>	<u>809,434</u>	<u>809,434</u>	<u>-</u>
<b>Total Revenues</b>	<u>784,000</u>	<u>25,434</u>	<u>809,434</u>	<u>809,434</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Grades 9-12	784,000	25,434	809,434	809,434	-
<b>Total Regular Programs</b>	<u>784,000</u>	<u>25,434</u>	<u>809,434</u>	<u>809,434</u>	<u>-</u>
<b>Total Current Expense</b>	<u>784,000</u>	<u>25,434</u>	<u>809,434</u>	<u>809,434</u>	<u>-</u>
<b>Total Expenditures</b>	<u>784,000</u>	<u>25,434</u>	<u>809,434</u>	<u>809,434</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, July 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Township of Deptford School District**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Safety Grant		\$ 500	\$ 500	\$ 500	
Margaret Santo Memo		500	500	492	(8)
<b>Total - Local Sources</b>		<b>1,000</b>	<b>1,000</b>	<b>992</b>	<b>(8)</b>
<b>State Sources:</b>					
NJ Non-Public Nursing		13,685	13,685		(13,685)
NJ Non-Public Textbook Aid		9,581	9,581	9,377	(204)
Chapter 192 - Auxiliary Services		134,394	134,394	73,480	(60,914)
Chapter 193 - Handicapped Services		75,565	75,565	70,388	(5,177)
Early Childhood Program Aid	\$ 736,077		736,077	736,077	-
Home Instruction		1,528	1,528	2,324	796
<b>Total - State Sources</b>	<b>736,077</b>	<b>234,753</b>	<b>970,830</b>	<b>891,646</b>	<b>(79,184)</b>
<b>Federal Sources:</b>					
Title I	402,090	393,564	795,654	478,522	(317,132)
ARRA - Title I		5,885	5,885	5,738	(147)
Title IIA		219,639	219,639	111,175	(108,464)
Title IIB	105,223		105,223		(105,223)
Title IID		595	595		(595)
Title III	9,656	10,067	19,723	19,452	(271)
ROTC		75,277	75,277	61,713	(13,564)
I.D.E.I.A., Part B	878,644	396,435	1,275,079	1,219,374	(55,705)
I.D.E.I.A., Part B, Preschool Incentive		42,839	42,839	39,419	(3,420)
ARRA - I.D.E.I.A., Part B		2,897	2,897		(2,897)
ARRA - I.D.E.I.A., Part B, Preschool Incentive		15,831	15,831	10,248	(5,583)
Include		245,816	245,816	132,783	(113,033)
<b>Total - Federal Sources</b>	<b>1,395,613</b>	<b>1,408,845</b>	<b>2,804,458</b>	<b>2,078,424</b>	<b>(726,034)</b>
<b>Total Revenues</b>	<b>2,131,690</b>	<b>1,644,598</b>	<b>3,776,288</b>	<b>2,971,062</b>	<b>(805,226)</b>

(Continued)

**Township of Deptford School District**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative Final to Actual)
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	\$ 1,026,609	\$ 362,250	\$ 1,388,859	\$ 1,061,611	\$ 327,248
Other Salaries for Instruction	126,138	9,984	136,122	136,122	
Purchased Professional and Technical Services	764,551	(638,183)	126,368	51,981	74,387
Other Purchased Services	29,685	1,103,951	1,133,636	1,126,654	6,982
General Supplies	32,000	144,647	176,647	101,049	75,598
Tuition					
Textbooks		9,581	9,581	9,377	204
<b>Total Instruction</b>	<b>1,978,983</b>	<b>992,230</b>	<b>2,971,213</b>	<b>2,486,794</b>	<b>484,419</b>
<b>Support Services:</b>					
Salaries Personal Services		170,598	170,598	97,258	73,340
Personal Services - Employee Benefits	73,063	38,834	111,897	73,374	38,523
Purchased Professional - Educational Services	70,000	247,169	317,169	250,285	66,884
Purchased Technical Services		145,977	145,977	36,890	109,087
Other Purchased Services (400-500 series)		23,594	23,594	10,007	13,587
Supplies and Materials	9,644	19,446	29,090	15,454	13,636
Other Objects		6,750	6,750	1,000	5,750
<b>Total Support Services</b>	<b>152,707</b>	<b>652,368</b>	<b>805,075</b>	<b>484,268</b>	<b>320,807</b>
<b>Facilities Acquisition and Construction Services:</b>					
Instructional Equipment					
<b>Total Facilities Acquisition and Construction Services</b>					
<b>Total Expenditures</b>	<b>2,131,690</b>	<b>1,644,598</b>	<b>3,776,288</b>	<b>2,971,062</b>	<b>805,226</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Township of Deptford School District**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Note to RSI  
 For the Fiscal Year Ended June 30, 2012

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 61,800,416	\$ 2,971,062
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year		(84,169)
Prior Year		123,865
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)	1,893,514	81,711
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	<u>(1,991,961)</u>	<u>(73,608)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 61,701,969</u>	<u>\$ 3,018,861</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 61,077,452	\$ 2,971,062
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year		(84,169)
Prior Year		123,865
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 61,077,452</u>	<u>\$ 3,010,758</u>

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, 2012

	Total	Chapter 192				Chapter 193				Total Carried Forward		
		Safety Grant	Margaret Santo Memo	Nonpublic Compensatory Education	Nonpublic E.S.L.	Nonpublic Transportation	Nonpublic Examination and Classification	Nonpublic Corrective Speech	Nonpublic Supplementary Instruction		Nonpublic Textbooks	
<b>REVENUES:</b>												
Federal Sources	\$ 2,078,424											\$ 2,078,424
State Sources	891,646											738,401
Local Sources	992	\$ 500	\$ 492	\$ 43,957		\$ 29,523	\$ 25,279	\$ 33,885	\$ 11,224	9,377		-
<b>Total Revenues</b>	<b>\$ 2,971,062</b>	<b>\$ 500</b>	<b>\$ 492</b>	<b>\$ 43,957</b>	<b>\$ -</b>	<b>\$ 29,523</b>	<b>\$ 25,279</b>	<b>\$ 33,885</b>	<b>\$ 11,224</b>	<b>\$ 9,377</b>	<b>\$ -</b>	<b>\$ 2,816,825</b>
<b>EXPENDITURES:</b>												
<b>Instruction:</b>												
Salaries of Teachers	\$ 1,061,611											\$ 1,061,611
Other Salaries for Instruction	136,122											136,122
Purchased Professional and Technical Services	51,981			\$ 43,957		\$ 29,523						8,024
Other Purchased Services	1,126,654		\$ 492									1,097,131
General Supplies	101,049											100,557
Tuition												-
Textbooks	9,377									\$ 9,377		-
<b>Total Instruction</b>	<b>2,486,794</b>	<b>-</b>	<b>492</b>	<b>43,957</b>	<b>-</b>	<b>29,523</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,377</b>	<b>-</b>	<b>2,403,445</b>
<b>Support Services:</b>												
Salaries Personal Services	97,258											97,258
Personal Services - Employee Benefits	73,374											73,374
Purchased Professional - Educational Services	250,285						\$ 25,279	\$ 33,885	\$ 11,224			179,897
Purchased Technical Services	36,890											36,890
Other Purchased Services (400-500 series)	10,007											10,007
Supplies and Materials	15,454	\$ 500										14,954
Other Objects	1,000											1,000
<b>Total Support Services</b>	<b>484,268</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,279</b>	<b>33,885</b>	<b>11,224</b>	<b>-</b>	<b>-</b>	<b>413,380</b>
<b>Facilities Acquisition and Construction Services:</b>												
Instructional Equipment												
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 2,971,062</b>	<b>\$ 500</b>	<b>\$ 492</b>	<b>\$ 43,957</b>	<b>\$ -</b>	<b>\$ 29,523</b>	<b>\$ 25,279</b>	<b>\$ 33,885</b>	<b>\$ 11,224</b>	<b>\$ 9,377</b>	<b>\$ -</b>	<b>\$ 2,816,825</b>

(Continued)

**Township of Deptford School District**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2012

	Total Carried Forward	Nonpublic Home Instruction	Preschool Education Aid	Include Grant	Title I Part A	ARRA - Title I	Title II Part A	Total Brought Forward
<b>REVENUES:</b>								
Federal Sources	\$ 2,078,424			\$ 132,783	\$ 478,522	\$ 5,738	\$ 111,175	\$ 1,350,206
State Sources	738,401	\$ 2,324	\$ 736,077					-
Local Sources	-							-
<b>Total Revenues</b>	<b>\$ 2,816,825</b>	<b>\$ 2,324</b>	<b>\$ 736,077</b>	<b>\$ 132,783</b>	<b>\$ 478,522</b>	<b>\$ 5,738</b>	<b>\$ 111,175</b>	<b>\$ 1,350,206</b>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers	\$ 1,061,611		\$ 609,939	\$ 31,146	\$ 332,079			\$ 88,447
Other Salaries for Instruction	136,122		126,138					9,984
Purchased Professional and Technical Services	8,024	\$ 2,324					\$ 250	5,450
Other Purchased Services	1,097,131			20,903	28,897	\$ 2,738		1,097,131
General Supplies	100,557							48,019
Tuition	-							-
Textbooks	-							-
<b>Total Instruction</b>	<b>2,403,445</b>	<b>2,324</b>	<b>736,077</b>	<b>52,049</b>	<b>360,976</b>	<b>2,738</b>	<b>250</b>	<b>1,249,031</b>
Support Services:								
Salaries Personal Services	97,258			24,675	13,050		47,463	12,070
Personal Services - Employee Benefits	73,374			4,175	61,182		3,172	4,845
Purchased Professional - Educational Services	179,897			47,000	4,300		57,500	71,097
Purchased Technical Services	36,890				36,890			-
Other Purchased Services (400-500 series)	10,007			4,217	1,124	3,000	2,790	-
Supplies and Materials	14,954			667	1,000			13,163
Other Objects	1,000							-
<b>Total Support Services</b>	<b>413,380</b>	<b>-</b>	<b>-</b>	<b>80,734</b>	<b>117,546</b>	<b>3,000</b>	<b>110,925</b>	<b>101,175</b>
Facilities Acquisition and Construction Services:								
Instructional Equipment	-							-
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 2,816,825</b>	<b>\$ 2,324</b>	<b>\$ 736,077</b>	<b>\$ 132,783</b>	<b>\$ 478,522</b>	<b>\$ 5,738</b>	<b>\$ 111,175</b>	<b>\$ 1,350,206</b>

**Township of Deptford School District**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2012

	<u>Total Carried Forward</u>	<u>Title III</u>	<u>Title III Immigrant</u>	<u>NJROTC</u>	<u>I.D.E.I.A. Part B Basic</u>	<u>I.D.E.I.A. Part B Preschool</u>	<u>ARRA I.D.E.I.A. Part B Preschool</u>
<b>REVENUES:</b>							
Federal Sources	\$ 1,350,206	\$ 13,090	\$ 6,362	61,713	1,219,374	\$ 39,419	\$ 10,248
State Sources	-						
Local Sources							
<b>Total Revenues</b>	<u>\$ 1,350,206</u>	<u>\$ 13,090</u>	<u>\$ 6,362</u>	<u>\$ 61,713</u>	<u>\$ 1,219,374</u>	<u>\$ 39,419</u>	<u>\$ 10,248</u>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	\$ 88,447	\$ 9,678		55,110	\$ 23,659		
Other Salaries for Instruction	9,984				9,984		
Purchased Professional and Technical Services	5,450		\$ 5,450				
Other Purchased Services	1,097,131			1,649	1,056,063	\$ 39,419	\$ 10,248
General Supplies	48,019	1,747	912	4,954	30,158		
Tuition							
Textbooks							
<b>Total Instruction</b>	<u>1,249,031</u>	<u>11,425</u>	<u>6,362</u>	<u>61,713</u>	<u>1,119,864</u>	<u>39,419.00</u>	<u>10,248</u>
<b>Support Services:</b>							
Salaries Personal Services	12,070				12,070		
Personal Services - Employee Benefits	4,845	1,665			3,180		
Purchased Professional - Educational Services	71,097				71,097		
Purchased Technical Services							
Other Purchased Services (400-500 series)	13,163				13,163		
Supplies and Materials							
Other Objects							
<b>Total Support Services</b>	<u>101,175</u>	<u>1,665</u>		<u>-</u>	<u>99,510</u>		
<b>Facilities Acquisition and Construction Services:</b>							
Instructional Equipment							
<b>Total Facilities Acquisition and Construction Services</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		
<b>Total Expenditures</b>	<u>\$ 1,350,206</u>	<u>\$ 13,090</u>	<u>\$ 6,362</u>	<u>\$ 61,713</u>	<u>\$ 1,219,374</u>	<u>\$ 39,419</u>	<u>\$ 10,248</u>

**Township of Deptford School District**  
Special Revenue Fund  
Preschool Education Aid Schedule - Budgetary Basis  
Year Ended June 30, 2012

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
Instruction			
Salaries of teachers	\$ 609,939	\$ 609,939	
Other salaries for instruction	126,138	126,138	
Purchased Professional and Technical Services			
Supplies			
Textbooks			
	<hr/>	<hr/>	<hr/>
Total instruction	<u>736,077</u>	<u>736,077</u>	<u>-</u>
Support services			
Salaries Personal Services			
Personal Services - Employee Benefits			
Purchased Professional - Educational Services			
Other Purchased Services (400-500 series)			
Other Objects			
	<hr/>	<hr/>	<hr/>
Total support services	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 736,077</u>	<u>\$ 736,077</u>	<u>\$ -</u>

**Calculation of Budget and Carryover**

2011-12 Revised Preschool Education Aid Allocation	\$ 736,077
Add: Actual ECPA Carryover (June 30, 2011)	<hr/> -
Total Preschool Education Aid Funds Available for 2011-12 Budget	736,077
Less: 2011-12 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	<hr/> (736,077)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2011	-
Add: 2011-12 Unexpended Preschool Education Aid	<hr/> -
2011-12 Preschool Education Aid Actual Carryover	<hr/> <u>\$ -</u>

CAPITAL PROJECTS FUND

**Township of Deptford School District**  
 CAPITAL PROJECTS FUND  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ended June 30, 2012

<u>Project Title / Issue</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2012</u>
		<u>Prior Years</u>	<u>Current Year</u>	
 Educational Facilities Construction and Financing Act, Section 15				
Grant				
HVAC renovations to Shady Lane School	\$ 627,039	\$ 112,543	\$ 514,496	\$ -
HVAC renovations to High School	481,129	98,215	382,914	-
Total	\$ 1,108,168	\$ 210,758	\$ 897,410	\$ -
 Reserve for Encumbrances				
Unreserved -- Designated for Subsequent Years Expenditures				\$ -

**Township of Deptford School District**  
**CAPITAL PROJECTS FUND**

Summary Schedule of Project Revenues, Expenditures, and Changes in Fund Balances - Budgetary Basis  
For the Fiscal Year Ended June 30, 2012

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<b>Revenues and Other Financing Sources</b>	
State Sources - EDA grant	\$ (27,682)
	<hr/>
Total Revenues	(27,682)
	<hr/>
<b>Expenditures and Other Financing Uses</b>	
Purchased and Professional and Technical Services	55,736
Construction Services	841,674
	<hr/>
Total Expenditures	897,410
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(925,092)
Fund Balance - July 1	925,092
	<hr/>
Fund Balance - June 30	\$ -
	<hr/> <hr/>

**Township of Deptford School District**  
**CAPITAL PROJECTS FUND**  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
 Renovations of HVAC - Shady Lane School  
 From Inception and for the Fiscal Year Ended June 30, 2012

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 635,609	\$ (8,570)	\$ 627,039	\$ 627,039
Total Revenues	<u>635,609</u>	<u>(8,570)</u>	<u>627,039</u>	<u>627,039</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased and Professional and Technical Services	21,233	35,112	56,345	56,345
Construction Services	<u>91,310</u>	<u>479,384</u>	<u>570,694</u>	<u>570,694</u>
Total Expenditures	<u>112,543</u>	<u>514,496</u>	<u>627,039</u>	<u>627,039</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 523,066</u>	<u>\$ (523,066)</u>	<u>\$ -</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	1100-140-09-1003
Grant Date	October 8, 2010
Original Authorized Cost	\$ 635,609
Additional Authorized Cost	\$ (8,570)
Revised Authorized Cost	\$ 627,039
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100.00%
Original Target Completion Date	November 15, 2011
Revised Target Completion Date	N/A

**Township of Deptford School District**  
**CAPITAL PROJECTS FUND**  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
 Renovations of HVAC - High School  
 From Inception and for the Fiscal Year Ended June 30, 2012

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 500,241	\$ (19,112)	\$ 481,129	\$ 481,129
Total Revenues	<u>500,241</u>	<u>(19,112)</u>	<u>481,129</u>	<u>481,129</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased and Professional and Technical Services	6,905	20,624	27,529	16,155
Construction Services	91,310	362,290	453,600	464,974
Total Expenditures	<u>98,215</u>	<u>382,914</u>	<u>481,129</u>	<u>481,129</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 402,026</u>	<u>\$ (402,026)</u>	<u>\$ -</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	1100-040-10-1003
Grant Date	December 23, 2010
Original Authorized Cost	\$ 500,241
Additional Authorized Cost	\$ (19,112)
Revised Authorized Cost	\$ 481,129
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100.00%
Original Target Completion Date	November 15, 2011
Revised Target Completion Date	N/A

PROPRIETARY FUNDS

**Township of Deptford School District**  
Enterprise Fund  
Combining Statement of Net Assets  
June 30, 2012

	<u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 315,508
Accounts Receivable:	
State	830
Federal	38,896
Other	1,506
Inventories	10,475
Total Current Assets	367,215
Noncurrent Assets:	
Furniture, Machinery and Equipment	496,633
Less Accumulated Depreciation	(394,579)
Total Noncurrent Assets	102,054
Total Assets	469,269
<b>LIABILITIES:</b>	
Current Liabilities:	
Interfund Payable	139,195
Accounts Payable	22,128
Total Current Liabilities	161,323
<b>NET ASSETS:</b>	
Invested in Capital Assets, Net of Related Debt	102,054
Unrestricted Net Assets	205,892
Total Net Assets	307,946

**Township of Deptford School District**  
**Enterprise Fund**  
 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
 For the Fiscal Year Ended June 30, 2012

	<u>Food Service</u>
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 451,773
Daily Sales - Non-Reimbursable Programs	192,750
	644,523
<b>OPERATING EXPENSES:</b>	
Salaries	765,124
Employee Benefits	84,834
Supplies and Materials	67,839
Cost of Sales	639,372
Purchased Professional Services	4,419
Dues and Subscriptions	585
Office and Uniform Expense	3,851
Repairs and Maintenance	13,296
Bank Charges	6,639
Depreciation	23,556
	1,609,515
Total Operating Expenses	1,609,515
Operating Income / (Loss)	(964,992)
<b>NONOPERATING REVENUES:</b>	
State Sources:	
State School Lunch Program	17,450
Federal Sources:	
Special Milk Program	7,209
National School Breakfast Program	169,724
National School Lunch Program	585,872
United States Department of Agriculture Commodities	113,577
Interest and Investment Revenue	
	893,832
Total Nonoperating Revenues	893,832
Change in Net Assets	(71,160)
Net Assets -- July 1	379,106
Net Assets -- June 30	\$ 307,946

**Township of Deptford School District**  
Enterprise Fund  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2012

	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers	\$ 645,018
Payments to Employees	(765,124)
Payments for Employee Benefits	(84,834)
Payments to Suppliers	<u>(520,625)</u>
Net Cash Provided by (used for) Operating Activities	<u>(725,565)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
Cash Received from State and Federal Reimbursements	<u>863,340</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>863,340</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchase of Capital Assets	<u>-</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest and Dividends	<u>-</u>
Net Cash Provided by (used for) Investing Activities	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	137,775
Cash and Cash Equivalents -- July 1	<u>177,733</u>
Cash and Cash Equivalents -- June 30	<u><u>\$ 315,508</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>	
by Operating Activities:	
Operating Income (Loss)	\$ (964,992)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	23,556
Federal Commodities	113,577
(Increase) Decrease in Inventories	246
(Increase) Decrease in Other Current Receivables	495
Increase (Decrease) in Other Current Liabilities	<u>101,553</u>
Total Adjustments	<u>239,427</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (725,565)</u></u>

## FIDUCIARY FUNDS

**Township of Deptford School District**  
Fiduciary Funds  
Combining Statement of Fiduciary Net Assets  
June 30, 2012

	Trust Funds			Agency Funds		
	<u>New Jersey Unemployment Compensation</u>	<u>Private Purpose Trust</u>	<u>Total Trust Fund</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Fund</u>
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$ 676,487	\$ 53,970	\$ 730,457	\$ 287,188	\$ 734,790	\$ 1,021,978
Total Assets	<u>676,487</u>	<u>53,970</u>	<u>\$ 730,457</u>	<u>\$ 287,188</u>	<u>\$ 734,790</u>	<u>\$ 1,021,978</u>
<b>LIABILITIES:</b>						
Net Payroll - Summer Salary Payable to Student Groups				\$ 287,188	\$ 734,790	\$ 734,790
Total Liabilities				<u>\$ 287,188</u>	<u>\$ 734,790</u>	<u>\$ 1,021,978</u>
<b>NET ASSETS:</b>						
Held in Trust	<u>\$ 676,487</u>	<u>\$ 53,970</u>	<u>\$ 730,457</u>			

**Township of Deptford School District**  
 Fiduciary Funds  
 Combining Statement of Changes in Fiduciary Net Assets  
 For the Fiscal Year Ended June 30, 2012

	New Jersey Unemployment Compensation	Private Purpose Scholarship Fund
ADDITIONS:		
Contributions:		
Employee Withholdings	\$ 88,180	
Gifts and Contributions		\$ 1,070
	<u>88,180</u>	<u>1,070</u>
Investment Earnings:		
Interest on Investments	<u>282</u>	
Net Investment Earnings	<u>282</u>	
Total Additions	<u>88,462</u>	<u>1,070</u>
DEDUCTIONS:		
Unemployment Compensation		
Insurance Claims	114,950	
Scholarships Awarded		4,650
	<u>114,950</u>	<u>4,650</u>
Total Deductions	<u>114,950</u>	<u>4,650</u>
Change in Net Assets	(26,488)	(3,580)
Net Assets -- July 1	<u>702,975</u>	<u>57,550</u>
Net Assets -- June 30	<u>\$ 676,487</u>	<u>\$ 53,970</u>

**Township of Deptford School District**  
Fiduciary Funds  
Student Activity Agency Fund Schedule of Receipts and Disbursements  
For the Fiscal Year Ended June 30, 2012

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	<u>Balance June 30, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2012</u>
Total All Schools	<u>\$ 276,148</u>	<u>\$ 489,032</u>	<u>\$ 477,992</u>	<u>\$ 287,188</u>

**Township of Deptford School District**  
 Fiduciary Funds  
 Payroll Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2012

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	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
ASSETS:				
Cash and Cash Equivalents	\$ 612,086	\$ 22,184,899	\$ 22,062,195	\$ 734,790
Total Assets	<u>\$ 612,086</u>	<u>\$ 22,184,899</u>	<u>\$ 22,062,195</u>	<u>\$ 734,790</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 612,086	\$ 22,184,899	\$ 22,062,195	\$ 734,790
Total Liabilities	<u>\$ 612,086</u>	<u>\$ 22,184,899</u>	<u>\$ 22,062,195</u>	<u>\$ 734,790</u>

LONG-TERM DEBT

**Township of Deptford School District**  
 Schedule of Serial Bonds  
 For the Fiscal Year Ended June 30, 2012

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance		Retired	Balance
						June 30, 2011	June 30, 2012		
School Repairs and Equipment	2/7/02	\$ 18,175,000	2/1/13 2/1/14	925,000 805,000	4.600% 4.600%	\$ 2,615,000	\$ 885,000	\$ 1,730,000	
Refunding of Bonds 2002	2/16/06	10,000,000	2/1/13 2/1/14 2/1/15 2/1/16 2/1/17 2/1/18 2/1/19 2/1/20 2/1/21 2/1/22	40,000 205,000 1,050,000 1,100,000 1,140,000 1,185,000 1,225,000 1,275,000 1,325,000 1,345,000	3.500% 3.500% 4.000% 4.000% 4.000% 4.000% 4.000% 4.000% 4.000% 4.000%	9,930,000	40,000	9,890,000	
						\$ 12,545,000	\$ 925,000	\$ 11,620,000	

**Township of Deptford School District**  
 Budgetary Comparison Schedule  
 Debt Service Fund  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 991,721		\$ 991,721	\$ 991,721	
State Sources:					
Debt Service Aid Type II					
<b>Total Revenues</b>	<u>991,721</u>		<u>991,721</u>	<u>991,721</u>	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Principal Payments - Comm Approved Lease Purch Agm.					
Interest for Commissioner Approved Lease Purch Agm.	517,090		517,090	517,090	
Interest on Bonds	925,000		925,000	925,000	
Redemption of Principal					
<b>Total Regular Debt Service</b>	<u>1,442,090</u>		<u>1,442,090</u>	<u>1,442,090</u>	
<b>Total Expenditures</b>	<u>1,442,090</u>		<u>1,442,090</u>	<u>1,442,090</u>	
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(450,369)</u>		<u>(450,369)</u>	<u>(450,369)</u>	
Other Financing Sources:					
Operating Transfers In:					
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures</b>	<u>(450,369)</u>	<u>-</u>	<u>(450,369)</u>	<u>(450,369)</u>	<u>-</u>
<b>Fund Balance, July 1</b>	<u>450,369</u>		<u>450,369</u>	<u>450,369</u>	
<b>Fund Balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:</b>					
Budgeted Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

## Financial Trends Information

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

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

	Fiscal Year Ending June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 25,257,886	\$ 24,405,478	\$ 23,711,568	\$ 23,637,524	\$ 23,380,040	\$ 23,781,593	\$ 23,935,201	\$ 23,576,864	\$ 22,081,182	\$ 12,429,421
Restricted	4,331,416	3,740,418	6,146,861	6,593,681	4,790,791	4,909,870	4,272,958	3,439,300	4,424,935	8,672,485
Unrestricted	(2,834,474)	(1,415,224)	(3,295,015)	(2,877,153)	(2,504,515)	(1,941,876)	(2,235,768)	(1,185,347)	(1,254,368)	(355,565)
<b>Total Governmental Activities Net Assets</b>	<b>\$ 26,754,828</b>	<b>\$ 26,730,672</b>	<b>\$ 26,563,414</b>	<b>\$ 27,754,052</b>	<b>\$ 25,666,316</b>	<b>\$ 26,749,787</b>	<b>\$ 25,973,391</b>	<b>\$ 25,830,817</b>	<b>\$ 25,251,749</b>	<b>\$ 20,746,341</b>
<b>Business-type Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 102,054	\$ 125,610	\$ 151,934	\$ 172,171	\$ 184,662	\$ 192,030	\$ 175,855	\$ 146,821	\$ 116,138	\$ 129,558
Restricted	205,892	253,496	174,738	107,565	100,362	87,071	34,248	86,569	138,704	140,842
Unrestricted	307,946	379,106	326,672	279,736	285,024	279,101	210,103	233,390	254,842	270,400
<b>Total Business-type Activities Net Assets</b>	<b>\$ 615,892</b>	<b>\$ 758,212</b>	<b>\$ 653,344</b>	<b>\$ 559,472</b>	<b>\$ 570,048</b>	<b>\$ 556,102</b>	<b>\$ 520,206</b>	<b>\$ 466,780</b>	<b>\$ 509,684</b>	<b>\$ 540,800</b>
<b>District-wide</b>										
Invested in Capital Assets, Net of Related Debt	\$ 25,359,940	\$ 24,531,088	\$ 23,863,502	\$ 23,809,695	\$ 23,564,702	\$ 23,973,623	\$ 24,112,056	\$ 23,723,685	\$ 22,197,320	\$ 12,558,979
Restricted	4,331,416	3,740,418	6,146,861	6,593,681	4,790,791	4,909,870	4,272,958	3,439,300	4,424,935	8,672,485
Unrestricted	(2,628,582)	(1,161,728)	(3,120,277)	(2,369,588)	(2,404,153)	(1,854,605)	(2,201,520)	(1,098,778)	(1,115,664)	(214,723)
<b>Total District-wide Net Assets</b>	<b>\$ 27,062,774</b>	<b>\$ 27,109,778</b>	<b>\$ 26,890,086</b>	<b>\$ 28,033,788</b>	<b>\$ 25,951,340</b>	<b>\$ 27,028,888</b>	<b>\$ 26,183,494</b>	<b>\$ 26,064,207</b>	<b>\$ 25,506,591</b>	<b>\$ 21,016,741</b>

Source: District Records

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

Fiscal Year Ending June 30,

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Expenses</b>										
Governmental Activities										
Instruction										
Regular	\$ 28,060,185	\$ 27,640,288	\$ 23,734,807	\$ 23,571,504	\$ 22,262,915	\$ 20,657,420	\$ 22,688,522	\$ 22,073,459	\$ 20,269,251	\$ 18,384,139
Special Education	7,058,348	6,789,396	9,436,835	9,046,855	10,603,819	9,409,811	6,102,071	5,478,286	4,259,421	3,610,508
Other Special Education	2,016,529	1,712,393	2,313,321	1,469,102	3,017,247	2,762,730	1,361,572	1,110,664	1,012,656	897,409
Support Services:										
Tuition	2,747,369	2,082,114	2,791,314	2,755,249	2,783,508	2,190,458	1,738,457	1,419,140	2,139,745	1,388,424
Student & Instruction Related Services	8,747,993	9,572,672	7,551,312	7,208,303	6,406,410	5,530,869	5,270,490	4,947,008	4,645,653	4,550,111
General Administrative Services	725,628	851,976	1,043,778	959,160	1,175,881	1,020,087	1,206,493	1,099,111	1,063,149	1,043,665
School Administrative Services	5,442,270	4,905,768	2,848,685	2,603,159	2,618,282	2,420,886	3,227,977	2,331,533	1,992,793	2,150,811
Central Services			934,993	878,881	869,697	879,328	878,041	891,976		
Administrative Information Technology			1,628,658	1,083,446	980,199	900,927	822,826	674,187		
Plant Operations and Maintenance	7,101,480	7,637,548	7,090,192	6,402,898	6,596,013	6,350,209	5,748,000	5,644,791	4,973,790	4,084,577
Pupil Transportation	3,364,561	3,114,680	4,069,573	3,847,480	4,811,445	5,004,407	4,438,501	4,424,822	4,022,746	3,702,979
Business and Other Support Services							4,363	1,245,109	9,793	925,789
Special Schools						14,205	13,700	6,827		
Interest on Long-Term Debt	396,350	625,053	664,383	701,415	744,807	940,985	887,495	847,171	891,213	917,604
Total Governmental Activities Expenses	65,660,713	64,931,888	64,107,851	60,527,522	62,860,223	58,082,322	54,388,708	50,948,975	46,525,319	41,666,026
Business-type Activities:										
Food Service	1,609,515	1,473,976	1,775,291	1,740,081	1,775,131	1,716,204	1,881,779	1,530,601	1,356,986	1,307,982
Total Business-type Activities Expense	1,609,515	1,473,976	1,775,291	1,740,081	1,775,131	1,716,204	1,881,779	1,530,601	1,356,986	1,307,982
Total District Expenses	\$ 67,270,228	\$ 66,405,864	\$ 65,883,142	\$ 62,267,583	\$ 64,635,354	\$ 59,798,526	\$ 56,070,487	\$ 52,479,576	\$ 47,882,305	\$ 42,974,008
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Instruction (tuition)	\$ 186,390	\$ 78,651	\$ 184,978	\$ 179,860	\$ 236,957	\$ 403,295	\$ 313,240	\$ 294,695	\$ 408,119	\$ 345,571
Operating Grants and Contributions	3,018,861	3,746,908	2,999,205	3,128,159	3,946,838	3,955,996	3,957,232	3,962,475	3,964,459	1,390,528
Total Governmental Activities Program Revenues	3,205,251	3,825,559	3,184,183	3,308,019	4,183,795	4,359,291	4,270,472	4,257,170	4,372,578	1,736,099
Business-type activities:										
Charges for services										
Food Service	644,523	724,486	736,595	811,709	818,395	711,382	675,670	659,922	642,708	627,384
Operating Grants and Contributions	893,832	801,814	813,226	687,197	653,312	624,179	673,792	577,792	462,252	434,995
Total Business-type Activities Program Revenues	1,538,355	1,526,300	1,549,821	1,498,906	1,471,707	1,335,561	1,349,462	1,237,714	1,104,960	1,062,379
Total District Program Revenues	\$ 4,743,606	\$ 5,351,859	\$ 4,734,004	\$ 4,806,925	\$ 5,655,502	\$ 5,694,852	\$ 5,619,934	\$ 5,494,884	\$ 5,477,538	\$ 2,798,478
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (62,455,462)	\$ (61,106,329)	\$ (60,923,668)	\$ (57,219,503)	\$ (58,676,428)	\$ (53,723,031)	\$ (50,118,236)	\$ (46,691,805)	\$ (42,152,741)	\$ (39,929,927)
Business-type Activities	(71,160)	52,324	(225,470)	(241,155)	(303,424)	(380,643)	(332,317)	(292,887)	(252,026)	(245,603)
Total District-wide Net Expense	\$ (62,526,622)	\$ (61,054,005)	\$ (61,149,138)	\$ (57,460,658)	\$ (58,979,852)	\$ (54,103,674)	\$ (50,450,553)	\$ (46,984,692)	\$ (42,404,767)	\$ (40,175,530)

(continued)

**DEPTFORD TOWNSHIP BOARD OF EDUCATION**

Changes in Net Assets  
Last Ten Fiscal Years (accrual basis of accounting)  
Unaudited

Fiscal Year Ending June 30,

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 33,520,000	\$ 33,285,000	\$ 33,263,531	\$ 32,640,400	\$ 31,548,462	\$ 30,348,902	\$ 26,529,202	\$ 24,632,977	\$ 23,849,442	\$ 20,686,419
Taxes Levied for Debt Service	891,721	1,405,650	1,386,258	686,635	1,625,200	1,578,764	1,670,391	1,680,256	1,729,464	1,086,971
Unrestricted Grants and Contributions	27,613,694	25,201,387	25,072,474	26,115,401	24,471,551	22,560,839	21,122,956	20,563,165	19,613,169	23,208,177
Restricted Grants and Contributions	(27,682)	1,214,989					845,049	107,605	1,591,199	7,425,598
Restricted for Debt Service							54,519			
Investment Earnings	483	166,561	27,986	64,388	219,093	359,965	218,131	101,380	38,100	149,798
Miscellaneous Income	381,402		254,586	23,853	36,076	96,453	128,757	446,782	73,191	54,336
Tuition			(271,805)	271,805	(303,250)	(445,529)	(308,195)	(271,292)	(236,416)	(237,077)
Transfers										
Total Governmental Activities	\$ 62,479,618	\$ 61,273,587	\$ 59,733,030	\$ 59,814,482	\$ 57,592,990	\$ 54,499,394	\$ 50,260,810	\$ 47,270,873	\$ 46,668,149	\$ 52,344,222
Business-type Activities:										
Investment Earnings	-	110	601	429	6,097	4,112	835	143	52	289
Transfers			271,805	235,438	303,250	445,529	308,195	271,292	236,416	237,077
Total Business-type Activities	-	110	272,406	235,867	309,347	449,641	309,030	271,435	236,468	237,336
Total District-wide	\$ 62,479,618	\$ 61,273,697	\$ 60,005,436	\$ 60,050,349	\$ 57,902,337	\$ 54,949,035	\$ 50,569,840	\$ 47,542,308	\$ 46,894,617	\$ 52,581,558
<b>Change in Net Assets</b>										
Governmental Activities	\$ 24,156	\$ 167,258	\$ (1,190,638)	\$ 2,594,979	\$ (1,083,438)	\$ 776,363	\$ 142,574	\$ 579,068	\$ 4,505,408	\$ 12,414,295
Business-type Activities	(71,160)	52,434	46,936	(5,288)	5,923	68,998	(23,287)	(21,452)	(15,558)	(8,267)
Total District	\$ (47,004)	\$ 219,692	\$ (1,143,702)	\$ 2,589,691	\$ (1,077,515)	\$ 845,361	\$ 119,287	\$ 557,616	\$ 4,489,850	\$ 12,406,028

Source: District Records

**DEPTFORD TOWNSHIP BOARD OF EDUCATION**

Fund Balances, Governmental Funds  
Last Ten Fiscal Years (modified accrual basis of accounting)  
Unaudited

	Fiscal Year Ending June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund	\$ 4,331,416	\$ 864,957	\$ 4,559,161	\$ 6,480,960	\$ 3,326,408	\$ 3,434,843	\$ 2,775,833	\$ 2,782,357	\$ 3,473,770	\$ 1,059,624
Restricted	220,586	2,882,581	(1,114,761)	(378,306)	343,369	918,049	788,195	689,165	495,733	1,298,237
Assigned	(684,978)	(505,031)								
Unassigned	\$ 3,867,024	\$ 3,242,507	\$ 3,444,400	\$ 6,102,654	\$ 3,669,777	\$ 4,352,892	\$ 3,564,028	\$ 3,471,522	\$ 3,969,503	\$ 2,357,861
<b>Total General Fund</b>										
All Other Governmental Funds	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted		\$ 925,092	\$ 1,453,159	\$ 87,954	\$ 51,224	\$ 47,068	\$ 46,918	\$ 488,888	\$ 489,700	\$ 6,086,873
Unassigned, Reported in:		(81,711)	(86,955)	(71,819)	(148,469)	(121,636)	(125,196)	(126,258)	(42,017)	(126,974)
Special Revenue Fund	(73,608)		134,541	24,767	774,767	813,047	872,810	168,055	461,465	1,525,988
Capital Projects Fund		450,369								
Debt Service Fund										
<b>Total All Other Governmental Funds</b>	\$ (73,608)	\$ 1,293,750	\$ 1,500,745	\$ 40,902	\$ 677,522	\$ 738,479	\$ 794,532	\$ 530,685	\$ 909,148	\$ 7,485,887

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

Source: District Records

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Revenues</b>										
Tax Levy	\$ 34,511,721	\$ 34,690,650	\$ 34,649,789	\$ 33,339,035	\$ 33,173,662	\$ 31,927,666	\$ 28,199,593	\$ 26,323,233	\$ 25,578,906	\$ 21,743,390
Tuition Charges	186,390	79,651	184,978	179,860	236,957	403,295	313,240	294,695	408,119	345,571
Interest Earnings	483		27,986	64,388	219,093	359,965	218,132	101,380	38,100	149,798
Miscellaneous	381,402	166,561	254,596	23,854	36,076	96,453	128,757	446,782	73,191	54,336
State Sources	27,605,538	27,287,001	22,126,579	27,393,031	26,820,083	24,941,712	24,154,321	23,098,020	23,625,449	30,598,314
Federal Sources	2,996,343	2,870,283	5,945,099	1,850,506	1,575,123	1,575,123	1,770,916	1,625,225	1,543,378	1,425,969
Local Sources	992									
<b>Total Revenue</b>	<b>65,684,869</b>	<b>65,099,146</b>	<b>63,189,017</b>	<b>62,850,697</b>	<b>62,084,177</b>	<b>59,304,214</b>	<b>54,784,959</b>	<b>51,799,335</b>	<b>51,267,143</b>	<b>54,317,398</b>
<b>Expenditures</b>										
Instruction										
Regular Instruction	20,354,916	19,892,776	18,021,993	17,881,736	16,083,596	15,182,455	17,404,169	16,934,033	15,510,677	14,531,540
Special Education Instruction	5,219,200	4,859,962	7,176,891	6,863,069	7,664,054	6,917,039	4,680,846	4,202,761	3,332,857	2,869,798
Other Special Instruction	1,452,729	1,217,785	1,759,324	1,114,481	2,180,756	2,031,844	1,044,450	852,065	785,255	710,817
Support Services:										
Tuition	2,747,369	2,082,114	2,791,314	2,755,249	2,783,508	2,190,458	1,738,457	1,419,140	2,139,745	1,398,424
Student & Instruction Related Services	6,734,983	7,538,492	5,742,915	5,468,318	4,630,320	4,087,666	4,042,947	3,795,182	3,589,342	3,634,136
General Administrative Services	725,628	739,435	793,813	727,632	849,884	750,221	925,491	843,202	824,410	826,663
School Administrative Services	2,242,478	2,093,983	2,116,078	2,008,787	1,954,586	1,978,595	1,949,414	1,793,499	1,595,054	1,554,262
Central Services	610,715	608,097	711,080	666,731	628,585	646,700	673,538	684,295	1,595,054	1,554,262
Administrative Information Technology	1,067,476	786,706	1,238,625	821,917	708,452	662,585	631,183	517,214	948,204	718,615
Business Administrative Services						3,500			3,920,460	3,281,794
Plant Operations and Maintenance	5,115,981	5,431,517	5,578,748	5,047,509	4,939,677	4,853,518	4,529,304	4,332,185	3,920,460	3,281,794
Pupil Transportation	3,364,561	3,114,680	3,029,387	2,826,444	3,316,350	3,572,337	3,358,352	3,279,323	3,000,568	2,845,145
Unallocated Employee Benefits	12,855,138	13,192,884	12,043,588	11,226,969	13,953,538	12,072,766	9,692,991	10,423,105	9,150,173	7,270,738
Special Schools						14,205	13,700	6,827	9,793	
Capital Outlay	2,494,446	2,507,223	1,665,842	1,998,255	1,148,995	1,501,277	1,675,591	1,526,134	9,349,921	20,342,312
Capital Projects										
Debt Service:										
Principal	925,000	885,000	850,000	780,000	998,000	965,000	935,000	930,000	930,000	245,000
Interest and Other Charges	517,090	557,380	596,025	631,905	680,556	709,209	875,997	865,522	909,565	923,347
<b>Total Expenditures</b>	<b>66,427,710</b>	<b>65,508,034</b>	<b>64,115,623</b>	<b>60,819,002</b>	<b>62,520,857</b>	<b>58,125,875</b>	<b>54,174,930</b>	<b>52,404,487</b>	<b>55,995,824</b>	<b>61,142,591</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(742,841)	(408,888)	(926,606)	2,031,695	(436,680)	1,178,339	610,029	(605,152)	(4,728,681)	(6,825,193)
<b>Other Financing Sources (Uses)</b>										
Capital Leases (Non-budgeted)										230,000
Bond Proceeds										
Proceeds of Refunding Debt					(4,142)		10,032,866			
Payment to Refunded Debt Escrow Agent							(9,978,347)			
Uncollectible State Funds										
Transfers In			458,912	750,000						
Transfers Out			(730,717)	(985,438)						
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(271,805)</b>	<b>(235,438)</b>	<b>(303,250)</b>	<b>(445,529)</b>	<b>(308,195)</b>	<b>(271,292)</b>	<b>(236,416)</b>	<b>(237,077)</b>
<b>Net Change in Fund Balances</b>	<b>(742,841)</b>	<b>(408,888)</b>	<b>(1,198,411)</b>	<b>1,796,257</b>	<b>(744,072)</b>	<b>732,810</b>	<b>356,353</b>	<b>(876,444)</b>	<b>(236,416)</b>	<b>(6,832,270)</b>
Debt Service as a Percentage of Noncapital Expenditures	2.3%	2.3%	2.3%	2.4%	2.7%	3.0%	3.4%	3.5%	3.9%	2.9%

Source: District Records

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Extended Year Tuition										
Insurance Claims										
Interest on Investments			\$ 23,736	\$ 64,388	\$ 219,093	\$ 359,965	\$ 218,132	\$ 101,380	\$ 23,979	\$ 28,646
Interest on Investments- Capital Reserve			4,250							
Grant		\$ 1,000				19,900				
Prior Year Purchase Order Adjustments	182,601	20,015	42,409	15,951	32,111	72,458	19,934	408,772	9,795	2,744
Prior Year Tuition Adjustments	6,545	875						15,243	49,402	42,578
Refunds	167,460	122,883						465	975	5,435
Lease Purchase Agreement			210,000							
Sale of Fixed Assets		6,394					102,425			
Sale of Obsolete Equipment		337		3,608		50	1,500	60	26	
Seminar/Class Fees	19,329	61,413								
Township Share of Community Activities	5,467	2,955	184,978	179,860	236,957	403,295	313,240	294,695	10,087	345,571
Tuition		84,414							408,119	
	\$ 381,402	\$ 300,286.10	\$ 465,373	\$ 263,807	\$ 488,161	\$ 855,668	\$ 655,231	\$ 842,015	\$ 502,383	\$ 425,019

Source: District Records.

## Revenue Capacity Information

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

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

(Fiscal) Ended Dec. 31, (June 30.)	Vacant Land	Residential	Farm, Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities (1)	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2012	\$ 69,657,900	\$ 1,802,363,800	\$ 9,878,800	\$ 513,400	\$ 88,325,340	\$ 18,788,800	\$ 107,528,200	\$ 2,097,056,240	\$ 369,249,200	\$ 800,490,605	\$ 2,897,546,845	\$ 3,188,731,451	1.247
2011	36,182,100	1,136,237,008	5,992,000	413,600	489,914,727	10,000,900	52,861,400	1,731,601,735	192,804,700	4,439,720	1,736,041,455	3,188,731,451	1.927
2010	37,429,200	1,128,365,285	5,876,000	412,900	499,829,977	10,000,900	52,861,400	1,734,775,662	188,202,800	4,439,720	1,739,215,382	3,197,087,099	1.994
2009	39,710,700	1,121,758,900	6,180,900	417,100	505,689,460	10,001,000	53,587,600	1,737,325,660	180,444,800	4,161,638	1,741,487,298	3,177,316,728	1.199
2008	42,448,900	1,117,506,900	6,236,500	419,900	473,462,260	10,001,000	53,584,400	1,703,659,860	108,203,600	2,716,571	1,706,376,431	2,921,135,190	1.953
2007	45,052,400	1,104,654,300	6,133,800	389,600	459,933,760	10,001,000	52,722,000	1,678,886,860	172,987,600	2,599,738	1,681,506,598	2,833,160,051	1.972
2006	41,811,100	1,067,054,400	6,059,900	429,700	472,294,560	10,001,000	51,193,200	1,648,843,860	186,883,300	2,884,477	1,651,728,337	2,434,034,864	1.833
2005	46,464,600	1,016,827,400	6,459,800	464,700	473,928,000	10,371,000	47,880,800	1,602,396,300	185,380,800	3,716,089	1,606,111,389	1,991,167,019	1.756
2004	47,956,200	959,829,100	6,629,800	477,500	472,308,700	10,371,000	43,021,000	1,540,593,300	177,990,700	4,116,738	1,544,710,038	1,773,357,479	1.705
2003	49,125,700	922,321,900	6,478,300	468,600	473,652,900	10,371,000	38,399,400	1,500,817,800	175,492,000	4,653,733	1,538,465,479	1,505,471,533	1.699

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

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

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

Source: Municipal Tax Assessor

**DEPTFORD TOWNSHIP BOARD OF EDUCATION**

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

(Fiscal) Year Ended Dec. 31, (June 30.)	District Direct Rate			Overlapping Rates			Total Direct and Tax Rate
	Basic Rate (1)	General Obligation Debt Service (2)	Total Direct School Tax Rate	School District	Township of Deptford	County of Gloucester	
2012	1.197	0.05	1.247		1.057	0.919	3.223
2011	1.984	0.010	1.927		1.192	0.919	4.038
2010	1.984	0.010	1.994		1.357	0.947	4.298
2009	1.980	0.010	1.990		1.210	1.002	4.202
2008	1.943	0.010	1.953		1.119	0.942	4.014
2007	1.875	0.097	1.972		1.041	0.929	3.942
2006	1.837	0.096	1.933		0.969	0.869	3.771
2005	1.650	0.106	1.756		0.913	0.796	3.465
2004	1.600	0.105	1.705		0.855	0.714	3.274
2003	1.580	0.119	1.699		0.778	0.663	3.140

(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 follows the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any growth adjustments

Source: Municipal Tax Collector

**DEPTFORD TOWNSHIP BOARD OF EDUCATION**

Principal Property Tax Payers  
Current Year and Ten Years Ago  
Unaudited

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Deptford Mall Associates	\$ 85,515,900	1	4.92%	\$ 85,000,000	1	6.25%
Walmart	20,904,700	2	1.20%			
Almonesson Associates - I	20,827,800	3	1.20%	36,000,000	2	2.65%
AIG Baker/Walmart	20,285,800	4	1.17%			
AIG Baker	15,135,100	5	0.87%			
AIG Baker/Sams	14,766,600	7	0.85%			
Almonesson Associates - II	10,888,000	9	0.63%	14,278,000	4	
Deptford Commons	12,750,000	8	0.73%			
QRP Land II, LP	15,000,000	6	0.86%			
Macy's Department Store	10,822,645	10	0.62%	14,300,000	3	1.02%
Sears & Roebuck & Co.			0.00%	13,900,000	5	0.96%
RCA/GE			0.00%	13,000,000	6	0.94%
Deptford Crossing			0.00%	12,750,000	7	0.87%
May Department Stores				11,900,000	9	0.82%
Baseball LP	-			11,200,000	10	
JC Penney	-			12,509,000	8	
<b>Total</b>	<b>\$ 226,896,545</b>		<b>13.05%</b>	<b>\$ 224,837,000</b>		<b>13.51%</b>

Source: Municipal Tax Assessor

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

<u>Fiscal Year Ended June 30,</u>	<u>School Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2012	\$ 33,520,000	\$ 33,520,000	100.00%	-
2011	33,285,000	33,285,000	100.00%	-
2010	33,263,531	33,263,531	100.00%	-
2009	32,640,400	32,640,400	100.00%	-
2008	31,548,462	31,548,462	100.00%	-
2007	30,348,902	30,348,902	100.00%	-
2006	26,529,202	26,529,202	100.00%	-
2005	24,632,977	24,632,977	100.00%	-
2004	23,849,442	23,849,442	100.00%	-
2003	20,686,419	20,686,419	100.00%	-

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

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

## Debt Capacity Information

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

**DEPTFORD TOWNSHIP BOARD OF EDUCATION**

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities			Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANS)	Capital Leases	Total District		
2012	\$ 11,620,000	N/A	-	N/A	N/A	\$ 11,620,000	N/A	N/A
2011	12,545,000	N/A	-	N/A	N/A	12,545,000	N/A	N/A
2010	13,430,000	N/A	-	N/A	N/A	13,430,000	N/A	N/A
2009	14,280,000	N/A	-	N/A	N/A	14,280,000	N/A	N/A
2008	15,060,000	N/A	-	N/A	N/A	15,060,000	0.26%	\$ 39,040
2007	16,058,000	N/A	-	N/A	N/A	16,058,000	0.24%	37,754
2006	17,023,000	N/A	\$ 60,458	N/A	N/A	17,083,458	0.21%	36,401
2005	17,588,000	N/A	58,649	N/A	N/A	17,646,649	0.19%	34,373
2004	18,518,000	N/A	297,917	N/A	N/A	18,815,917	0.17%	32,888
2003	19,448,000	N/A	426,843	N/A	N/A	19,874,843	0.16%	31,317

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

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

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

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

General Bonded Debt Outstanding

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita (2)</u>
2012	\$ 11,620,000	-	\$ 11,620,000	0.77%	N/A
2011	12,545,000	-	12,545,000	0.77%	N/A
2010	13,430,000	-	13,430,000	0.77%	N/A
2009	14,280,000	-	14,280,000	0.82%	N/A
2008	15,060,000	-	15,060,000	0.88%	\$ 39,040
2007	16,058,000	-	16,058,000	0.95%	37,754
2006	17,023,000	-	17,023,000	1.03%	36,401
2005	17,588,000	-	17,588,000	1.10%	34,373
2004	18,518,000	-	18,518,000	1.20%	32,888
2003	19,448,000	-	19,448,000	1.26%	31,317

**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 June 30, 2012  
 Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Township of Deptford	\$ 30,593,443	100.000%	\$ 30,593,443
<b>Other debt</b>			
County of Gloucester	280,798,408	10.60%	29,764,631
Subtotal, overlapping debt			60,358,074
<b>Deptford Township School District Direct Debt</b>			12,545,000
<b>Total direct and overlapping debt</b>			<u>\$ 72,903,074</u>

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

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

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

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

**Legal Debt Margin Calculation for Fiscal Year 2012**

	Equalized valuation basis
2011	\$ 2,897,546,845
2010	3,193,546,422
2009	3,077,091,144
	\$ 9,168,184,411
	\$ 3,056,061,470
Average equalized valuation of taxable property	
Debt limit ( 4 % of \$3,126,312,905)	\$ 122,242,459
Total Net Debt Applicable to Limit	12,545,000
	\$ 109,697,459

Fiscal Year

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt limit	\$ 122,242,459	\$ 112,507,516	\$ 107,287,967	\$ 102,383,824	\$ 91,579,344	\$ 77,732,460	\$ 79,722,976	\$ 68,040,251	\$ 61,470,893	\$ 56,391,382
Total net debt applicable to limit	11,620,000	12,545,000	13,430,000	14,280,000	15,060,000	16,058,000	17,023,000	17,588,000	18,518,000	19,448,000
Legal debt margin	\$ 110,622,459	\$ 99,962,516	\$ 93,857,967	\$ 88,103,824	\$ 76,519,344	\$ 61,674,460	\$ 62,699,976	\$ 50,452,251	\$ 42,952,893	\$ 36,943,382
Total net debt applicable to the limit as a percentage of debt limit	9.51%	11.15%	12.52%	13.95%	16.44%	20.66%	21.35%	25.85%	30.12%	34.49%

(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 Rates and District Records CAFR Schedule J-7

## Demographic and Economic Information

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

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

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<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2012	30,722	N/A	N/A	9.50%
2011	30,722	N/A	N/A	9.50%
2010	30,722	\$ 1,448,357,968	\$ 47,144	9.30%
2009	30,722	1,438,465,484	46,822	10.30%
2008	30,643	1,196,302,720	39,040	4.10%
2007	30,539	1,152,969,406	37,754	3.30%
2006	30,157	1,097,744,957	36,401	3.50%
2005	29,579	1,016,718,967	34,373	N/A
2004	28,872	949,542,336	32,888	5.00%
2003	28,048	878,379,216	31,317	5.60%

**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 Four Years Ago

Unaudited

<u>Employer</u>	2012			2008		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of</u>
Underwood Memorial Hospital	1,825	1	15.67%	1,780	1	17.17%
Kennedy Hospital	1,675	2	14.38%	1,035	4	9.99%
County of Gloucester	1,500	3	12.88%	-		
Washington Township Public Schools	1,498	4	12.86%	1,645	2	15.87%
Rowan University	1,483	5	12.73%	1,637	3	15.79%
MISSA Bay LLC	950	6	8.16%			
Monroe Township School District	792	7	6.80%	698	8	6.73%
U.S. Foodservices	725	8	6.22%	900	5	8.68%
Exxon Mobile Rearch & Development	700	9	6.01%			
Delaware Valley Wholesale Florist	500	10	4.29%			
Direct Group				720	6	6.95%
US Postal Service				700	7	6.75%
Depford Township School District				650	9	6.27%
Compucon Systems, Inc.				600	10	5.79%
	<u>11,648</u>		<u>100.00%</u>	<u>10,365</u>		<u>100.00%</u>

**Source:** Countywide Disclosure

## Operating Information

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

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

<u>Function/Program</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Instruction										
Regular	356	331	308	302	299	293	290	249	272	234
Special education	93	93	106	112	89	95	98	56	83	77
Other special education	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	51	62	65	64	62	62	61	56	54	61
General administrative services	4	4	4	3	4	4	4	5	5	6
School administrative services	28	28	29	29	33	45	47	28	27	24
Business administrative services	18	18	18	18	18	18	17	16	19	15
Plant operations and maintenance	60	62	62	59	62	62	62	62	62	52
Pupil transportation	68	70	70	70	66	65	67	67	66	64
Special Schools										
Food Service	37	37	37	37	37	36	35	35	35	33
<b>Total</b>	<b>715</b>	<b>705</b>	<b>699</b>	<b>694</b>	<b>670</b>	<b>680</b>	<b>681</b>	<b>574</b>	<b>623</b>	<b>566</b>

**Source:** District Personnel Records

**DEPTFORD TOWNSHIP BOARD OF EDUCATION**

Operating Statistics  
Last Ten Fiscal Years  
Unaudited

<u>Fiscal</u>	<u>Enrollment</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (2)</u>	<u>Elementary</u>	<u>Middle School</u>	<u>Pupil/Teacher Ratio</u>	<u>High School</u>	<u>Average Daily Enrollment (ADE) (3)</u>	<u>Average Daily Attendance (ADA) (3)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2012	4,402	\$ 62,491,174	14,196.09	13.71%	386	1:12	1:11	1:11	1:11	4,356	4,141	46.00%	95.06%
2011	4,390	58,978,036	13,434.63	7.61%	386	1:12	1:11	1:11	1:11	4,352	4,122	1.65%	94.72%
2010	4,352	57,223,761	13,148.84	5.95%	386	1:12	1:11	1:11	1:11	4,284	4,055	-0.30%	94.65%
2009	4,339	54,171,297	12,484.74	7.79%	385	1:12	1:11	1:11	1:11	4,355	4,131	2.43%	95.60%
2008	4,371	54,246,533	12,410.55	7.15%	383	1:12	1:10	1:11	1:11	4,339	4,148	2.86%	95.60%
2007	4,336	50,223,232	11,582.85	8.66%	380	1:12	1:11	1:12	1:12	4,300	4,067	1.35%	94.60%
2006	4,294	45,771,461	10,659.40	3.10%	361	1:08	1:28	1:20	1:20	4,262	4,033	-1.87%	94.60%
2005	4,277	44,217,986	10,338.55	8.37%	361	1:08	1:28	1:20	1:20	4,243	4,013	-2.36%	94.58%
2004	4,218	40,240,471	9,540.18	13.21%	349	1:13	1:12	1:12	1:12	4,346	4,110	6.42%	94.57%
2003	4,163	35,081,752	8,427.04	0.49%	346	1:13	1:13	1:13	1:13	4,076	3,862	1.15%	94.75%

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

**Note:** Enrollment based on annual October district count.

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

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Central Elementary School (2004)	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	n/a
Square Feet	552	552	552	552	552	552	552	552	552	n/a
Capacity (students)	592	569	587	601	625	569	520	654	459	n/a
Enrollment										
Good Intent Elementary School (1960)	23,565	23,565	23,565	23,565	23,565	23,565	23,565	23,565	23,565	23,565
Square Feet	515	515	515	515	515	515	515	515	515	515
Capacity (students)	412	412	414	428	404	396	397	307	318	506
Enrollment										
Lake Tract Elementary School (1964)	25,256	25,256	25,256	25,256	25,256	25,256	25,256	25,256	25,256	25,256
Square Feet	294	294	294	294	294	294	294	294	294	294
Capacity (students)	497	459	412	426	423	410	398	396	450	630
Enrollment										
New Sharon Elementary School (1924)	9,282	9,282	9,282	9,282	9,282	9,282	9,282	9,282	9,282	9,282
Square Feet	70	70	70	70	70	70	70	70	70	70
Capacity (students)	22	21	21	25	27	29	34	31	30	32
Enrollment										
Oak Valley Elementary School (1959)	35,238	35,238	35,238	35,238	35,238	35,238	35,238	35,238	35,238	35,238
Square Feet	276	276	276	276	276	276	276	276	276	276
Capacity (students)	380	380	413	400	364	364	376	368	372	445
Enrollment										
Pine Acres Elementary School (1964)	35,540	35,540	35,540	35,540	35,540	35,540	35,540	35,540	35,540	35,540
Square Feet	290	290	290	290	290	290	290	290	290	290
Capacity (students)	276	243	255	231	273	256	197	216	210	201
Enrollment										
Shady Lane Elementary School (1957)	63,015	63,015	63,015	63,015	63,015	63,015	63,015	63,015	63,015	63,015
Square Feet	500	500	500	500	500	500	500	500	500	500
Capacity (students)	546	535	517	491	499	507	500	424	529	499
Enrollment										
<b><u>Middle School</u></b>										
Monongahela Middle School (1984)	93,186	93,186	93,186	93,186	93,186	93,186	93,186	93,186	93,186	93,186
Square Feet	560	560	560	560	560	560	560	560	560	560
Capacity (students)	648	676	663	652	611	634	700	709	657	687
Enrollment										
<b><u>High School</u></b>										
Deptford High School (1974)	221,992	221,992	221,992	221,992	221,992	221,992	221,992	221,992	221,992	221,992
Square Feet	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468
Capacity (students)	985	1,023	1,070	1,085	1,145	1,171	1,172	1,172	1,193	1,163
Enrollment										
<b><u>Other</u></b>										
District Wide	24,988	24,988	24,988	24,988	24,988	24,988	24,988	24,988	24,988	24,988
Square Feet										
Number of Schools at June 30, 2012			Elementary = 7		Middle School = 1		High School = 1		Other = 1	

**Source:** District records, ASSA

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

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

* School Facilities	Project # (s)	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Deptford High School	N/A	\$ 205,316	\$ 172,974	\$ 170,695	\$ 156,305	\$ 169,446	\$ 170,695	\$ 177,551	\$ 234,051	\$ 301,704	\$ 261,467
Monongahela Middle School	N/A	6,679	6,542	55,929	64,684	67,963	74,305	73,273	73,273	104,546	156,880
Central Elementary School	N/A	2,486	6,219	28,006	26,269	30,429	30,800	30,040	30,040	52,335	
Good Intent Elementary School	N/A	222	8,320	18,836	16,388	26,232	27,400	25,732	25,732	32,703	104,587
Lake Tract Elementary School	N/A	1,715	3,661	14,034	18,569	13,706	21,075	19,288	19,288	32,045	156,880
New Sharon Elementary School	N/A	222	1,867	6,625	5,525	4,186	6,343	4,741	8,602	6,829	52,293
Pine Acres Elementary School	N/A	3,639	8,244	15,040	18,388	21,111	24,794	24,604	35,711	33,465	104,587
Oak Valley Elementary School	N/A	1,559	10,259	19,207	18,468	17,297	23,672	22,051	24,604	30,715	104,587
Shady Lane Elementary School	N/A	958	17,796	33,946	30,916	32,770	36,400	33,060	33,060	52,369	104,587
District Wide	N/A								1,021		
<b>Total School Facilities</b>		<b>\$ 222,796</b>	<b>\$ 235,881</b>	<b>\$ 362,318</b>	<b>\$ 355,512</b>	<b>\$ 383,140</b>	<b>\$ 415,484</b>	<b>\$ 410,340</b>	<b>\$ 485,382</b>	<b>\$ 646,711</b>	<b>\$ 1,045,868</b>

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

Source: District Records

**DEPTFORD TOWNSHIP BOARD OF EDUCATION**

Insurance Schedule

June 30, 2012

*Unaudited*

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	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - GCSSDJIF		
Property - Blanket Building and Contents	\$ 150,000,000	\$ 500
Comprehensive Automobile Liability	10,000,000	None
Workers' Compensation - GCSSDJIF	Statutory	None
Self-Insured Retention		
Boiler and Machinery	100,000,000	1,000
Inspection and Insurance Co.		
Property Damage		
Educator's Legal Liability Excess Coverage	10,000,000	None
Public Employees' Faithful Performance Bond - GCSSDJIF		
Employee Dishonesty, Money and Securities	500,000	500
Pollution Legal Liability and Mold Legal Liability	3,000,000	25,000
Third Party Micro-dial Liability	1,000,000	50,000
Surety Bonds (3)		
Treasurer	718,000	None
Board Secretary/Business Administrator	2,000	None
Student Accident Insurance (Excess)		
Student Accident non Athletic	1,000,000	None
Student Accident Athletic	5,000,000	None
Volunteer	25,000	None

Source: District Records

SINGLE AUDIT SECTION

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A  
DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND  
STATE OF NEW JERSEY CIRCULAR 04-04-OMB**

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

**Compliance**

We have audited the Township of Deptford School District's compliance with the types of compliance requirements described in the OMB Circular A-133 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, 2012. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133, and State of New Jersey Circular 04-04-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 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. Our audit does not provide a legal determination of the School District's compliance with those requirements.

In our opinion, the Township of Deptford School District complied, in all material respects, with the 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, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and New Jersey Circular 04-04-OMB and which are described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance.

**Internal Control Over Compliance**

Management of the Township of Deptford School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of management, members of the Board of Education, others within the School District, the Division of Administration and Finance of the New Jersey Department of Education, federal and state awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



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

Voorhees, New Jersey  
December 4, 2012

**Township of Deptford School District**  
 Schedule of Expenditures of Federal Awards, Schedule A  
 For the Fiscal Year Ended June 30, 2012

Federal Grantor/ Pass-through Grantor / Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2011	
				From	To	Balance June 30, 2011	Carryover / (Walkover) Amount
<b>General Fund:</b>							
U.S. Department of Education							
Education Jobs	84.397	N/A	\$ 809,434	8-10-2010	9-30-2012		
Medical Assistance Program	93.778	N/A	58,412	7-1-2010	6-30-2011		
<b>Special Revenue Fund:</b>							
U.S. Department of Defense							
NJROTC	N/A	N/A		7-1-2010	6-30-2011	\$ 569	
NJROTC	N/A	N/A	75,277	7-1-2011	6-30-2012		
						569	-
<b>U.S. Department of Education</b>							
<b>Passed-through State Department</b>							
Title I, Part A Carryover	84.010A	NCLB267010	599,689	9-1-2009	8-31-2010	(32,808)	
Title I, Part A Carryover	84.010A	NCLB267011	664,466	9-1-2010	8-31-2011	(389,533)	
Title I, Part A	84.010A	NCLB267012	779,947	9-1-2011	8-31-2012		
Title I, School Improvement Carryover	84.010A	NCLB086010	100,000	9-1-2008	8-31-2009	(97,893)	
ARRA - Title I, Part A	84.389	NCLB110010	374,758	7-1-2009	8-31-2011	(35,218)	
Title II, Part A Carryover	84.367	NCLB267011	204,202	9-1-2010	8-31-2011	(65,233)	
Title II, Part A	84.367	NCLB267012	178,672	9-1-2011	8-31-2012		
Title II, Part D - Tech Carryover	84.318	NCLB086010	8,853	9-1-2009	8-31-2010	(4,348)	
Title II, Part D - Tech Carryover	84.318	NCLB267011	2,057	9-1-2010	8-31-2011	(1,087)	
Title III, Carryover	84.365A	NCLB086010	14,057	9-1-2009	8-31-2010	(246)	
Title III, Carryover	84.365A	NCLB267011	18,088	9-1-2010	8-31-2011	(10,321)	
Title III	84.365A	NCLB267012	11,614	9-1-2011	8-31-2012		
Title III Immigrant	84.365A	NCLB267012	6,362	9-1-2011	8-31-2012		
Title IV Carryover	84.184	NCLB086011	12,356	9-1-2009	8-31-2010	(2,955)	8,499
I.D.E.I.A. Part B, Basic Regular Carryover	84.027	IDEA110011	1,227,379	9-1-2010	8-31-2011	(1,138,179)	
I.D.E.I.A. Part B, Basic Regular	84.027	IDEA110012	1,225,941	9-1-2011	8-31-2012		
I.D.E.I.A. , Part B Preschool Carryover	84.173	IDEA110011	44,629	9-1-2010	8-31-2011	(10,613)	
I.D.E.I.A. , Part B Preschool	84.173	IDEA110012	42,839	9-1-2011	8-31-2012		
ARRA - I.D.E.I.A. Part B, Basic Regular	84.391	IDEA110010	1,083,478	7-1-2009	9-30-2011	(483,306)	
ARRA - I.D.E.I.A. , Part B Preschool	84.392	IDEA110010	39,065	7-1-2009	9-30-2011	32,455	
Include	84.318X	N/A	434,702	9-1-2010	8-31-2011	(64,901)	
<b>Total Special Revenue Fund</b>						<b>(2,303,617)</b>	<b>8,499</b>
<b>Enterprise Fund:</b>							
<b>U.S. Department of Agriculture</b>							
<b>Passed-through State Department</b>							
<b>of Education:</b>							
National School Lunch Program	10.555	N/A	546,496	7-1-2010	6-30-2011	(92,878)	
National School Lunch Program	10.555	N/A	585,872	7-1-2011	6-30-2012		
School Breakfast Program	10.553	N/A	136,175	7-1-2010	6-30-2011	(26,171)	
School Breakfast Program	10.553	N/A	169,724	7-1-2011	6-30-2012		
Special Milk Program	10.556	N/A	4,160	7-1-2010	6-30-2011	(695)	
Special Milk Program	10.556	N/A	7,209	7-1-2011	6-30-2012		
Food Distribution Program	10.550	N/A	113,577	7-1-2011	6-30-2012		
<b>Total Enterprise Fund</b>						<b>(119,744)</b>	<b>-</b>
<b>Total Federal Financial Assistance</b>						<b>\$ (2,423,361)</b>	<b>\$ 8,499</b>

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

Balance June 30, 2012						
Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor at June 30, 2012
\$ 809,434	\$ 809,434					
70,789	70,789					
880,223	880,223					
					\$ 569	
75,277	61,713				13,564	
75,277	61,713	-	-	-	14,133	-
		32,808				
439,518	49,985					
320,959	428,537			(107,578)		
97,893				-		
40,955	5,737			-		
123,646	40,967	(17,446)				
60,785	70,208			(9,423)		
4,348						
1,463		(376)				
246						
18,088	1,747	(6,020)				
675	11,343			(10,668)		
6,155	6,362			(207)		
				(2,955)	8,499	
1,140,014	49,138	47,303				
1,126,062	1,170,236			(44,174)		
38,213		(27,600)				
36,423	39,419			(2,996)		
482,394		(364)		(1,276)		
165,581	10,248	(17,900)				4,307
	132,783			(32,103)		
4,178,695	2,078,423	10,405	-	(211,380)	22,632	4,307
92,878						
557,021	585,872			(28,851)		
26,171						
160,019	169,724			(9,705)		
695						
6,869	7,209			(340)		
113,577	113,577					
957,230	876,382	-	-	(38,896)	-	-
\$ 6,016,148	\$ 3,835,028	\$ 10,405	\$ -	\$ (250,276)	\$ 22,632	\$ 4,307

**Township of Deptford School District**  
 Schedule of Expenditures of State Awards, Schedule B  
 For the Fiscal Year Ended June 30, 2012

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2011		Carryover/ (Walkover) Amount
			From	To	Deferred Revenue / Accounts Receivable	Due to Grantor	
<b>State Department of Education (State Aid):</b>							
<b>General Fund:</b>							
Equalization Aid	11-495-034-5120-078	\$ 18,636,217	7-1-2010	6-30-2011	\$ (1,682,746)		
Equalization Aid	12-495-034-5120-078	19,477,826	7-1-2011	6-30-2012			
Security Aid	12-495-034-5120-085	335,084	7-1-2011	6-30-2012			
Special Education Aid	11-495-034-5120-089	2,107,675	7-1-2010	6-30-2011	(210,768)		
Special Education Aid	12-495-034-5120-089	2,107,675	7-1-2011	6-30-2012			
Nonpublic Transportation Aid	11-495-034-5120-015	26,731	7-1-2010	6-30-2011	(26,731)		
Nonpublic Transportation Aid	12-495-034-5120-015	26,892	7-1-2011	6-30-2012			
Extraordinary Special Education Aid Costs	11-100-034-5120-473	259,722	7-1-2010	6-30-2011	(259,722)		
Extraordinary Special Education Aid Costs	12-100-034-5120-473	257,089	7-1-2011	6-30-2012			
Reimbursed T.P.A.F. Social Security	11-495-034-5095-002	2,049,427	7-1-2010	6-30-2011	(100,975)		
Reimbursed T.P.A.F. Social Security	12-495-034-5095-002	2,049,427	7-1-2010	6-30-2011			
Total State Aid - General Fund					(2,280,942)	-	-
<b>State Grants:</b>							
<b>Special Revenue Fund:</b>							
Preschool Education Aid	11-495-034-5120-086	817,133	7-1-2010	6-30-2011	(81,711)		
Preschool Education Aid	12-495-034-5120-086	736,077	7-1-2011	6-30-2012			
New Jersey Nonpublic Aid							
Textbook Aid	11-100-034-5120-064	13,073	7-1-2010	6-30-2011		\$ 151	
Textbook Aid	12-100-034-5120-064	9,581	7-1-2011	6-30-2012			
Auxiliary Services							
Compensatory Education	11-100-034-5120-067	121,404	7-1-2010	6-30-2011		56,097	
English as a Second Language	11-100-034-5120-067	3,415	7-1-2010	6-30-2011		1,707	
Auxiliary Services							
Compensatory Education	12-100-034-5120-067	102,285	7-1-2011	6-30-2012			
English as a Second Language	12-100-034-5120-067	2,586	7-1-2011	6-30-2012			
Transportation	12-100-034-5120-067	29,523	7-1-2011	6-30-2012			
Handicapped Services							
CST Evaluation	11-100-034-5120-066	31,238	7-1-2010	6-30-2011		20,082	
Annual Exam & Classification	11-100-034-5120-066	10,229	7-1-2010	6-30-2011		5,115	
Corrective Speech	11-100-034-5120-066	41,463	7-1-2010	6-30-2011		10,170	
Supplemental Instruction	11-100-034-5120-066	24,319	7-1-2010	6-30-2011		13,897	
Handicapped Services							
CST Evaluation	12-100-034-5120-066	19,147	7-1-2011	6-30-2012			
Annual Exam & Classification	12-100-034-5120-066	7,100	7-1-2011	6-30-2012			
Corrective Speech	12-100-034-5120-066	33,885	7-1-2011	6-30-2012			
Supplemental Instruction	12-100-034-5120-066	15,433	7-1-2011	6-30-2012			
Home Instruction							
Nursing Services	11-100-034-5120-070	15,491	7-1-2010	6-30-2011		2,290	
Nursing Services	12-100-034-5120-070	13,685	7-1-2011	6-30-2012			
IDEAL Grant	N/A	41,566	7-1-2008	6-30-2009	48,883		
IDEAL Grant	N/A	60,000	7-1-2009	6-30-2010	(3,000)		
Include Grant	N/A	226,000	7-1-2008	6-30-2009	32,288		
Include Grant	N/A	240,000	7-1-2009	6-30-2010	3,239		
Crossing Guard Arm	N/A	600	7-1-2008	6-30-2009	600		
NJ Center for Teacher/Learn Math	N/A	25,000	7-1-2008	6-30-2009	5,447		
NJ Center for Teacher/Learn Math	N/A	25,000	7-1-2009	6-30-2010	27		
Total Special Revenue Fund					5,773	109,509	-
<b>Capital Projects Fund:</b>							
SDA Grant	1100-130-09-1002	175,630	7-1-2009	6-30-2011	(175,630)		
SDA Grant	1100-120-09-1001	550,165	7-1-2009	6-30-2011	(550,165)		
SDA Grant	1100-130-09-1004	453,945	7-1-2009	6-30-2011	(453,945)		
SDA Grant	1100-140-09-1003	635,609	7-1-2010	6-30-2012	(635,609)		
SDA Grant	1100-040-10-1003	500,241	7-1-2010	6-30-2012	(500,241)		
					(2,315,590)	-	-
<b>Enterprise Fund:</b>							
National School Lunch Program (State Share)	11-100-010-3360-067	17,066	7-1-2010	6-30-2011	(3,067)		
National School Lunch Program (State Share)	12-100-010-3360-067	17,450	7-1-2011	6-30-2012			
Total Enterprise Fund					(3,067)	-	-
Total State Financial Assistance					\$ (4,593,826)	\$ 109,509	\$ -

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

Cash Received	Adjustments	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2012		
				Accounts Receivable	Deferred Revenue	Due to Grantor
\$ 1,682,746						
17,730,141		\$ 19,477,826		\$ (1,747,685)		
301,576		335,084		(33,508)		
210,768						
1,896,907		2,107,675		(210,768)		
26,731						
		26,892		(26,892)		
259,722		257,089		(257,089)		
100,975		2,083,843		(103,104)		
1,980,739						
<u>24,190,305</u>	<u>-</u>	<u>24,288,409</u>	<u>-</u>	<u>(2,379,046)</u>	<u>-</u>	<u>-</u>
81,711						
662,469		736,077		(73,608)		
			151			
9,581		9,377				\$ 204
			56,097			
			1,707			
102,285		43,957				58,328
2,586						2,586
29,523		29,523				
			20,082			
			5,115			
			10,170			
			13,897			
19,147		19,147				
7,100		6,132				968
33,885		33,885				
15,433		11,224				4,209
		2,324		(2,324)		
			2,290			-
13,685						13,685
				(3,000)	48,883	
					32,288	
					3,239	
					600	
					5,447	
					27	
<u>977,405</u>	<u>-</u>	<u>891,646</u>	<u>109,509</u>	<u>(78,932)</u>	<u>90,484</u>	<u>79,980</u>
				(175,630)		
				(550,165)		
				(453,945)		
			(8,570)	(627,039)		
			(19,112)	(481,129)		
-	-	-	(27,682)	(2,287,908)	-	-
3,067						
16,620		17,450		(830)		
19,687	-	17,450	-	(830)	-	-
<u>\$ 25,187,397</u>	<u>\$ -</u>	<u>\$ 25,197,505</u>	<u>\$ 81,827</u>	<u>\$ (4,746,716)</u>	<u>\$ 90,484</u>	<u>\$ 79,980</u>

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2012

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**Note 1: GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Township of Deptford School District (hereafter referred to as the "School District"). The School District is defined in note 1 to the School District's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

**Note 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting, with the exception of programs recorded in the food service fund which 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. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is \$(98,447) for the general fund and \$(47,799) for the special revenue fund. The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$39,696 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.

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

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 880,223	\$ 24,288,409	\$ 25,168,632
Special Revenue	2,118,119	891,646	3,009,765
Capital Projects			
Debt Service			
Food Service	<u>876,382</u>	<u>17,450</u>	<u>893,832</u>
Total Awards and Financial Assistance	<u>\$ 3,874,724</u>	<u>\$ 25,197,505</u>	<u>\$ 29,072,229</u>

**Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**Note 5: ADJUSTMENTS**

Amounts reported in the column entitled "adjustments" represent favorable differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2011-2012.

**Note 6: OTHER**

Revenues and expenditures reported under the food distribution program represent current year value received and current year distribution, respectively. 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 ended June 30, 2012.

**Note 7: MAJOR PROGRAMS**

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

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2012**

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

**Financial Statements**

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weaknesses identified?      yes   x   no

Were significant deficiencies identified that were not considered to be a material weakness?      yes   x   none reported

Noncompliance material to financial statements noted?      yes   x   no

**Federal Awards**

Internal control over compliance:

Material weaknesses identified?      yes   x   no

Were significant deficiencies identified that were not considered to be material weaknesses?      yes   x   none reported

Type of auditor's report on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))?      yes   x   no

Identification of major programs:

<b><u>CFDA Numbers</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
<u>84.397</u>	<u>Education Jobs Fund</u>
<u>84.010A</u>	<u>Title I, Part A</u>
<u>84.389</u>	<u>ARRA - Title I, Part A</u>
<u>84.027</u>	<u>IDEA Part B - Basic</u>
<u>84.137</u>	<u>IDEA Part B - Preschool</u>
<u>84.392</u>	<u>ARRA - IDEA Preschool</u>
<u>10.553</u>	<u>School Breakfast Program</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>10.556</u>	<u>Special Milk Program</u>
<u>10.550</u>	<u>Food Distribution Program</u>

Dollar threshold used to determine Type A programs \$ 300,000

Auditee qualified as low-risk auditee?      yes   x   no

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2012**

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

**State Financial Assistance**

Internal control over compliance:

Material weaknesses identified? \_\_\_ yes  no

Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_ yes  none reported

Type of auditor's report on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a)) or New Jersey Circular 04-04-OMB? \_\_\_ yes  no

Identification of major programs:

<u>GMIS Numbers</u>	<u>Name of State Program</u>
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education
495-034-5120-085	Security Aid
495-034-5120-017	Reimbursed T.P.A.F Social Security Contributions

Dollar threshold used to determine Type A programs \$ 755,925

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

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2012

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***Section 2- Schedule of Financial Statement Findings***

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

No Current Year Findings.

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2012

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***Section 3- Schedule of Federal Award Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by OMB Circular A-133.

No Current Year Findings.

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2012

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

No Current Year Findings.

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

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This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

**FINANCIAL STATEMENT FINDINGS**

**Finding No. 2011-1**

**Condition**

Audit adjustments were required to certain general ledger accounts to achieve proper presentation in the Comprehensive Annual Financial Report (CAFR).

**Current Status:**

This condition has been corrected for the year ended June 30, 2012.

**FEDERAL AWARDS**

No Prior Year Findings.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

No Prior Year Findings.

