

**SCHOOL DISTRICT OF  
GIBBSBORO BOROUGH**

GIBBSBORO BOARD OF EDUCATION  
Gibbsboro, New Jersey  
County of Camden

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



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**GIBBSBORO BOROUGH BOARD OF EDUCATION**

**GIBBSBORO, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**Prepared by**

**Gibbsboro Borough Board of Education  
Finance Department**



## OUTLINE OF CAFR – GASB 34

	PAGE
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	1
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7

<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	8

### REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis	10
--------------------------------------	----

### BASIC FINANCIAL STATEMENTS

A. District-wide Financial Statements:	
A-1 Statement of Net Assets	18
A-2 Statement of Activities	19
B. Fund Financial Statements:	
B-1 Balance Sheet	21
B-2 Statement of Revenues, Expenditures & Changes in Fund Balances	22
B-3 Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Proprietary Funds:	
B-4 Statement of Net Assets	24
B-5 Statement of Revenues, Expenditures & Changes in Fund Net Assets	25
B-6 Statement of Cash Flows	26
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets	27
B-8 Statement of Changes in Fiduciary Net Assets	N/A
Notes to Financial Statements	28

### REQUIRED SUPPLEMENTARY INFORMATION – PART II

C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule – General Fund	48
C-1a Combining Schedule of Revenues, Expenditures & Changes in Fund Balance - Budget & Actual	N/A
C-1b Education Jobs Fund Program – Budget and Actual	56
C-2 Budgetary Comparison Schedule – Special Revenue Fund	57

(continued)

**OUTLINE OF CAFR – GASB 34 (continued):**

	<b>PAGE</b>
Notes to the Required Supplementary Information	
C-3 Budget-to-GAAP Reconciliation	58
D. School Based Budget Schedules –	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues & Expenditures Special Revenue Fund – Budgetary Basis	59
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	N/A
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Schedule of Net Assets	62
G-2 Combining Schedule of Revenues, Expenses & Changes in in Fund Net Assets	63
G-3 Combining Schedule of Cash Flows	64
Internal Service Fund –	
G-4 Combining Schedule of Net Assets	N/A
G-5 Combining Schedule of Revenues, Expenses & Changes in Fund Net Assets	65
G-6 Combining Schedule of Cash Flows	65
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Assets	66
H-2 Combining Statement of Changes in Fiduciary Net Assets	N/A
H-3 Student Activity Agency Fund Schedule of Receipts & Disbursements	67
H-4 Payroll Agency Fund Schedule of Receipts & Disbursements	67
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	68
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	69
I-4 Schedule of Compensated Absences	70

(continued)

**OUTLINE OF CAFR – GASB 34 (continued):**

<b>STATISTICAL SECTION (Unaudited)</b>	<b>PAGE</b>
<b>Financial Trends:</b>	
J-1 Net Assets by Component	71
J-2 Changes in Net Assets	72
J-3 Fund Balances – Governmental Funds	75
J-4 Changes in Fund Balances – Governmental Funds	76
J-5 General Fund Other Local Revenue by Source	77
<b>Revenue Capacity:</b>	
J-6 Assessed Value & Estimated Actual Value of Taxable Property	78
J-7 Direct & Overlapping Property Tax Rates	79
J-8 Principal Property Taxpayers	80
J-9 Property Tax Levies & Collections	81
<b>Debt Capacity:</b>	
J-10 Ratios of Outstanding Debt by Type	82
J-11 Ratios of General Bonded Debt Outstanding	83
J-12 Direct & Overlapping Governmental Activities Debt	83
J-13 Legal Debt Margin Information	84
<b>Demographic &amp; Economic Information:</b>	
J-14 Demographic & Economic Statistics	85
J-15 Principal Employers	N/A
<b>Operating Information:</b>	
J-16 Full-Time Equivalent District Employees by Function/Program	86
J-17 Operating Statistics	87
J-18 School Building Information	88
J-19 Schedule of Required Maintenance	89
J-20 Insurance Schedule	89
 <b>K SINGLE AUDIT SECTION</b>	
K-1 Report on Compliance and on Internal Control Over Financial Reporting and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	90
K-2 Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular Letter 04-04	92
K-3 Schedule of Expenditures of Federal Awards, Schedule A (See Auditor’s Management Report – Additional Information)	
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	94
K-5 Notes to Schedules of Awards and Financial Assistance	95
K-6 Schedule of Findings and Questioned Costs	97
K-7 Summary Schedule of Prior Audit Findings	99
	(concluded)



**INTRODUCTORY SECTION**





GIBBSBORO ELEMENTARY SCHOOL DISTRICT

Grades PS through 8

Mr. Brett Thorp  
Principal  
bthorp@gibbsboroschool.org

Tony Trongone  
Superintendent  
atrongone@gibbsboroschool.org

August 3, 2012

Honorable President and Members  
of the Board of Education  
Borough of Gibbsboro  
Camden County, New Jersey, 08026

Dear Board Members:

The comprehensive annual financial report of the Gibbsboro Board of Education 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 is 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: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments and Nonprofits Organizations", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES:** The Gibbsboro Board of Education is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Gibbsboro Board of Education and its school constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels PS through 8. These include regular, as well as special education for handicapped youngsters. In addition to the classroom teachers, several professional and non-professional support staff are employed to meet the growing needs of the pupils we serve. The District completed the 2011-2012 fiscal year with an enrollment of 248 students.

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

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2011-12	248.0	0%
2010-11	248.0	-1.98%
2009-10	253.0	-.004%
2008-09	254.0	-5.3%
2007-08	268.0	-6.7%
2006-07	286.0	+3.6%
2005-06	275.0	-0.72%
2004-05	277.0	-7.05%
2003-04	298.0	+3.11%
2002-03	289.0	-1.64%
2001-02	304.0	-5.60%
2000-01	322.0	-2.12%
1999-00	329.0	-3.52%
1998-99	341.0	+7.24%
1997-98	318.0	-1.54%

## 2) MAJOR INITIATIVES:

- Math Curriculum Aligned to Common Core Standards
  - Purchase of new math materials grades K-4
  - Professional development for staff in new math curriculum
  - Implementation of FASTT Math
  - Implementation of Carnegie Learning Mathematics
  - Implement Get the Math program
- Moving forward into second year of Professional Learning Communities
  - Staff and administration attended PLC Institute
  - Schedule was created to facilitate Intervention and Enrichment
- Language Arts Curriculum alignment to Common Core Standards
  - Special Education environment, grades K-5, new reading program
  - Teachers participated in new reading program
  - Teachers participated in Common Core LAL professional development
  - Various reading initiatives; Battle of The Books, Read Across America, Stop Everything and Read, etc.
- Reinstated Instrumental Music program
- Embedding technology in the classroom - everyday
  - Grades K-5 utilizing mini-Dell lap-top computers
  - New work stations for all staff members
  - Wireless educational environment
- Continuation of Measuring for Academic Progress(MAP) assessment program
- Articulation with Eastern High School through OnCourse Curriculum Builder initiative
  - All accessible curriculum online, which can also be analyzed
  - Develop curriculum community with Eastern and Berlin
- Library resources expanded through implementation of Lexile system
- Expansion of communication to all stakeholders via website, Instant Alert and Parent Portal
- Development of Character Education program
  - State School of Character Honorable Mention
  - Rachel's Challenge Assemblies
  - Creation of Gibbsboro Super 7
  - Participation in Stop Hunger Now
- Development of school wide teacher observation advisory committee

3) **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

(1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

4) **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. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2012.

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

6) **FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund and debt service fund revenues for the fiscal year ended June 30, 2012:

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2011</u>	<u>Percent Increase/ (Decrease)</u>
Local Sources	\$2,735,057	59.88%	\$ 4,737	.17%
State Sources	1,686,859	36.93%	109,240	6.92%
Federal Sources	<u>145,888</u>	<u>3.19%</u>	<u>31,980</u>	28.08%
Total	<u>\$4,567,804</u>	<u>100.00%</u>	<u>\$145,957</u>	

The following schedule presents a summary of general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2012:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2011</u>	<u>Percent Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$2,000,511	44.40%	\$124,694	6.65%
Undistributed Expenses	2,276,945	50.54%	(40,189)	(1.73)%
Capital Projects	21,146	.47%	(18,875)	(47.16)%
Debt Service	<u>206,889</u>	<u>4.59%</u>	<u>(32,502)</u>	<u>(13.58)%</u>
Total	<u>\$4,505,491</u>	<u>100.00%</u>	<u>\$33,128</u>	

7) **DEBT ADMINISTRATION:** In August of 2011, the District issued refunding bonds in the amount of \$2,755,000 for the refunding of the 2002 series general obligation bonds which were issued for additions and renovations to the elementary school. As of June 30, 2012, the District had \$105,000 in outstanding debt principal for the 2002 issue and \$2,755,000 in outstanding debt principal for the 2011 refunding bonds, for a total outstanding debt of \$2,860,000.

8) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

10) **OTHER INFORMATION:**

A) **Independent Audit-** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman & Frenia, P.C. was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the 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 basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11) **ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Gibbsboro 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,



---

Mr. Anthony Trongone  
Superintendent of Schools



**GIBBSBORO BOARD OF EDUCATION**  
37 Kirkwood Road  
Gibbsboro, New Jersey 08026

**ROSTER OF OFFICIALS**

**JUNE 30, 2012**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Joyce A. Miller, President	2013
Lorraine Balut, Vice President	2014
Kathleen Campbell	2014
Ellie Falcone	2014
Leonard Kolojechick	2012
Peggy Mason	2013
Maggie Moy	2013
Dan Norbury	2012
Dorothy Warner	2012

**OTHER OFFICIALS**

Anthony Trongone, Superintendent

Frank Domin, Business Administrator

Brett Thorp, Principal

Beth Ann Coleman, Treasurer

Ronald Sahli, Esq., Solicitor

**GIBBSBORO BOARD OF EDUCATION**  
37 Kirkwood Road  
Gibbsboro, New Jersey 08026

**CONSULTANTS AND ADVISORS**

**INSURANCE BROKER**

Leonard O'Neill Insurance Group  
Gibbsboro, New Jersey

**AUDIT FIRM**

Holman & Frenia, P. C.  
Kevin P. Frenia, CPA, PSA  
618 Stokes Road  
Medford, New Jersey 08055

**SOLICITOR**

Ronald W. Sahli, Esq.  
Hammonton, New Jersey

**OFFICIAL DEPOSITORY**

Columbia Bank  
Voorhees, New Jersey

**FINANCIAL SECTION**





Certified Public Accountants & Consultants

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Gibbsboro Borough School District  
County of Camden  
Gibbsboro, New Jersey 08026

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 Board of Education of the Gibbsboro Borough School District, County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's financial statements as listed in the table of contents. These financial statements are the responsibility of the Board'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; and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Gibbsboro Borough School District, County of Camden, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, for the 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 August 3, 2012, on our consideration of the Gibbsboro Borough Board of Education's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

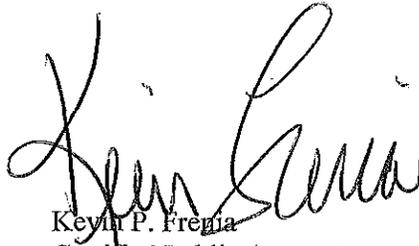
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 18 through 27 and 48 through 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate

operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gibbsboro Borough Board of Education's basic financial statements. The accompanying introductory section, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical information are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and is also not a required part of the financial statements. The combining and individual fund financial statements, long-term debt schedules and the accompanying schedule of expenditures of state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,

HOLMAN & FRENIA, P. C.



Kevin P. Frenia  
Certified Public Accountant  
Public School Accountant  
No. 1011

Medford, New Jersey  
August 3, 2012

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

Management's Discussion and Analysis



# **Gibbsboro School District**

## **Management Discussion and Analysis**

### **For the Fiscal Year Ended June 30, 2012**

#### **(Unaudited)**

---

The discussion and analysis of Gibbsboro School District's 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 notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is a new element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2011-12) and the prior year (2010-11) is required to be presented in the MD&A.

#### **FINANCIAL HIGHLIGHTS**

Key financial highlights for 2011-12 are as follows:

- The assets of the Gibbsboro School District exceeded its liabilities at the close of the most recent fiscal year by \$2,597,222 (net assets).
- Net Assets for Governmental Activities and for Business-Type Activities were \$2,562,026 and \$35,196, respectively.
- The General Fund, fund balance as of June 30, 2012 was \$508,265, an increase of \$28,455 when compared with the beginning balance as of July 1, 2011 of \$479,810.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

- The first two statements, Exhibit A-1 and A-2, are government-wide financial statements that provide both long-term and short-term information about the School District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School District's operations in more detail than the government-wide statements.

The governmental fund statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund statements offer short-term and long-term financial information about those types of activities that operate like a business.

Fiduciary fund statements provide information about the financial relationships in which the School District acts as a trustee or agent for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The statements are followed by another section, Part II that contains required supplementary information that further explains and supports the information in the financial statements including budget schedules, reconciliations and individual fund statements.

Table A-1 summarizes the major features of the Gibbsboro School District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Table A-1			
Major Features of the District-Wide and Fund Financial Statements			
	District-wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education, building maintenance, and pupil transportation.	Activities the District operates similar to private business: Food Service Fund
Required Financial Statements	Statement of net assets	Balance sheet	Statement of net assets
	Statement of activities	Statement of revenue, expenditures and changes in fund balances	Statement of revenue, expenses, and changes in fund net assets Statement of cash flows
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid

## Reporting the School District as a Whole

### Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities include all assets and liabilities of the School District using the accrual basis of accounting similar to the accounting used by most private-sector companies. 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 that, 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 facility condition, required educational programs, changes in the District's property tax base and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District reports governmental and business – type activities.

- *Governmental activities* - Most of the School District's programs and services are reported including, but not limited to, regular and special instruction, support services, operation and maintenance of plant, pupil transportation and administration. Aid from the State of New Jersey and from the Federal government along with local property taxes finances the majority of these activities.
- *Business-type activities* – The District charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Fund is included here.

## Reporting the School District's Most Significant Funds

### Fund Financial Statements

The Fund financial reports provide detailed information about the School District's major funds. The School District uses several funds to account for a variety of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund and the Debt Service Fund.

### Governmental Funds

Most of 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 future periods. These funds are reported using an accounting method called modified accrual basis of 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 you 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.

## FINANCIAL ANALYSIS OF THE GIBBSBORO SCHOOL DISTRICT AS A WHOLE

The Statement of Net Assets provides the perspective of the School District as a whole.

Table A-2 provides a summary of the School District's net assets for 2012.

Table A-2  
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	\$ 758,486	\$ 516,573	35,196	34,471	793,682	\$ 551,044
Capital Assets	4,913,644	5,074,281			4,913,644	5,074,281
<b>Total Assets</b>	<b>5,672,130</b>	<b>5,590,854</b>	<b>35,196</b>	<b>34,471</b>	<b>5,707,326</b>	<b>5,625,325</b>
Long Term Liabilities	2,848,844	2,835,348			2,848,844	2,835,348
Other Liabilities	261,260	176,035			261,260	176,035
<b>Total Liabilities</b>	<b>3,110,104</b>	<b>3,011,383</b>			<b>3,110,104</b>	<b>3,011,383</b>
<b>Net Assets</b>						
Invested in capital assets, net of debt	2,053,644	2,235,281			2,053,644	2,235,281
Restricted	395,119	318,690			395,119	318,690
Unrestricted	113,263	25,500	35,196	34,471	148,459	59,971
<b>Total Net Assets</b>	<b>2,562,026</b>	<b>2,579,471</b>	<b>35,196</b>	<b>\$ 34,471</b>	<b>2,597,222</b>	<b>2,613,942</b>

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

- Programs revenues were \$163,989
  - Operating Grants & Contributions - \$124,944
  - Charges for Services - \$39,045
- General revenues, Special Items, Extraordinary Items and Transfers amounted to \$4,458,613.
- Net Expenditures were \$4,475,333.
- Total District revenues & beginning assets are adjusted by net adjusted expenditures resulting in a calculation of net assets of \$2,597,222, as of June 30, 2012.
- Revenues \$4,458,613 + Beginning assets \$2,613,942 – Net expenditures (\$4,475,333) = Net Assets of \$2,597,222.

Table A-3 shows a summary of the changes in net assets for fiscal year 2012.

**Table A-3**  
**Changes in Net Assets**  
**Governmental and Business-Type Activities**

	<u>2012</u>	<u>2011</u>
<b>Revenues</b>		
Program Revenues		
Charges for Services	\$ 39,045	\$ 57,198
Operating Grants & Contributions	124,944	127,930
General Revenues		
Property Taxes	2,714,952	2,719,552
State & Federal Aid	1,723,547	1,582,248
Other	20,114	10,783
Total Revenues	<u>4,622,602</u>	<u>4,497,711</u>
<b>Expenses</b>		
Governmental Activities:		
Instruction		
Regular	1,582,455	1,428,015
Special Education	418,056	447,802
Support Services:		
Attendance	7,036	6,763
Health	68,901	67,029
Student and Instruction Related Services	357,287	358,105
Educational Media Services/School Library	42,019	42,280
Instructional Staff Training Services	4,330	7,240
School Administrative Services	58,270	54,912
General and Central Administrative Services	225,042	236,908
Administrative Information Technology	1,410	2,280
Plant Operations & Maintenance	298,107	416,842
Pupil Transportation	70,373	72,022
Unallocated Benefits	1,158,627	1,080,363
Interest on Long-Term Debt	96,656	138,241
Unallocated Depreciation	167,326	166,619
Unallocated Compensated Absences	17,496	(34,912)
Total Expenses Governmental Activities	<u>4,579,293</u>	<u>4,490,509</u>
Business-Type Activities:		
Food Service	60,029	75,138
Internal Service Funds		<u>15,050</u>
Total Expenses Business-Type Activities	<u>60,029</u>	<u>90,188</u>
Total Expenses	<u>4,639,322</u>	<u>4,580,697</u>
Net Increase/Decrease in Net Assets	(16,720)	(82,986)
Net Assets Beginning July 1, 2011	2,613,942	2,696,928
Net Assets Ending June 30, 2012	<u>\$ 2,597,222</u>	<u>\$2,613,942</u>

Total revenues for the District were \$4,622,602. Government funding was the source of 39.99% of the District's revenues. This includes Federal Sources and the State of New Jersey.

Property taxes of \$2,714,952 provided the District with 58.73% of the District's total revenue.

The District's expenses for government activities are predominately related to instruction and support services. Instruction together with tuition, total \$2,000,511, 43.69% of total expenditures for the District. (See Table A-4)

**Table A-4**  
**Net Cost of Governmental Activities**

	Source	2012		2012	
		Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost
Governmental Activities:					
Instruction	A-2	2,000,511	1,924,861	1,875,817	1,785,286
Support Services:					
Attendance	A-2	7,036	7,036	6,763	6,763
Health	A-2	68,901	68,901	67,029	67,029
Student and Instruction Related Services	A-2	357,287	323,737	358,105	339,357
Educational Media Services/School Library	A-2	42,019	42,019	42,280	42,280
Instructional Staff Training Services	A-2	4,330	4,330	7,240	7,240
School Administrative Services	A-2	58,270	58,270	54,912	54,912
General and Business Administrative Services	A-2	225,042	225,042	236,908	236,908
Administration Information Technology	A-2	1,410	1,410	2,280	2,280
Plant Operations and Maintenance	A-2	298,107	298,107	416,842	416,842
Pupil Transportation	A-2	70,373	70,373	72,022	72,022
Unallocated Benefits	A-2	1,158,627	1,158,627	1,080,363	1,080,363
Interest on Long-Term Debt	A-2	96,656	96,656	138,241	138,241
Unallocated Compensated Absences	A-2	17,496	17,496	(34,912)	(34,912)
Unallocated Debt Issuance Costs	A-2	5,902	5,902		
Unallocated Depreciation	A-2	167,326	167,326	166,619	166,619
<b>Total Governmental Activities</b>		<b>4,579,293</b>	<b>4,470,093</b>	<b>4,490,509</b>	<b>4,381,230</b>

### **Activity Descriptions**

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

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

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

**School administrative and general and business administrative services** include expenses associated with establishing and administering policy for the District including financial supervision.

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

**Pupil transportation** includes activities involved with the conveyance of students to and from school activities.

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

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

The financial performance of the Gibbsboro School District as a whole is reflected in the governmental funds, which are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$4,567,804, expenditures of \$4,505,491, and other financing uses of \$5,956. As the District completed the year, its governmental funds reported a combined fund balance of \$536,168.

**GENERAL FUND BUDGETING HIGHLIGHTS**

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

The final budgetary basis revenue estimate was \$3,877,974. The original budgeted estimate was \$3,876,428. The final budgetary basis expenditure appropriation estimate was \$4,022,712 compared to the original estimate of \$4,021,166.

The following schedule (Table A-5) presents a summary of General Fund Revenues.

**Table A-5  
Summary of General Fund Revenues  
For the Year Ended**

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Revenues		
Local Sources:		
Local tax levy	2,480,161	2,480,161
Miscellaneous	5,896	10,768
	<hr/>	<hr/>
Total - Local Sources	2,486,057	2,490,929
	<hr/>	<hr/>
State Sources	1,696,524	1,553,877
Federal Sources	50,897	-0-
	<hr/>	<hr/>
Total - Government Sources	1,747,421	1,553,877
	<hr/>	<hr/>
Total Revenues	<u>4,233,478</u>	<u>4,044,806</u>

The primary source of funding for the District is received from local property taxes that accounted for 58.58% of total revenues. State aid accounted for 41.28% of total revenues.

The following schedule (Table A-6) presents a summary of General Fund expenditures.

**Table A-6**  
**Summary of General Fund Expenditures**  
**For the Year Ended**

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Current		
Instruction		
Regular	1,506,805	1,337,484
Special Education	335,939	372,793
Other	82,117	75,009
Support Services and Undistributed Costs:		
Services	446,023	462,669
School Administrative Services	58,270	54,912
General and Business Administrative	211,995	209,298
Services		
Plant Operations and Maintenance	298,107	416,842
Pupil Transportation	70,373	72,022
Capital Outlay	21,146	35,392
Unallocated Benefits	<u>1,158,627</u>	<u>1,080,363</u>
 Total Expenditures	 <u>4,189,402</u>	 <u>4,119,064</u>

Total General Fund expenditures increased \$70,338 or 1.71% from the previous year.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

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

At the end of the fiscal year 2012, the School District had \$4,913,644 invested in land buildings, furniture and equipment, net of depreciation for governmental activities.

Table A-7 shows a summary of the fiscal 2012 & 2011 balances.

	<b>Table A-7</b>	
	<b>Capital Assets</b>	
	June 30, 2012	June 30, 2011
	Governmental	Governmental
	Activities	Activities
Building & Building Improvements	\$ 6,620,517	\$ 6,620,517
Land Improvements	29,220	29,220
Equipment	<u>87,452</u>	<u>80,763</u>
Total Capital Assets	6,737,189	6,730,500
 Less: Accumulated Depreciation	 <u>1,823,545</u>	 <u>1,656,219</u>
 Net Capital Assets	 <u><u>4,913,644</u></u>	 <u><u>5,074,281</u></u>

## DEBT SERVICE FUND

The Current year obligations for payment of debt service principal and interest amounted to \$206,889. Funding was provided by the local tax levy.

## FOOD SERVICE FUND

The Food Service Fund had net assets of \$35,196 as of June 30, 2012. This reflects a increase of \$725 from June 30, 2011.

## LONG-TERM OBLIGATIONS

As of June 30, 2012 the District had \$2,860,000 in general obligation bonds outstanding, a increase of \$210,000 from last year as shown in Table A-8.

The District also had a \$118,844 liability for compensated absences. This liability represents the District's contractual obligation to compensate employees for accumulated unused sick leave entitlements and accumulated unused vacation days upon retirement.

Table A-8 shows the District's long-term obligations.

**Table A-8**  
**Long Term Obligations**

	Balance at <u>June 30,</u> <u>2012</u>	Balance at <u>June 30,</u> <u>2011</u>	Increase/ <u>Decrease</u>
General Obligation Bonds Payable	2,860,000	2,839,000	21,000
Compensated Absences	118,844	101,348	17,496
<b>TOTAL</b>	<u>2,978,844</u>	<u>2,940,348</u>	<u>38,496</u>

## CURRENT FINANCIAL ISSUES AND CONCERNS

The future financing of public schools in the State of New Jersey is becoming very unpredictable. In 2012, the State increased state aid provided to the District by \$142,647. The State has withheld the last two state aid payments until after the close of the fiscal year for 2012.

The School District remains fiscally responsible due to the administration, faculty, and the Board of Education, who are committed to the fiscal responsibilities of the District.

## CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

These financial reports are designed to provide our citizens, taxpayers and creditors with a general overview of the School District's finances and to show the accountability for money received from the state and local government. If you have questions about this report or need additional information, contact Mr. Anthony Trongone, School Superintendent at: Gibbsboro School District, 37 Kirkwood Road, Gibbsboro, New Jersey 08026.

**BASIC FINANCIAL STATEMENTS**



## A. District-Wide Financial Statements



**GIBBSBORO BOROUGH BOARD OF EDUCATION**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2012**  
**(With Comparative Totals for June 30, 2011)**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
			JUNE 30, 2012	(MEMORANDUM ONLY) JUNE 30, 2011
Cash & Cash Equivalents	\$565,199	39	565,238	426,892
Receivables, Net	5,370	35,157	40,527	124,152
Capital Assets, Net (Note 4)	4,913,644		4,913,644	5,074,281
Unamortized Loss on Early Retirement of Debt	119,508		119,508	
Unamortized Bond Issue Costs	68,409		68,409	
<b>Total Assets</b>	<b>5,672,130</b>	<b>35,196</b>	<b>5,707,326</b>	<b>5,625,325</b>
<b>LIABILITIES</b>				
Other Payables	34,401		34,401	36,762
Accrued Interest Payable	24,040		24,040	34,273
Unamortized Bond Premium	72,819		72,819	
Noncurrent Liabilities (Note 5):				
Due Within One Year	130,000		130,000	105,000
Due Beyond One Year	2,848,844		2,848,844	2,835,348
<b>Total Liabilities</b>	<b>3,110,104</b>		<b>3,110,104</b>	<b>3,011,383</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	2,053,644		2,053,644	2,235,281
Restricted For:				
Debt Service	3,863		3,863	(34,272)
Other Purposes	391,256		391,256	352,962
Unrestricted	113,263	35,196	148,459	59,971
<b>Total Net Assets</b>	<b>\$2,562,026</b>	<b>35,196</b>	<b>2,597,222</b>	<b>2,613,942</b>

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

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012  
(With Comparative Totals for June 30, 2011)**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS	
						JUNE 30, 2012	JUNE 30, 2011
(MEMORANDUM ONLY)							
Governmental Activities:							
Instruction:							
Regular Instruction	\$1,582,455		75,650	(1,506,805)		(1,506,805)	(1,337,484)
Special Education Instruction	335,939			(335,939)		(335,939)	(372,793)
Other Instruction	82,117			(82,117)		(82,117)	(75,009)
Support Services & Undistributed Costs:							
Attendance/Social Work	7,036			(7,036)		(7,036)	(6,763)
Health Services	68,901			(68,901)		(68,901)	(67,029)
Student & Instruction Related Services	357,287		33,550	(323,737)		(323,737)	(339,357)
Educational Media Services/School							
Library	42,019			(42,019)		(42,019)	(42,280)
Instructional Staff Training	4,330			(4,330)		(4,330)	(7,240)
General Administrative Services	145,386			(145,386)		(145,386)	(159,820)
School Administrative Services	58,270			(58,270)		(58,270)	(54,912)
Central Services	79,656			(79,656)		(79,656)	(77,088)
Administrative Information Technology	1,410			(1,410)		(1,410)	(2,280)
Plant Operations & Maintenance	298,107			(298,107)		(298,107)	(416,842)
Pupil Transportation	70,373			(70,373)		(70,373)	(72,022)
Unallocated Benefits	1,158,627			(1,158,627)		(1,158,627)	(1,080,363)
Interest on Long-Term Debt	96,656			(96,656)		(96,656)	(138,241)
Amortized Debt Issuance Costs	5,902			(5,902)		(5,902)	
Unallocated Compensated Absences	17,496			(17,496)		(17,496)	34,912
Unallocated Depreciation	167,326			(167,326)		(167,326)	(166,619)
<b>Total Governmental Activities</b>	<b>4,579,293</b>		<b>109,200</b>	<b>(4,470,093)</b>		<b>(4,470,093)</b>	<b>(4,381,230)</b>

**GIBBSBORO BOROUGH BOARD OF EDUCATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
**(With Comparative Totals for June 30, 2011)**

FUNCTIONS/PROGRAMS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS						
	PROGRAM REVENUES			TOTALS			
	CHARGES FOR EXPENSES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	JUNE 30, 2012	(MEMORANDUM ONLY) JUNE 30, 2011	
Business-Type Activities:							
Food Service	60,029	39,045	15,744	(5,240)	(5,240)	(14,339)	
Total Business-Type Activities	60,029	39,045	15,744	(5,240)	(5,240)	(14,339)	
Total Primary Government	\$4,639,322	39,045	124,944	(4,470,093)	(5,240)	(4,475,333)	(4,395,569)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				\$2,480,161	2,480,161	2,480,161	
Taxes Levied for Debt Service				234,791	234,791	239,391	
Federal & State Aid Not Restricted				1,723,547	1,723,547	1,582,248	
Miscellaneous Income				20,105	9	20,114	10,783
Transfers				(5,956)	5,956		
Total General Revenues, Special Items, Extraordinary Items & Transfers				4,452,648	5,965	4,458,613	4,312,583
Change In Net Assets				(17,445)	725	(16,720)	(82,986)
Net Assets July 1,				2,579,471	34,471	2,613,942	2,696,928
Net Assets - Ending				\$2,562,026	35,196	2,597,222	2,613,942

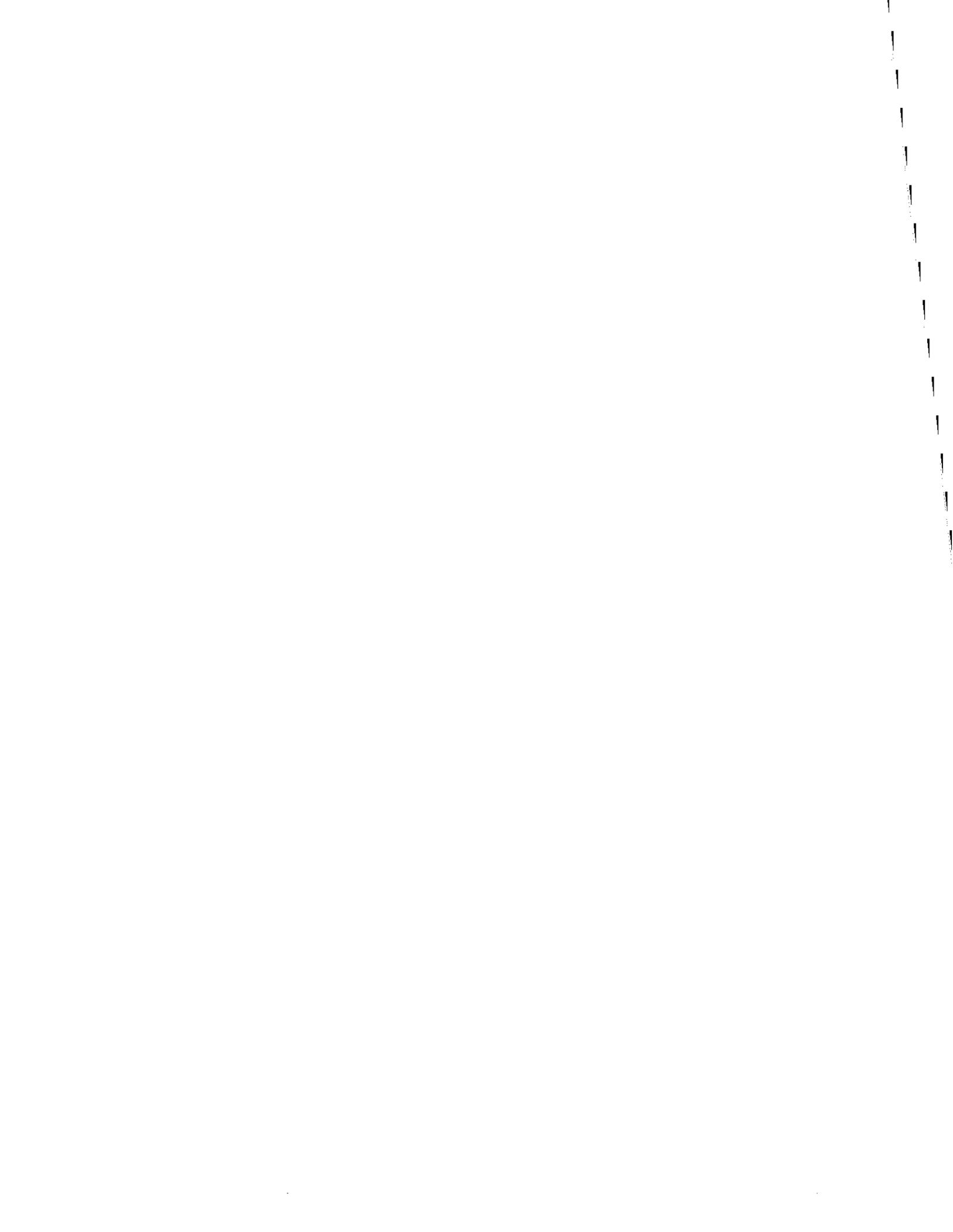
The accompanying Notes to Financial Statements are an integral part of this statement.



## B. Fund Financial Statements



## Governmental Funds



**GIBBSBORO BOROUGH BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2012  
(With Comparative Totals for June 30, 2011)**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS	
				(MEMORANDUM ONLY)	
				JUNE 30, 2012	JUNE 30, 2011
<b>ASSETS &amp; OTHER DEBITS</b>					
Assets:					
Cash & Cash Equivalents	\$484,196		27,903	512,099	453,582
Accounts Receivable:					
Federal Aid					81,973
State Aid	1,566			1,566	1,740
Interfund	3,804			3,804	6,038
Restricted Cash & Cash Equivalents	53,100			53,100	52,852
<b>Total Assets</b>	<b>\$542,666</b>	<b>-</b>	<b>27,903</b>	<b>570,569</b>	<b>596,185</b>
Liabilities & Fund Balances:					
Liabilities:					
Cash Deficit					79,612
Interfund Payable	34,401			34,401	36,762
<b>Total Liabilities</b>	<b>34,401</b>			<b>34,401</b>	<b>116,374</b>
Fund Balances:					
Restricted for:					
Capital Reserve Account	1			1	1
Maintenance Reserve Account	53,100			53,100	52,850
Excess Surplus	181,042			181,042	155,373
Excess Surplus Designated for Subsequent Year's Expenditures	155,373			155,373	144,738
Assigned to:					
Designated for Subsequent Year's Expenditures	1,740		27,902	29,642	
Debt Service Fund			1	1	1
Unassigned:					
General Fund	117,009			117,009	126,848
<b>Total Fund Balances</b>	<b>508,265</b>		<b>27,903</b>	<b>536,168</b>	<b>479,811</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$542,666</b>	<b>-</b>	<b>27,903</b>		

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$6,737,189 and the accumulated depreciation is \$1,823,545.	4,913,644	5,074,281
Accrued interest payable is not recorded in the fund financial due to the fact that payable is not due in the current period.	(24,040)	(34,273)
Unamortized bond issuance costs/loss on refunding net of Bond Premium is not recorded in the fund financials But is recorded on the district wide financials	115,098	
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 (see Illustrative Note 5)	(2,978,844)	(2,940,348)
<b>Net assets of Governmental Activities</b>	<b>\$2,562,026</b>	<b>2,579,471</b>

See Accompanying Notes to Financial Statements

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(With Comparative Totals for June 30, 2011)**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS	
				JUNE 30, 2012	(MEMORANDUM ONLY) JUNE 30, 2011
<b>Revenues:</b>					
Local Sources:					
Local Tax Levy	\$2,480,161		234,791	2,714,952	2,719,552
Miscellaneous	5,896	14,209		20,105	10,768
<b>Total Revenues - Local Sources</b>	<b>2,486,057</b>	<b>14,209</b>	<b>234,791</b>	<b>2,735,057</b>	<b>2,730,320</b>
State Sources	1,686,859			1,686,859	1,577,619
Federal Sources	50,897	94,991		145,888	113,908
<b>Total Revenues</b>	<b>4,223,813</b>	<b>109,200</b>	<b>234,791</b>	<b>4,567,804</b>	<b>4,421,847</b>
<b>Expenditures:</b>					
Current Expense:					
Regular Instruction	1,506,805	75,650		1,582,455	1,428,015
Special Education Instruction	335,939			335,939	372,793
Other Instruction	82,117			82,117	75,009
Support Services & Undistributed Costs:					
Attendance/Social Work	7,036			7,036	6,763
Health Services	68,901			68,901	67,029
Student & Instruction Related Services	323,737	33,550		357,287	358,105
Educational Media Services/School Library	42,019			42,019	42,280
Instructional Staff Training	4,330			4,330	7,240
General Administrative Services	130,929			130,929	132,210
School Administrative Services	58,270			58,270	54,912
Central Services	79,656			79,656	77,088
Administrative Information Technology	1,410			1,410	2,280
Plant Operations & Maintenance	298,107			298,107	416,842
Pupil Transportation	70,373			70,373	72,022
Unallocated Benefits	1,158,627			1,158,627	1,080,363
Capital Outlay	21,146			21,146	40,021
Debt Service:					
Principal			100,000	100,000	100,000
Interest			106,889	106,889	139,391
<b>Total Expenditures</b>	<b>4,189,402</b>	<b>109,200</b>	<b>206,889</b>	<b>4,505,491</b>	<b>4,472,363</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>34,411</b>		<b>27,902</b>	<b>62,313</b>	<b>(50,516)</b>
<b>Other Financing Sources/(Uses):</b>					
Food Services:					
Transfer to Cover Deficit	(5,956)			(5,956)	(13,163)
<b>Total Other Financing Sources/(Uses)</b>	<b>(5,956)</b>			<b>(5,956)</b>	<b>(13,163)</b>
<b>Excess/(Deficiency) of Revenues &amp; Other Financing Sources Over/(Under) Expenditures &amp; Other Financing Uses</b>	<b>28,455</b>		<b>27,902</b>	<b>56,357</b>	<b>(63,679)</b>
Fund Balances July 1,	479,810		1	479,811	543,490
<b>Fund Balances June 30</b>	<b>\$508,265</b>	<b>-</b>	<b>27,903</b>	<b>536,168</b>	<b>479,811</b>

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

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$56,357

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

Capital outlays are reported in governmental funds as expenditures. However, in the  
statement of activities, the cost of those assets is allocated over their estimated useful  
lives as depreciation expense. This is the amount by which capital outlays exceeded  
depreciation in the period:

Depreciation Expense	(\$167,326)	
Capital Outlays	<u>6,689</u>	(160,637)

Proceeds from debt issues are a financing source in the governmental funds.  
They are not revenue in the statement of activities; issuing debt increases  
long-term liabilities in the statement of activities.

Bond Proceeds		(2,755,000)
Premiums, Costs of Issuance and Loss on Refundings		121,000
Bonds Refunded		2,634,000

Amortization of losses on early extinguishments of debt and premiums from refunded debt  
issuances are recorded when incurred in the governmental funds but are accrued and  
expensed over time in the statement of activities.

Current Year		(5,902)
--------------	--	---------

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. 100,000

Net Difference Accrued interest on bonds and capital leases is not recorded  
in fund financial statements 10,233

Increase in accrual for compensated absences (17,496)

Change in Net Assets of Governmental Activities (\$17,445)

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



## Proprietary Funds



**GIBBSBORO BOROUGH BOARD OF EDUCATION**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2012**  
**(With Comparative Totals for June 30, 2011)**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS FOOD SERVICE	TOTALS	
		JUNE 30, 2012	(MEMORANDUM ONLY) JUNE 30, 2011
Cash & Cash Equivalents	\$39	39	70
Accounts Receivable:			
State	33	33	
Federal	723	723	
Interfund	34,401	34,401	34,401
Total Assets	<u>35,196</u>	<u>35,196</u>	<u>34,471</u>
NET ASSETS			
Unrestricted	<u>35,196</u>	<u>35,196</u>	<u>34,471</u>
Total Net Assets	<u><u>\$35,196</u></u>	<u><u>35,196</u></u>	<u><u>34,471</u></u>

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

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET ASSETS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
 (With Comparative Totals for June 30, 2011)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS	TOTALS	
		JUNE 30, 2012	(MEMORANDUM ONLY) JUNE 30, 2011
Operating Revenues:			
Local Sources:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$33,488	33,488	36,238
Daily Sales - Non-Reimbursable Programs:			
School Lunch Program	5,557	5,557	5,910
Services Provided to Other Leas			15,050
<b>Total Operating Revenue</b>	<b>39,045</b>	<b>39,045</b>	<b>57,198</b>
Operating Expenses:			
Salaries & Benefits	10,206	10,206	35,519
Cost of Sales	49,823	49,823	54,669
<b>Total Operating Expenses</b>	<b>60,029</b>	<b>60,029</b>	<b>90,188</b>
<b>Operating Income/(Loss)</b>	<b>(20,984)</b>	<b>(20,984)</b>	<b>(32,990)</b>
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	708	708	817
Federal Sources:			
National School Lunch Program	14,802	14,802	17,564
Special Milk Program	234	234	270
Interest & Investment Revenue	9	9	15
<b>Total Nonoperating Revenues</b>	<b>15,753</b>	<b>15,753</b>	<b>18,666</b>
Other Financing Sources:			
Operating Transfer In	5,956	5,956	13,163
<b>Total Other Financing Sources</b>	<b>5,956</b>	<b>5,956</b>	<b>13,163</b>
Change in Net Assets	725	725	(1,161)
Total Net Assets - Beginning	34,471	34,471	35,632
<b>Total Net Assets - Ending</b>	<b>\$35,196</b>	<b>35,196</b>	<b>34,471</b>

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

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
 (With Comparative Totals for June 30, 2011)**

	BUSINESS-TYPE		
	ACTIVITIES - ENTERPRISE FUNDS	TOTALS	
		(MEMORANDUM ONLY)	
	FOOD SERVICE	JUNE 30, 2012	JUNE 30, 2011
Cash Flows From Operating Activities:			
Receipts from Customers	\$39,045	39,045	57,198
Payments to Employees & Benefits	(10,206)	(10,206)	(35,519)
Payments to Suppliers	(49,823)	(49,823)	(54,669)
Net Cash Provided/(Used) by Operating Activities	(20,984)	(20,984)	(32,990)
Cash Flows From Noncapital Financing Activities:			
Cash Received From Board Contribution	5,956	5,956	13,163
Cash Received From State & Federal Reimbursements	14,988	14,988	19,828
Net Cash Provided by Noncapital Financing Activities	20,944	20,944	32,991
Cash Flows From Investing Activities:			
Interest & Dividends	9	9	15
Net Cash Provided/(Used) by Investing Activities	9	9	15
Net Increase/(Decrease) in Cash & Cash Equivalents	(31)	(31)	16
Balances - Beginning of Year	70	70	54
Balances - Ending of Year	\$39	39	70

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

Operating Income/(Loss)	(\$20,984)	(20,984)	(32,990)
Net Cash Provided/(Used) by Operating Activities	(\$20,984)	(20,984)	(32,990)

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



Fiduciary Fund



**GIBBSBORO BOROUGH BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2012  
(With Comparative Totals for June 30, 2011)**

ASSETS	AGENCY		TOTALS	
	STUDENT ACTIVITY	PAYROLL	JUNE 30, 2012	JUNE 30, 2011
Cash & Cash Equivalents	\$13,200	19,196	32,396	25,086
Total Assets	13,200	19,196	32,396	25,086
LIABILITIES				
Interfund Payable		3,804	3,804	3,677
Payroll Deductions & Withholdings		15,392	15,392	7,653
Due to Student Groups	13,200		13,200	13,756
Total Liabilities	13,200	19,196	32,396	25,086
Total Net Assets	-	-	-	-

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



**GIBBSBORO BOROUGH  
BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012**



## GIBBSBORO BOROUGH BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2012

#### Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the Gibbsboro Borough Board of Education have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999 the GASB issued Statement 34 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. This statement established new financial reporting requirements for state and local governmental entities throughout the United States. They require new information and restructure much of the information that governments have presented in the past. Comparability with reports issued in prior years is affected.

The District has implemented these standards beginning the fiscal year-ending June 30, 2004 with the implementation of GASB Statement 34, the District has prepared required supplementary information titled *Management’s Discussion and Analysis*, which precedes the basic financial statements.

Other GASB Statements are required to be implemented in conjunction with GASB Statement 34. Therefore, the District has implemented the following GASB Statements in the current fiscal year: Statement 33 – *Accounting and Financial Reporting for Nonexchange Transactions*; Statement 36 – *Recipient Reporting for Certain Shared Nonexchange Revenues*; Statement 37 - *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus* and Statement 38 – *Certain Financial Statement Note Disclosures*; Statement 40 – *Deposit and Investment Risk Disclosures*; Statement 44 – *Economic Condition Reporting – The Statistical Section* and Statement 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*.

The accompanying financial statements present the financial position of the District and the various funds and fund types, the results of operations of the District and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2012 and for the year then ended.

#### A. Reporting Entity:

The Gibbsboro Borough Board of Education is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of 9 members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, vocational, as well as special education for handicapped youngsters. The Gibbsboro Borough Board of Education has an approximate enrollment at June 30, 2012 of 248 students.

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

- ◆ the organization is legally separate (can sue or be sued in their own name)
- ◆ the District holds the corporate powers of the organization
- ◆ the District appoints a voting majority of the organization’s board
- ◆ the District is able to impose its will on the organization

## GIBBSBORO BOROUGH BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2012

#### Note 1. Summary of Significant Accounting Policies (continued):

- ◆ the organization has the potential to impose a financial benefit/burden on the District
- ◆ there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

#### B. District-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment, or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment, or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District does not allocate general government (indirect) expenses to other functions.

Net assets are restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net assets. When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds and similar component units, and major component units. However, the fiduciary funds are not included in the district-wide statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

**District-Wide Financial Statements** – The governmental fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**GIBBSBORO BOROUGH BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Governmental Fund Financial Statements** – The Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Principal revenue sources considered susceptible to accrual include federal and state grants, interest on investments, tuition and transportation. Other revenues are considered to be measurable and available only when cash is received by the state.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**D. Fund Accounting:**

The accounts of the Gibbsboro Borough Board of Education are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The various funds and accounts are grouped, in the financial statements in this report, into seven fund types within three broad fund categories and two account groups as follows:

**Governmental Funds**

**General Fund** - The general fund is the general operating fund of the Gibbsboro Borough Board of Education and 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 noninstructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey Department of Education Gibbsboro Borough Board of Education includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

## GIBBSBORO BOROUGH BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2012

#### **Note 1. Summary of Significant Accounting Policies (continued):**

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from 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.

**Capital Projects Fund** - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

#### **Proprietary Fund**

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

**Enterprise** - The enterprise fund is used to account for the operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing goods or services are financed primarily through user charges; or, where the 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 District's Enterprise Fund is comprised of the Food Service Fund.

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 total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

**GIBBSBORO BOROUGH BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**Note 1. Summary of Significant Accounting Policies (continued):**

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:

Food Service Fund:	
Equipment	15 Years
Light Trucks & Vehicle	8 Years
Heavy Trucks & Vehicle	8 Years

**Internal Service** - The internal service fund is used to account for the financing of goods or services provided by one department to other departments or to other District Boards of Education and governmental units, on a cost reimbursement basis. Internal Service Funds are cost accounting and distribution entities and are intended to break even.

**Fiduciary Fund**

Fiduciary funds are used to account for assets held by a governmental entity for other parties (either as trustee or as an agent) and that cannot be used to finance the governmental entity's own operating programs which includes private purpose trust funds and agency funds.

Private Purpose Trust Funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The district currently has no private purpose trust fund.

Agency Funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity's own operating programs. The district currently maintains Payroll funds and Student Activity Funds as Agency Funds.

**E. Basis of Accounting:**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and private purpose trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

**GIBBSBORO BOROUGH BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012**

**Note 1. Summary of Significant Accounting Policies (continued):**

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

In its accounting and financial reporting, the Gibbsboro Borough Board of Education follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The Gibbsboro Borough Board of Education's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

**F. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Effective January 17, 2012, P.L.2011 c.202 eliminated the annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. 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.6:20-2A(m)1*. All budget amendments must be approved by School Board resolution.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

**GIBBSBORO BOROUGH BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**Note 1. Summary of Significant Accounting Policies (continued):**

**F. Budgets/Budgetary Control (continued):**

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

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

The following presents a reconciliation of the special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – General, Special Revenues and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types:

**Notes to Required Supplementary Information.  
Budgetary Comparison Schedule**

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$4,233,478	\$109,200
Difference – Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	124,892	
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	<u>(134,557)</u>	<u>                    </u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$4,223,813</u>	<u>\$109,200</u>

**GIBBSBORO BOROUGH BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012**

**Note 1. Summary of Significant Accounting Policies (continued):**

**F. Budgets/Budgetary Control (continued):**

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<u>\$4,189,402</u>	<u>\$109,200</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances -- governmental funds	<u>\$4,189,402</u>	<u>\$109,200</u>

**G. 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 Gibbsboro Borough Board of Education 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.

**H. 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.18A:20-37* provides a list of permissible investments that may be purchased by New Jersey school districts.

**GIBBSBORO BOROUGH BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**Note 1. Summary of Significant Accounting Policies (continued):**

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey.

*N.J.S.A.17:9-41* et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**I. Tuition Receivable/Payable**

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

These adjustments are recorded upon certification by the State Board of Education, which is normally three years following the contract year. The cumulative adjustments through June 30, 2012, which have not been recorded, are not determinable.

The tuition rate adjustments for the years 2010-2011 have been established. According to the School District's records, these amounts of adjustments are immaterial to the financial statements.

**J. Inventories & Prepaid Expenses**

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.

Prepaid expenses, which benefit future periods, other than those recorded in the enterprise funds, are recorded as expenditure during the year of purchase. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

**K. 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 Gibbsboro Borough Board of Education and that are due within one year.

**GIBBSBORO BOROUGH BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012**

**Note 1. Summary of Significant Accounting Policies (continued):**

**L. Fixed Assets:**

General fixed assets acquired or constructed during the year are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Fixed assets are defined by the District as assets, which have a cost in excess of \$2,000 at the date of acquisition and a useful life of one year or more. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed were valued by an independent appraisal company. General fixed assets, such as land and buildings, are valued at the historical cost basis and through estimated procedures performed by an independent appraisal company, respectively.

General fixed assets are reflected as expenditures in the applicable governmental funds. Depreciation expense is recorded in the district-wide financial statements as well as the proprietary fund. Capital assets are depreciated on the straight-line method over the assets' estimated useful life. There is no depreciation recorded for land and construction in progress. Generally estimated useful lives are as follows:

Machinery & Equipment	3 – 20 Years
Building & Other Improvements	7 – 60 Years
Infrastructure	30 Years

**M. Accrued Salaries and Wages**

District employees, who provide services to the District over the ten-month academic year and extended eleven-month calendar, do not have the option to have their salaries disbursed during the entire twelve-month year. Therefore, there is no accrual as of June 30, 2012 for such salaries.

**N. 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 District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In the District-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

**O. Deferred Revenue**

Deferred revenue in the general and special revenue funds represents cash, which has been received but not yet earned.

GIBBSBORO BOROUGH BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

**Note 1. Summary of Significant Accounting Policies (continued):**

**P. Long-Term Obligations**

In district-wide financial statements, under governmental activities, long-term debt is recognized as a liability in the general fund as debt is incurred.

**Q. Fund Equity**

Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

In accordance with State of New Jersey statutes, the fund balance to be utilized in the subsequent year budget is not legally restricted and therefore has been classified as fund balance designated for subsequent year's expenditures and is not reserved.

**R. Subsequent Events**

Gibbsboro Borough Board of Education has evaluated subsequent events occurring after June 30, 2012 through the date of August 3, 2012, which is the date the financial statements were available to be issued.

**Note 2. Cash and Cash Equivalents**

The District is governed by the deposit limitations of New Jersey state law. The Deposits held at June 30, 2012, and reported at fair value are as follows:

Type	Carrying Value
<b>Deposits:</b>	
Demand Deposits	<u>\$597,634</u>
Total Deposits	<u>\$597,634</u>

**The District's Cash & Cash Equivalents are Reported as Follows:**

Governmental Activities	\$565,199
Business-Type Activities	39
Fiduciary Fund	<u>32,396</u>
Total Cash and Cash Equivalents	<u>\$597,634</u>

**GIBBSBORO BOROUGH BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012**

**Note 2. Cash and Cash Equivalents (continued):**

**Custodial Credit Risk** – Custodial credit risk is the risk that, in the event of a bank failure, the District’s deposits may not be returned. The District does have a deposit policy for custodial credit risk. As of June 30, 2012, the District’s bank balance of \$688,181 was insured or collateralized as follows:

Insured	\$250,051
Collateralized in the District’s Name Under GUDPA (See Note 3)	<u>438,130</u>
Total	<u>\$688,181</u>

**Note 3. Governmental Unit Deposit Protection Act (GUDPA)**

The District has deposited cash in 2012 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act.

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of a governmental unit(s) which, in the aggregate, exceed 75% of the capital funds of the depository, unless such depository shall, in addition to the security required to be maintained under the paragraph above, secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

In the event of a default, the Commissioner of Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days after receipt of this certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the

**GIBBSBORO BOROUGH BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012**

**Note 3. Governmental Unit Deposit Protection Act (GUDPA) (continued):**

liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units.

If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The District should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

**Note 4. Fixed Assets**

The following schedule is a summarization of the general fixed assets for the fiscal year ended June 30, 2012:

	June 30, 2011	Additions	Deletions	Transfers	June 30, 2012
Building & Building Improvements	\$6,620,517		\$ -	\$ -	\$6,620,517
Land & Improvements	29,220				29,220
Machinery & Equipment	80,763	\$ 6,689			87,452
Subtotal	6,730,500	6,689			6,737,189
Accumulated Depreciation	(1,656,219)	(167,326)			(1,823,545)
Total	<u>\$5,074,281</u>	<u>\$(160,637)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$4,913,644</u>

**GIBBSBORO BOROUGH BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012**

**Note 5. Long-Term Debt**

During the fiscal year ended June 30, 2012 the following changes occurred in liabilities reported in the General Long-Term Debt Account Group:

	<b>Balance 6/30/11</b>	<b>Issued</b>	<b>Refunded</b>	<b>Retired</b>	<b>Balance 6/30/12</b>	<b>Due Within One Year</b>
Compensated Absences	\$ 101,348	\$ 17,496			\$ 118,844	
Bonds Payable	<u>2,839,000</u>	<u>\$2,755,000</u>	<u>\$2,634,000</u>	<u>\$100,000</u>	<u>2,860,000</u>	<u>\$130,000</u>
<b>Total</b>	<u>\$2,940,348</u>	<u>\$2,772,496</u>	<u>\$2,634,000</u>	<u>\$100,000</u>	<u>\$2,978,844</u>	<u>\$130,000</u>

**A. Bonds Payable:**

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

In August 2011, the Gibbsboro Borough Board of Education refunded \$2,634,000 for the 2002 General Obligation School Bonds. Payments are due each March 1<sup>st</sup> and September 1<sup>st</sup> commencing March 1, 2012 at an interest rate of 2.00% to 4.00%.

Principal and interest due on the bonds outstanding is as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2013	\$ 130,000	\$ 93,442	\$ 223,442
2014	135,000	89,375	224,375
2015	140,000	86,625	226,625
2016	145,000	83,775	228,775
2017	145,000	80,875	225,875
2018-2022	795,000	342,762	1,137,762
2023-2027	945,000	182,500	1,127,500
2028-2029	<u>425,000</u>	<u>17,100</u>	<u>442,100</u>
<b>Total</b>	<u>\$2,860,000</u>	<u>\$976,454</u>	<u>\$3,836,454</u>

**Note 6. Pension Plans**

**Plan Descriptions** - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state

**GIBBSBORO BOROUGH BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012**

**Note 6. Pension Plans (continued):**

statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

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

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

**Vesting and Benefit Provisions** - The vesting and benefit provisions of PERS are set by *N.J.S.A.43:15A* and *43.3B* and *N.J.S.A.18A:6C* for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 78, P.L. 2011 changed this for employees enrolled after June 28, 2011. See Significant Legislation below.

**GIBBSBORO BOROUGH BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012**

**Note 6. Pension Plans (continued):**

**Significant Legislation** – During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for TPAF and PERS were reduced.

New Legislation signed by the Acting Governor (Chapter 133, Public Laws 2001) changed the formula for calculating retirement benefits for all current and future non-veteran retirees from N/60 to N/55 (a 9.09% increase). This legislation, signed June 29, 2001, provides that all members of the TPAF and the PERS will have their pensions calculated on the basis of years of credit divided by 55. It also provides that all current retirees will have their original pension recalculated under the N/55 formula. Starting February 1, 2002, pension cost of living adjustments will be based on the new original pension.

Effective June 28, 2011, Chapter 78, P.L. 2011 reformed various pension and health benefits provisions. Employees hired after June 28, 2011 and enrolled in PERS will be enrolled in a new tier, Tier 5. Full retirement for Tier 5 PERS members will be age 65 and 30 years of service.

All cost of living adjustments are frozen until the pension fund reaches a "target funded ratio".

Chapter 78 also requires all covered employees to contribute a prescribed percentage towards their health costs.

**Contribution Requirements** – The contribution policy is set by *N.J.S.A.43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A.18:66*, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5%, effective October 1, 2011, of employees' annual compensation, as defined. The rate will increase over the next seven years to 7.5%. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a noncontributing employer of the TPAF.

**GIBBSBORO BOROUGH BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**Note 6. Pension Plans (continued):**

**Three-Year Trend Information for PERS**

<b>Year Funding</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/12	\$26,172	100%	\$ -0-
6/30/11	28,275	100%	-0-
6/30/10	23,776	100%	-0-

**Three-Year Trend Information for TPAF (Paid on behalf of the District)**

<b>Year Funding</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/12	\$201,950	100%	\$ -0-
6/30/11	144,709	100%	-0-
6/30/10	133,820	100%	-0-

During the year ended June 30, 2012 the State of New Jersey contributed \$201,950 to the TPAF for normal post-retirement benefits on behalf of the District. Also in accordance with *N.J.S.A.18A:66-66* the State of New Jersey reimbursed the District \$132,972 for the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

**Note 7. Post-Retirement Benefits**

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

**GIBBSBORO BOROUGH BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012**

**Note 7. Post-Retirement Benefits (continued):**

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 retired 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 8. Risk Management**

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

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

**Note 9. Interfund Receivables and Payables**

The following interfund balances remained on the balance sheet at June 30, 2012:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund	\$ 3,804	\$34,401
Food Service	34,401	
Trust & Agency	<u>          </u>	<u>3,804</u>
<b>Total</b>	<b><u>\$38,205</u></b>	<b><u>\$38,205</u></b>

The purpose of these interfunds is short-term borrowings.

**Note 10. GASB #54 – Fund Balance Disclosures**

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Gibbsboro Borough School District classifies governmental fund balances as follows:

GIBBSBORO BOROUGH BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

**Note 10. Post GASB #54 – Fund Balance Disclosures (continued):**

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Administrator.
- Unassigned – includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

**General Fund** – Of the \$508,265 General Fund fund balance at June 30, 2012, \$155,373 is restricted for subsequent years expenditures; \$1 is restricted to establish the Capital Reserve Account; \$53,100 is restricted to establish the Maintenance Reserve Account; \$181,042 is restricted for excess surplus in accordance with *N.J.S.A.18A:7F-7*; \$1,740 is assigned as designated for subsequent year’s expenditures and \$117,009 is unassigned.

**Note 11. Deferred Compensation**

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

Lincoln	AXXA Equitable	Vanguard
---------	----------------	----------

**Note 12. Compensated Absences**

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

## GIBBSBORO BOROUGH BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2012

#### **Note 12. Compensated Absences (continued):**

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for specified dollar amount per sick day accumulated and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2012 is \$118,844.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2012 no liability existed for compensated absences in the proprietary fund types.

#### **Note 13. Calculation of Excess Surplus**

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2012 is \$182,042.

#### **Note 14. Deferred Bond Issuance Costs**

In governmental funds, bond issuance cost, loss on early retirement of debt and bond premiums on the refinancing of bonds are recognized in the current period. For district-wide financial statements, debt issuance and refinancing costs are amortized over the life of the original issue or refunding issue, whichever is longer. The cost associated with the 2011/2012 Refunding Issues was \$68,409, the loss on the refunding was \$119,508 and premiums on the Bonds was \$72,819. Amortized costs for the 2011-2012 school year were \$3,508, \$6,128 and \$3,734 respectively.

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**



### C. Budgetary Comparison Schedules



**GIBBSBORO BOROUGH BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>Revenues:</b>										
<b>Local Sources:</b>										
Local Tax Levy	10-1210	\$2,480,161		2,480,161	2,480,161		2,480,161	2,480,161	2,480,161	
Tuition	10-1300					29,290		29,290		(29,290)
Miscellaneous	10-1xxx	30,000		30,000	5,896	(24,104)	30,000	30,000	10,768	(19,232)
<b>Total Local Sources</b>		<b>2,510,161</b>		<b>2,510,161</b>	<b>2,486,057</b>	<b>(24,104)</b>	<b>2,539,451</b>	<b>2,539,451</b>	<b>2,490,929</b>	<b>(48,522)</b>
<b>State Sources:</b>										
Nonpublic Transportation Aid	10-3xxx			1,566	1,566				1,740	1,740
Categorical Special Education Aid	10-3132	120,782		120,782	120,782		120,782	120,782	120,782	
Equalization Aid	10-3176	729,246		729,246	729,246		729,246	729,246	729,246	
Categorical Security Aid	10-3177	18,710		18,710	18,710		18,710	18,710	18,710	
Adjustment Aid	10-3178	428,766		428,766	471,886	43,120	385,647	385,647	385,647	
Categorical Transportation Aid	10-3121	19,412		19,412	19,412		19,412	19,412	19,412	
<b>Nonbudgeted:</b>										
On-Behalf TPAF Pension Contribution				201,950	201,950				144,709	144,709
Reimbursed TPAF Social Security				132,972	132,972				133,631	133,631
<b>Total State Sources</b>		<b>1,316,916</b>		<b>1,316,916</b>	<b>1,696,524</b>	<b>379,608</b>	<b>1,273,797</b>	<b>1,273,797</b>	<b>1,553,877</b>	<b>280,080</b>
<b>Federal Sources:</b>										
Education Jobs Fund	18-4522	49,351	1,546	50,897	50,897					
<b>Total Federal Sources</b>		<b>49,351</b>	<b>1,546</b>	<b>50,897</b>	<b>50,897</b>					
<b>Total Revenues</b>		<b>3,876,428</b>	<b>1,546</b>	<b>3,877,974</b>	<b>4,233,478</b>	<b>355,504</b>	<b>3,813,248</b>	<b>3,813,248</b>	<b>4,044,806</b>	<b>231,558</b>
<b>Expenditures:</b>										
<b>Current Expense:</b>										
<b>Instruction - Regular Programs:</b>										
<b>Salaries of Teachers:</b>										
Preschool	11-105-100-101	31,213	1	31,214	31,214		29,953	656	30,609	30,609
Kindergarten	11-110-100-101	139,154	(3,957)	135,197	134,961	236	85,184	51,057	136,241	130,336
Grades 1 - 5	11-120-100-101	582,216	(19,470)	562,746	562,746		557,097	(47,324)	509,773	504,092
Grades 6 - 8	11-130-100-101	498,662	24,227	522,889	522,889		477,464	3,056	480,520	478,112
Home Instruction - Regular	11-150-100-101	2,500	(1,011)	1,489	344	1,145	5,000		5,000	1,461
<b>Regular Programs - Undistributed Instruction:</b>										
Other Salaries for Instruction	11-190-100-106	17,838	250	18,088	17,883	205	17,924	(207)	17,717	17,628
<b>Purchased Professional &amp; Educational Services</b>										
Other Purchased Services	11-190-100-320	88,000	(21,716)	66,284	64,666	1,618	81,310	(662)	80,648	80,648
General Supplies	11-190-100-500	6,881	1,104	7,985	7,985		18,000	(6,576)	11,424	11,424
Textbooks	11-190-100-610	68,621	67,224	135,845	135,845		77,000	11,200	88,200	78,745
Other Objects	11-190-100-640	41,101	(15,607)	25,494	25,494		46,000	(2,085)	43,915	4,192
	11-190-100-890	2,000	778	2,778	2,778		4,000		4,000	237

48

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Total Regular Programs	1,478,186	31,823	1,510,009	1,506,805	3,204	1,398,932	9,115	1,408,047	1,337,484	70,563
Special Education:										
Multiple Handicapped:										
Salaries of Teachers	11-212-100-101	148,754	(18,102)	130,652	129,663	989	144,257	2,567	146,824	146,824
Other Salaries for Instruction	11-212-100-106	28,849	500	29,349	29,179	170	27,398	858	28,256	28,256
General Supplies	11-212-100-610	500	876	1,376	1,375	1	1,000	(248)	752	752
Textbooks	11-212-100-640	300		300	300		500	(73)	427	427
Total Multiple Handicapped		178,403	(16,726)	161,677	160,517	1,160	173,155	3,104	176,259	176,259
Resource Room/Resource Center:										
Salaries of Teachers	11-213-100-101	139,319	(13,000)	126,319	120,405	5,914	162,039	(23,828)	138,211	138,211
Other Salaries for Instruction	11-213-100-106	31,455	(831)	30,624	19,189	11,435	12,600	11,786	24,386	24,386
General Supplies	11-213-100-610	300	831	1,131	1,131		1,500	(1,284)	216	216
Textbooks	11-213-100-640	200		200	200		300	(300)		
Total Resource Room/Resource Center		171,274	(13,000)	158,274	140,925	17,349	176,439	(13,626)	162,813	162,813
Preschool Disabilities - Part Time:										
Salaries of Teachers	11-215-100-101	32,214	750	32,964	32,708	256	30,953	1,108	32,061	32,060
Other Salaries for Instruction	11-215-100-106	15,798	(11,379)	4,419	1,632	2,787	14,950	(5,886)	9,064	1,455
General Supplies	11-215-100-610	200		200	157	43	250		250	206
Total Preschool Disabilities - Part-Time		48,212	(10,629)	37,583	34,497	3,086	46,153	(4,778)	41,375	33,721
Total Special Education		397,889	(40,355)	357,534	335,939	21,595	395,747	(15,300)	380,447	372,793
School Sponsored Cocurricular Activities & Athletics:										
Salaries	11-401-100-100	65,000	1,546	66,546	50,304	16,242	64,588		64,588	53,672
Supplies and Materials	11-401-100-600	12,000	2,117	14,117	14,117		13,000		13,000	6,514
Salaries	11-402-100-100	12,000	(882)	11,118	11,118		15,000		15,000	12,510
Supplies and Materials	11-402-100-600	8,000		8,000	6,578	1,422	10,000	(2,068)	7,932	2,313
Total School Sponsored Cocurricular - Activities & Athletics		97,000	2,781	99,781	82,117	17,664	102,588	(2,068)	100,520	75,009
Total - Instruction		1,973,075	(5,751)	1,967,324	1,924,861	42,463	1,897,267	(8,253)	1,889,014	1,785,286

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Undistributed Expenditures:												
Instruction:												
	Tuition to Private Schools for Disabled											
	Within the State - Special	11-000-100-566	42,309	(3,378)	38,931	815	38,116	48,309	(4,223)	44,086	8,871	35,215
	Total Instruction		42,309	(3,378)	38,931	815	38,116	48,309	(4,223)	44,086	8,871	35,215
Attendance & Social Work Services:												
	Salaries	11-000-211-100	7,036		7,036	7,036		6,783	(20)	6,763	6,763	
	Total Attendance Services		7,036		7,036	7,036		6,783	(20)	6,763	6,763	
Health Services:												
	Salaries	11-000-213-100	66,456		66,456	66,456		65,638		65,638	65,336	302
	Purchased Professional & Technical Services	11-000-213-300	1,000		1,000	840	160	1,000		1,000	184	816
	Supplies and Materials	11-000-213-600	2,500		2,500	1,605	895	2,700		2,700	1,509	1,191
	Total Health Services		69,956		69,956	68,901	1,055	69,338		69,338	67,029	2,309
Other Support Services - Students - Related Services:												
	Salaries	11-000-216-100	55,857	3,028	58,885	58,885		69,966	(1,355)	68,611	68,611	
	Supplies and Materials	11-000-216-600	300		300	215	85	500	(59)	441	160	281
	Total Other Support Services - Students - Regular		56,157	3,028	59,185	59,100	85	70,466	(1,414)	69,052	68,771	281
Other Support Services - Students - Extra Services:												
	Salaries	11-000-217-100	12,500	(12,231)	269		269	26,500	(10,045)	16,455	16,455	
	Purchased Professional & Educational Services	11-000-217-320	18,000	12,231	30,231	23,254	6,977		13,381	13,381	13,381	
	Supplies and Materials	11-000-217-600	200		200		200	500	(500)			
	Total Other Support Services - Students - Extra Services		30,700		30,700	23,254	7,446	27,000	2,836	29,836	29,836	
Other Support Services - Students - Regular Services:												
	Salaries	11-000-218-105	21,108		21,108	21,108		20,347	(58)	20,289	20,288	1
	Purchased Professional & Educational Services	11-000-218-320	7,200		7,200	7,091	109	4,000		4,000	3,900	100
	Supplies & Materials	11-000-218-600	2,000		2,000	1,773	227	5,000	(1,592)	3,408	1,403	2,005
	Total Other Support Services-Students-Related Services		30,308		30,308	29,972	336	29,347	(1,650)	27,697	25,591	2,106

50

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Other Support Services - Students - Special Services:											
Salaries of Other Professional Staff	11-000-219-104	89,171	16,743	105,914	105,914		88,710	(1,112)	87,598	87,598	
Salaries of Secretarial & Clerical Assistants	11-000-219-105	32,341		32,341	32,341		29,545	796	30,341	30,341	
Other Purchased Professional & Educational Services	11-000-219-320	60,354	(27,019)	33,335	32,938	397	58,800	1,928	60,728	60,728	
Other Purchased Professional & Technical Services	11-000-219-390	3,000	(1,154)	1,846	1,846		3,500	(13)	3,487	3,487	
Supplies and Materials	11-000-219-600	1,500	1,154	2,654	1,009	1,645	2,000	50	2,050	2,050	
<b>Total Other Support Services-Students-Special Services</b>		<b>186,366</b>	<b>(10,276)</b>	<b>176,090</b>	<b>174,048</b>	<b>2,042</b>	<b>182,555</b>	<b>1,649</b>	<b>184,204</b>	<b>184,204</b>	
Improvement of Instruction Services/Other Support Services - Instruction Staff:											
Salaries	11-000-221-102	14,280		14,280	14,280			11,454	11,454	11,454	
Salaries of Secretarial & Clerical Assistants	11-000-221-105	9,568		9,568	9,568			7,070	7,070	7,070	
Purchases Professional & Educational Services	11-000-221-320	4,000	1,000	5,000	5,000		4,500		4,500	1,560	2,940
Other Purchased Services	11-000-221-500	500	(500)				500		500		500
Supplies and Materials	11-000-221-600	8,200	(500)	7,700	7,700			8,200	8,200	2,000	6,200
<b>Total Improvement of Instruction Services/Other Support Services Instructional Staff</b>		<b>36,548</b>		<b>36,548</b>	<b>36,548</b>		<b>5,000</b>	<b>26,724</b>	<b>31,724</b>	<b>22,084</b>	<b>9,640</b>
Educational Media Services/School Library:											
Salaries	11-000-222-100	36,629		36,629	36,629		35,783	(25)	35,758	35,758	
Other Purchased Services	11-000-222-500	1,000		1,000	1,000		1,000		1,000	1,000	
Supplies and Materials	11-000-222-600	4,000		4,000	3,828	172	4,000	25	4,025	3,522	503
Other Objects	11-000-222-800	2,000		2,000	562	1,438	2,000		2,000	2,000	
<b>Total Educational Media Services/School Library</b>		<b>43,629</b>		<b>43,629</b>	<b>42,019</b>	<b>1,610</b>	<b>42,783</b>		<b>42,783</b>	<b>42,280</b>	<b>503</b>
Instructional Staff Training Services:											
Purchased Professional/Educational Services	11-000-223-320	3,000		3,000	2,489	511	3,000		3,000	2,490	510
Other Purchased Services	11-000-223-500	2,200		2,200	1,841	359	4,750		4,750	4,750	
<b>Total Instructional Staff Training Services</b>		<b>5,200</b>		<b>5,200</b>	<b>4,330</b>	<b>870</b>	<b>7,750</b>		<b>7,750</b>	<b>7,240</b>	<b>510</b>

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
<b>Support Services General Administration:</b>											
Salaries	11-000-230-100	22,799		22,799	22,799		82,238	(50,224)	32,014	32,014	
Legal Services	11-000-230-331	15,000		15,000		15,000	15,000	5,000	20,000		20,000
Audit Fees	11-000-230-332	13,200	(610)	12,590	12,200	390	12,500		12,500	12,000	500
Other Purchased Professional Services	11-000-230-339	64,806	1,609	66,415	66,415		5,180	51,157	56,337	56,269	68
Purchased Technical Services	11-000-230-340	2,500	(999)	1,501	1,078	423	2,500	(1,300)	1,200	1,200	
Communications/Telephone	11-000-230-530	11,000		11,000	9,009	1,991	10,000	1,309	11,309	11,309	
BOE Other Purchased Services	11-000-230-585	200		200	200		500	(298)	202	202	
Other Purchased Services	11-000-230-590	14,000		14,000	12,517	1,483	13,000	(1,652)	11,348	11,348	
General Supplies	11-000-230-610	2,000		2,000	1,453	547	2,000	1,015	3,015	3,015	
BOE Meeting Supplies	11-000-230-630	200		200	180	20	200	(7)	193	166	27
Miscellaneous Expenditures	11-000-230-890	1,500		1,500	1,500		1,500	264	1,764	1,764	
BOE Membership Dues & Fees	11-000-230-895	4,000		4,000	3,578	422	4,000	(817)	3,183	2,923	260
<b>Total Support Services General Administration</b>		<b>151,205</b>		<b>151,205</b>	<b>130,929</b>	<b>20,276</b>	<b>148,618</b>	<b>4,447</b>	<b>153,065</b>	<b>132,210</b>	<b>20,855</b>
<b>Support Services School Administration:</b>											
Salaries of Principals	11-000-240-103	57,120	350	57,470	57,470		48,680	4,399	53,079	53,079	
Supplies and Materials	11-000-240-600	1,000		1,000	800	200	2,000		2,000	1,833	167
<b>Total Support Services School Administration</b>		<b>58,120</b>	<b>350</b>	<b>58,470</b>	<b>58,270</b>	<b>200</b>	<b>50,680</b>	<b>4,399</b>	<b>55,079</b>	<b>54,912</b>	<b>167</b>
<b>Central Services:</b>											
Salaries	11-000-251-100	54,998		54,998	54,998		52,883		52,883	52,883	
Purchased Professional Services	11-000-251-330	24,108		24,108	23,767	341	12,000	12,220	24,220	23,556	664
Supplies and Materials	11-000-251-600	3,000		3,000	579	2,421	3,000	(1,000)	2,000	573	1,427
Other Objects	11-000-251-890	1,500		1,500	312	1,188	1,500		1,500	76	1,424
<b>Total Central Services</b>		<b>83,606</b>		<b>83,606</b>	<b>79,656</b>	<b>3,950</b>	<b>69,383</b>	<b>11,220</b>	<b>80,603</b>	<b>77,088</b>	<b>3,515</b>
<b>Administrative Information Technology</b>											
Purchased Professional Services	11-000-252-330	2,280		2,280	1,410	870	2,280		2,280	2,280	
<b>Total Administrative Information Technology</b>		<b>2,280</b>		<b>2,280</b>	<b>1,410</b>	<b>870</b>	<b>2,280</b>		<b>2,280</b>	<b>2,280</b>	
<b>Allowable Maintenance for School Facilities:</b>											
Cleaning, Repair & Maintenance Services	11-000-261-420	25,000	4,606	29,606	29,606		60,000	12,152	72,152	72,152	

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Allowable Maintenance for School Facilities (continued):											
General Supplies	11-000-261-610	2,000		2,000	1,535	465	5,000	831	5,831	5,831	
Total Allowable Maintenance for School Facilities		27,000	4,606	31,606	31,141	465	65,000	12,983	77,983	77,983	
Other Operation & Maintenance of Plant:											
Salaries	11-000-262-100	102,926	(2,819)	100,107	99,891	216	107,679	(4,795)	102,884	102,884	
Purchases Professional & Technical Services	11-000-262-300	9,000	5,573	14,573	14,572	1		6,660	6,660	6,660	
Cleaning, Repair & Maintenance Services	11-000-262-420	25,000	1,500	26,500	26,500		65,000	5,965	70,965	70,965	
Other Purchased Property Services	11-000-262-490	9,000		9,000	7,296	1,704	12,000	(724)	11,276	11,270	6
Insurance	11-000-262-520	18,200	(2,118)	16,082	16,039	43	25,000	(8,200)	16,800	16,796	4
General Supplies	11-000-262-610	22,000	(1,847)	20,153	16,792	3,361	22,000	(6,388)	15,612	15,612	
Energy (Natural Gas)	11-000-262-621	48,000	(14,808)	33,192	20,618	12,574		39,626	39,626	39,626	
Energy (Heat & Electricity)	11-000-262-622	72,000		72,000	65,258	6,742	120,000	(44,954)	75,046	75,046	
Total Other Operation & Maintenance of Plant		306,126	(14,519)	291,607	266,966	24,641	351,679	(12,810)	338,869	338,859	10
Student Transportation Services:											
Management Fee CCESE	11-000-270-350	3,000		3,000	1,522	1,478	2,000		2,000	1,834	166
Contracted Services (Other Than Vendors)	11-000-270-512	10,000		10,000	9,010	990	12,000		12,000	9,514	2,486
Contracted Services (Special Education Students) - ESC'S	11-000-270-518	52,000		52,000	50,736	1,264	65,000	(12,240)	52,760	52,289	471
Contracted Services - Aid in Lieu of Payments	11-000-270-503	8,000	1,105	9,105	9,105		5,000	3,840	8,840	8,385	455
Total Student Transportation Services		73,000	1,105	74,105	70,373	3,732	84,000	(8,400)	75,600	72,022	3,578

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Unallocated Benefits - Employee Benefits:											
Social Security Contributions	11-000-291-220	42,000	4,214	46,214	46,214		42,000		42,000	41,077	923
Social Security Contributions Other	11-000-291-241	33,600	(33,600)				18,601	(18,601)			
Other Contributions - E.R.I.P.	11-000-291-242		27,386	27,386	26,172	1,214		28,275	28,275	28,275	
Unemployment Compensation	11-000-291-250	7,000	2,710	9,710	9,710		7,000	1,717	8,717	8,717	
Workmen's Compensation	11-000-291-260	22,000	1,408	23,408	23,359	49	26,000	(1,717)	24,283	22,946	1,337
Health Benefits	11-000-291-270	677,880		677,880	674,138	3,742	710,925	(39,125)	671,800	656,928	14,872
Other Employee Benefits	11-000-291-290	26,540	17,574	44,114	44,112	2	40,580	3,500	44,080	44,080	
<b>Total Unallocated Benefits</b>		<b>809,020</b>	<b>19,692</b>	<b>828,712</b>	<b>823,705</b>	<b>5,007</b>	<b>845,106</b>	<b>(25,951)</b>	<b>819,155</b>	<b>802,023</b>	<b>17,132</b>
Nonbudgeted:											
On-Behalf TPAF Pension Contribution					201,950	(201,950)				144,709	(144,709)
Reimbursed TPAF Social Security					132,972	(132,972)				133,631	(133,631)
<b>Total Undistributed Expenditures</b>		<b>2,018,566</b>	<b>608</b>	<b>2,019,174</b>	<b>2,243,395</b>	<b>(224,221)</b>	<b>2,106,077</b>	<b>9,790</b>	<b>2,115,867</b>	<b>2,298,386</b>	<b>(182,519)</b>
<b>Total Expenditures - Current Expense</b>		<b>3,991,641</b>	<b>(5,143)</b>	<b>3,986,498</b>	<b>4,168,256</b>	<b>(181,758)</b>	<b>4,003,344</b>	<b>1,537</b>	<b>4,004,881</b>	<b>4,083,672</b>	<b>(78,791)</b>
Capital Outlay											
Equipment:											
Grades 1-5	12-120-100-730							3,000	3,000	3,000	
Grades 6-8	12-130-100-730							1,903	1,903	1,903	
Undistributed Expenditures:											
Instruction	12-000-100-730		4,842	4,842	4,842			5,630	5,630	5,630	
Special Education Instruction	12-000-X00-730		1,847	1,847	1,847						
<b>Total Equipment Expenditures</b>			<b>6,689</b>	<b>6,689</b>	<b>6,689</b>			<b>10,533</b>	<b>10,533</b>	<b>10,533</b>	
Facilities Acquisitions & Construction Services:											
Other Objects	12-000-400-800	14,457		14,457	14,457		24,859		24,859	24,859	
<b>Total Facilities Acquisitions &amp; Construction Services Expenditures</b>		<b>14,457</b>		<b>14,457</b>	<b>14,457</b>		<b>24,859</b>		<b>24,859</b>	<b>24,859</b>	
<b>Total Capital Outlay</b>		<b>14,457</b>	<b>6,689</b>	<b>21,146</b>	<b>21,146</b>		<b>24,859</b>	<b>10,533</b>	<b>35,392</b>	<b>35,392</b>	
<b>Total Expenditures</b>		<b>4,006,098</b>	<b>1,546</b>	<b>4,007,644</b>	<b>4,189,402</b>	<b>(181,758)</b>	<b>4,028,203</b>	<b>12,070</b>	<b>4,040,273</b>	<b>4,119,064</b>	<b>(78,791)</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>		<b>(129,670)</b>		<b>(129,670)</b>	<b>44,076</b>	<b>173,746</b>	<b>(214,955)</b>	<b>(12,070)</b>	<b>(227,025)</b>	<b>(74,258)</b>	<b>152,767</b>

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Other Financing Sources/(Uses):											
Food Services:											
Transfer to Cover Deficit	11-000-310-930	(15,068)		(15,068)	(5,956)	(9,112)	(24,929)	7,070	(17,859)	(13,163)	(4,696)
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses		(144,738)		(144,738)	38,120	182,858	(239,884)	(5,000)	(244,884)	(87,421)	157,463
5 Fund Balances, July 1		604,702		604,702	604,702		692,123		692,123	692,123	
Fund Balances, June 30		\$459,964	-	459,964	642,822	182,858	452,239	(5,000)	447,239	604,702	157,463

**RECAPITULATION OF FUND BALANCE:**

**Restricted Fund Balance:**

Capital Reserve Account	\$1
Maintenance Reserve Account	53,100
Excess Surplus	181,042
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	155,373

**Assigned Fund Balance**

Designated for Subsequent Year's Expenditures	1,740
---	-------

**Unassigned Fund Balance**

251,566

Subtotal 642,822

Reconciliation to Governmental Fund Statements (GAAP):

  Last State Aid Payments Not Recognized on GAAP Basis (134,557)

Fund Balance Per Governmental Funds (GAAP)

\$508,265

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
EDUCATION JOBS FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2012**

	ACCOUNT NUMBER	JUNE 30, 2012			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Federal Sources:					
Education Jobs Fund	18-4522	\$49,351	1,546	50,897	50,897
Total Federal Sources		49,351	1,546	50,897	50,897
Total Revenues		49,351	1,546	50,897	50,897
Expenditures:					
Education Jobs Fund:					
School Sponsored Cocurricular Activities & Athletics:					
Salaries	18-401-100-100	49,351	1,546	50,897	50,897
Total Expenditures		49,351	1,546	50,897	50,897
Total Education Jobs Fund		49,351	1,546	50,897	50,897
Total Expenditures		49,351	1,546	50,897	50,897
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures		\$ -	-	-	-

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>REVENUES</b>										
Local Sources		14,209	14,209	14,209						
Federal Sources	\$81,968	13,023	94,991	94,991		79,450	34,458	113,908	113,908	
<b>Total Revenues</b>	<b>81,968</b>	<b>27,232</b>	<b>109,200</b>	<b>109,200</b>		<b>79,450</b>	<b>34,458</b>	<b>113,908</b>	<b>113,908</b>	
<b>EXPENDITURES:</b>										
Instruction:										
Salaries of Teachers	73,287	(51,299)	21,988	21,988		71,164	(53,164)	18,000	18,000	
Other Salaries for Instruction		4,246	4,246	4,246			4,247	4,247	4,247	
Other Purchased Services		47,916	47,916	47,916		432	47,877	48,309	48,309	
General Supplies	8,681	(7,181)	1,500	1,500		7,854	12,121	19,975	19,975	
<b>Total Instruction</b>	<b>81,968</b>	<b>(6,318)</b>	<b>75,650</b>	<b>75,650</b>		<b>79,450</b>	<b>11,081</b>	<b>90,531</b>	<b>90,531</b>	
Support Services:										
Personal Services - Employee Benefits		2,187	2,187	2,187			1,559	1,559	1,559	
Purchased Professional Services		7,800	7,800	7,800						
Other Purchased Services		6,279	6,279	6,279			16,189	16,189	16,189	
Supplies & Materials		3,075	3,075	3,075			1,000	1,000	1,000	
<b>Total Support Services</b>		<b>19,341</b>	<b>19,341</b>	<b>19,341</b>			<b>18,748</b>	<b>18,748</b>	<b>18,748</b>	
Facilities Acquisition & Construction Services:										
Instructional Equipment		14,209	14,209	14,209			4,629	4,629	4,629	
<b>Total Facilities Acquisition &amp; Construction Services</b>		<b>14,209</b>	<b>14,209</b>	<b>14,209</b>			<b>4,629</b>	<b>4,629</b>	<b>4,629</b>	
<b>Total Expenditures</b>	<b>81,968</b>	<b>27,232</b>	<b>109,200</b>	<b>109,200</b>		<b>79,450</b>	<b>34,458</b>	<b>113,908</b>	<b>113,908</b>	
<b>Total Outflows</b>	<b>81,968</b>	<b>27,232</b>	<b>109,200</b>	<b>109,200</b>		<b>79,450</b>	<b>34,458</b>	<b>113,908</b>	<b>113,908</b>	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	-	-	-		-	-	-	-	

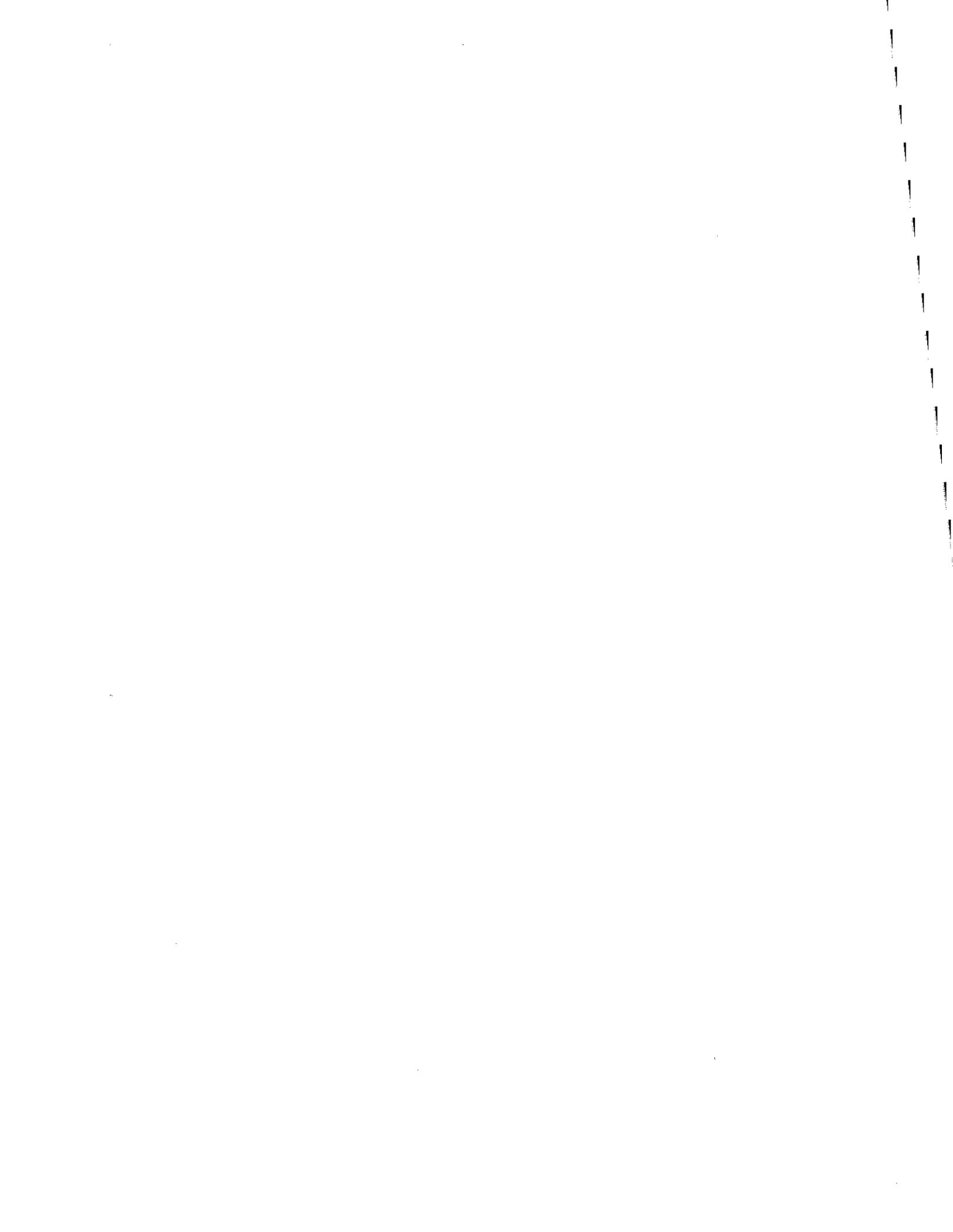
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**



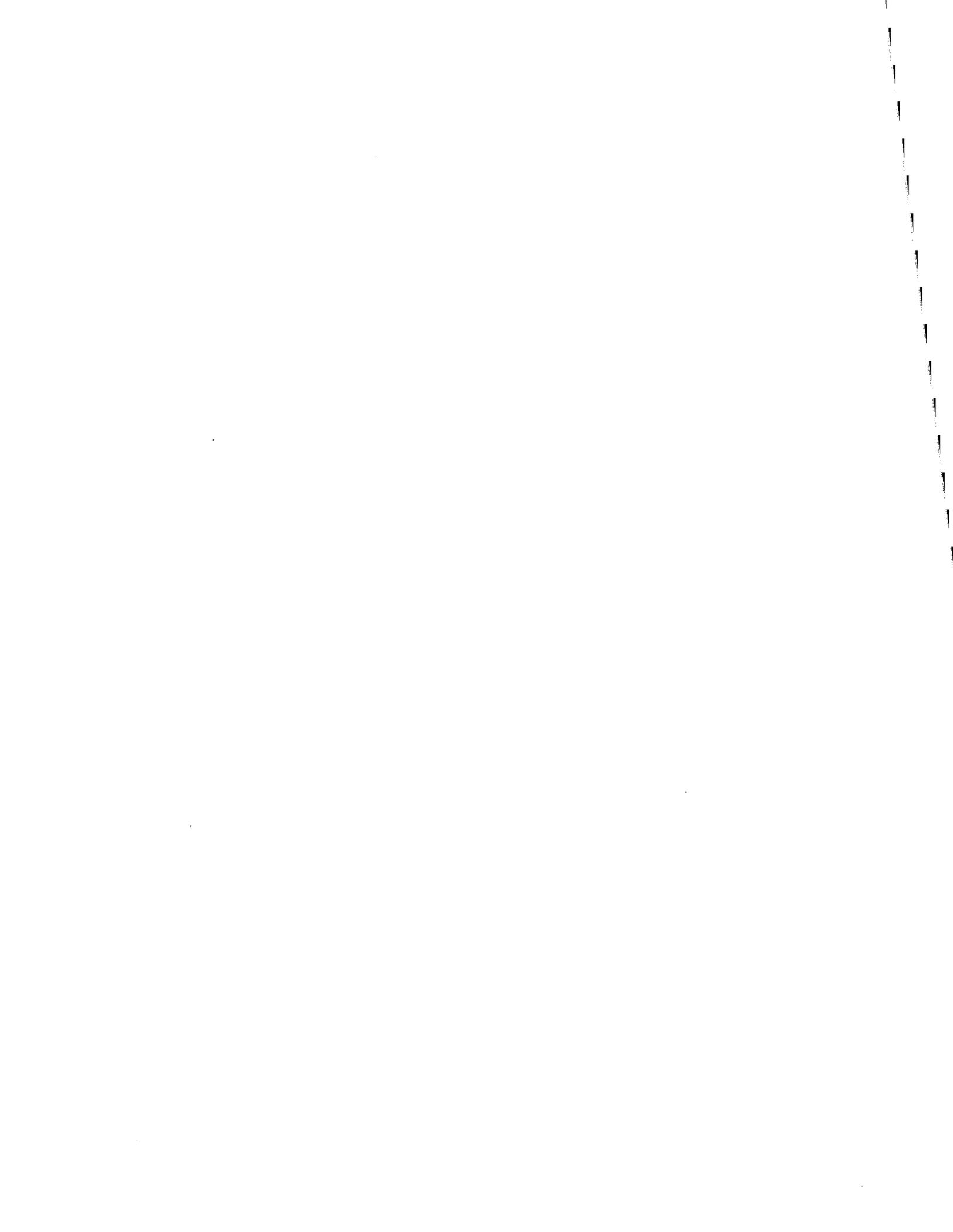
**GIBBSBORO BOROUGH BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$4,233,478	109,200
Difference - Budget to GAAP:		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.		
Current Year	(134,557)	
Prior Year	124,892	
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$4,223,813	109,200
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$4,189,402	109,200
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$4,189,402	109,200



**OTHER SUPPLEMENTARY INFORMATION**



D. School Budget Based Schedules

Not Applicable



## E. Special Revenue Fund



**GIBBSBORO BOROUGH BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(With Comparative Totals for June 30, 2011)**

	<b>NO CHILD LEFT BEHIND (N.C.L.B.)</b>	
	TITLE I PART A	TITLE II PART A
<b>Revenues:</b>		
Local Sources		
Federal Sources	\$13,123	8,579
Total Revenues	\$13,123	8,579
<b>Expenditures:</b>		
<b>Instruction:</b>		
Salaries of Teachers	\$10,936	
Other Salaries for Instruction		
Other Purchased Services		
General Supplies		
Total Instruction	10,936	
<b>Support Services:</b>		
Personal Services - Employee Benefits	2,187	
Purchased Professional Services		3,800
Other Purchased Services		3,279
Supplies & Materials		1,500
Total Support Services	2,187	8,579
<b>Facilities Acquisition &amp; Construction Services:</b>		
Instructional Equipment		
Total Facilities Acquisition & Construction Services		
<b>Total Expenditures</b>	\$13,123	8,579

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(With Comparative Totals for June 30, 2011)**

	I.D.E.A. PART B BASIC REGULAR PROGRAM	I.D.E.A. PART B PRESCHOOL PROGRAM	COUNTY RECREATION FACILITY ENHANCEMENT
Revenues:			
Local Sources			\$14,209
Federal Sources	\$69,043	4,246	
	<hr/>		
Total Revenues	\$69,043	4,246	
	<hr/> <hr/>		
Expenditures:			
Instruction:			
Salaries of Teachers	\$11,052		
Other Salaries for Instruction		4,246	
Other Purchased Services	47,916		
General Supplies	1,500		
	<hr/>		
Total Instruction	60,468	4,246	
	<hr/>		
Support Services:			
Purchased Professional Services	4,000		
Other Purchased Services	3,000		
Supplies & Materials	1,575		
	<hr/>		
Total Support Services	8,575		
	<hr/>		
Facilities Acquisition & Construction Services:			
Instructional Equipment			14,209
	<hr/>		
Total Facilities Acquisition & Construction Services			14,209
	<hr/>		
Total Expenditures	\$69,043	4,246	14,209
	<hr/> <hr/>		

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(With Comparative Totals for June 30, 2011)**

	2012	2011
Revenues:		
Local Sources	\$14,209	
Federal Sources	94,991	113,908
	<hr/>	
Total Revenues	109,200	113,908
	<hr/> <hr/>	
Expenditures:		
Instruction:		
Salaries of Teachers	\$21,988	18,000
Other Salaries for Instruction	4,246	4,247
Other Purchased Services	47,916	48,309
General Supplies	1,500	19,975
	<hr/>	
Total Instruction	75,650	90,531
	<hr/>	
Support Services:		
Personal Services - Employee Benefits	2,187	1,559
Purchased Professional Services	7,800	
Other Purchased Services	6,279	16,189
Supplies & Materials	3,075	1,000
	<hr/>	
Total Support Services	19,341	18,748
	<hr/>	
Facilities Acquisition & Construction Services:		
Instructional Equipment	14,209	4,629
	<hr/>	
Total Facilities Acquisition & Construction Services	14,209	4,629
	<hr/>	
Total Expenditures	\$109,200	113,908
	<hr/> <hr/>	



F. Capital Projects Fund

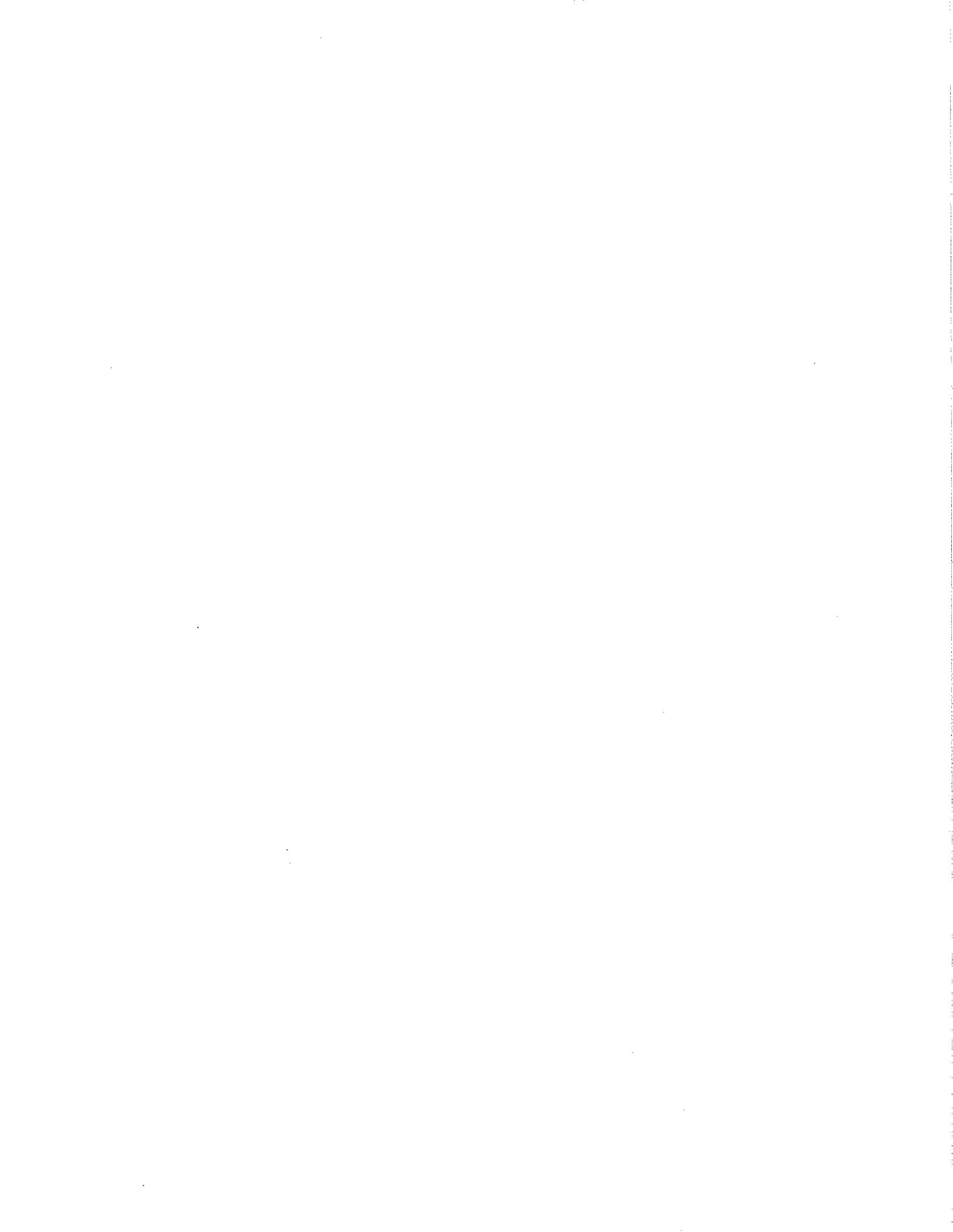
Not Applicable



## G. Proprietary Funds



## Enterprise Funds



**GIBBSBORO BOROUGH BOARD OF EDUCATION**  
**ENTERPRISE FUND**  
**COMBINING SCHEDULE OF NET ASSETS**  
**AS OF JUNE 30, 2012**  
**(With Comparative Totals for June 30, 2011)**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS FOOD SERVICE	2012	2011
Cash & Cash Equivalents	\$39	39	70
Accounts Receivable:			
State	33	33	
Federal	723	723	
Interfund	34,401	34,401	34,401
Total Assets	35,196	35,196	34,471
NET ASSETS			
Unrestricted	35,196	35,196	34,471
Total Net Assets	\$35,196	35,196	34,471

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
AS OF JUNE 30, 2012  
(With Comparative Totals for June 30, 2011)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS FOOD SERVICE	2012	2011
Operating Revenues:			
Local Sources:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$33,488	33,488	36,238
Daily Sales - Non-Reimbursable Programs:			
School Lunch Program	5,557	5,557	5,910
Total Operating Revenue	39,045	39,045	42,148
Operating Expenses:			
Salaries & Benefits	10,206	10,206	20,469
Cost of Sales	49,823	49,823	54,669
Total Operating Expenses	60,029	60,029	75,138
Operating Income/(Loss)	(20,984)	(20,984)	(32,990)
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	708	708	817
Federal Sources:			
National School Lunch Program	14,802	14,802	17,564
Special Milk Program	234	234	270
Interest & Investment Revenue	9	9	15
Total Nonoperating Revenues	15,753	15,753	18,666
Other Financing Sources/(Uses):			
Operating Transfer In	5,956	5,956	13,163
Total Other Financing Sources	5,956	5,956	13,163
Change in Net Assets	725	725	(1,161)
Total Net Assets - Beginning	34,471	34,471	35,632
Total Net Assets - Ending	\$35,196	35,196	34,471

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING SCHEDULE OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(With Comparative Totals for June 30, 2011)**

	FOOD SERVICE	2012	2011
<b>Cash Flows From Operating Activities:</b>			
Receipts from Customers	\$39,045	39,045	42,148
Payments to Employees & Benefits	(10,206)	(10,206)	(20,469)
Payments to Suppliers	(49,823)	(49,823)	(54,669)
<b>Net Cash Provided/(Used) by Operating Activities</b>	<b>(20,984)</b>	<b>(20,984)</b>	<b>(32,990)</b>
<b>Cash Flows From Noncapital Financing Activities:</b>			
Cash Received From Board Contribution	5,956	5,956	13,163
Cash Received From State & Federal Reimbursements	14,988	14,988	19,828
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>20,944</b>	<b>20,944</b>	<b>32,991</b>
<b>Cash Flows From Investing Activities:</b>			
Interest & Dividends	9	9	15
<b>Net Cash Provided/(Used) by Investing Activities</b>	<b>9</b>	<b>9</b>	<b>15</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(31)</b>	<b>(31)</b>	<b>16</b>
Balances - Beginning of Year	70	70	54
<b>Balances - Ending of Year</b>	<b>\$39</b>	<b>39</b>	<b>70</b>

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

Operating Income/(Loss)	(\$20,984)	(20,984)	(32,990)
<b>Net Cash Provided/(Used) by Operating Activities</b>	<b>(\$20,984)</b>	<b>(20,984)</b>	<b>(32,990)</b>



## Internal Service Fund



## EXHIBIT G-5

**GIBBSBORO BOARD OF EDUCATION  
INTERNAL SERVICE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	2012	2011
Operating Revenues:		
Local Sources:		
Services Provided to Other Leas	\$ -	15,050
		15,050
Total Revenues		15,050
Operating Expenses:		
Salaries		15,050
Benefits		
		15,050
Total Operating Expenses		15,050
Total Net Assets - Ending	\$ -	-

## EXHIBIT G-6

**COMBINING SCHEDULE OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2012**

	2012	2011
Cash Flows From Operating Activities:		
Cash Received From Customers	\$ -	15,050
Cash Paid to Employees		(15,050)
		-
Net Cash Used by Operating Activities		-
Cash & Cash Equivalents, June 30	\$ -	-



## H. Fiduciary Fund



**GIBBSBORO BOROUGH BOARD OF EDUCATION  
TRUST AND AGENCY FUND  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2012  
(With Comparative Totals for June 30, 2011)**

ASSETS	AGENCY		2012	2011
	STUDENT ACTIVITY	PAYROLL		
Cash & Cash Equivalents	\$13,200	19,196	32,396	25,086
Total Assets	13,200	19,196	32,396	25,086
<b>LIABILITIES</b>				
Interfund Payable		3,804	3,804	3,677
Payroll Deductions & Withholdings		15,392	15,392	7,653
Due to Student Groups	\$13,200		13,200	13,756
Total Liabilities	13,200	19,196	32,396	25,086
Total Net Assets	-	-	-	-

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF CHANGES OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	BALANCE JULY 1, 2011	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2012
<b>ASSETS</b>				
Cash & Cash Equivalents	\$13,756	37,773	38,329	13,200
Total Assets	\$13,756	37,773	38,329	13,200
<b>LIABILITIES</b>				
Due to Student Groups	\$13,756	37,773	38,329	13,200
Total Liabilities	\$13,756	37,773	38,329	13,200

**PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	BALANCE JULY 1, 2011	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2012
<b>ASSETS</b>				
Cash & Cash Equivalents	\$11,330	2,557,367	2,549,501	19,196
Total Assets	\$11,330	2,557,367	2,549,501	19,196
<b>LIABILITIES</b>				
Payroll Deductions & Withholdings	\$7,653	2,557,240	2,549,501	15,392
Interfunds Payable	3,677	127		3,804
Total Liabilities	\$11,330	2,557,367	2,549,501	19,196

## I. Long-Term Debt



**GIBBSBORO BOROUGH BOARD OF EDUCATION  
LONG-TERM DEBT ACCOUNT GROUP  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2012**

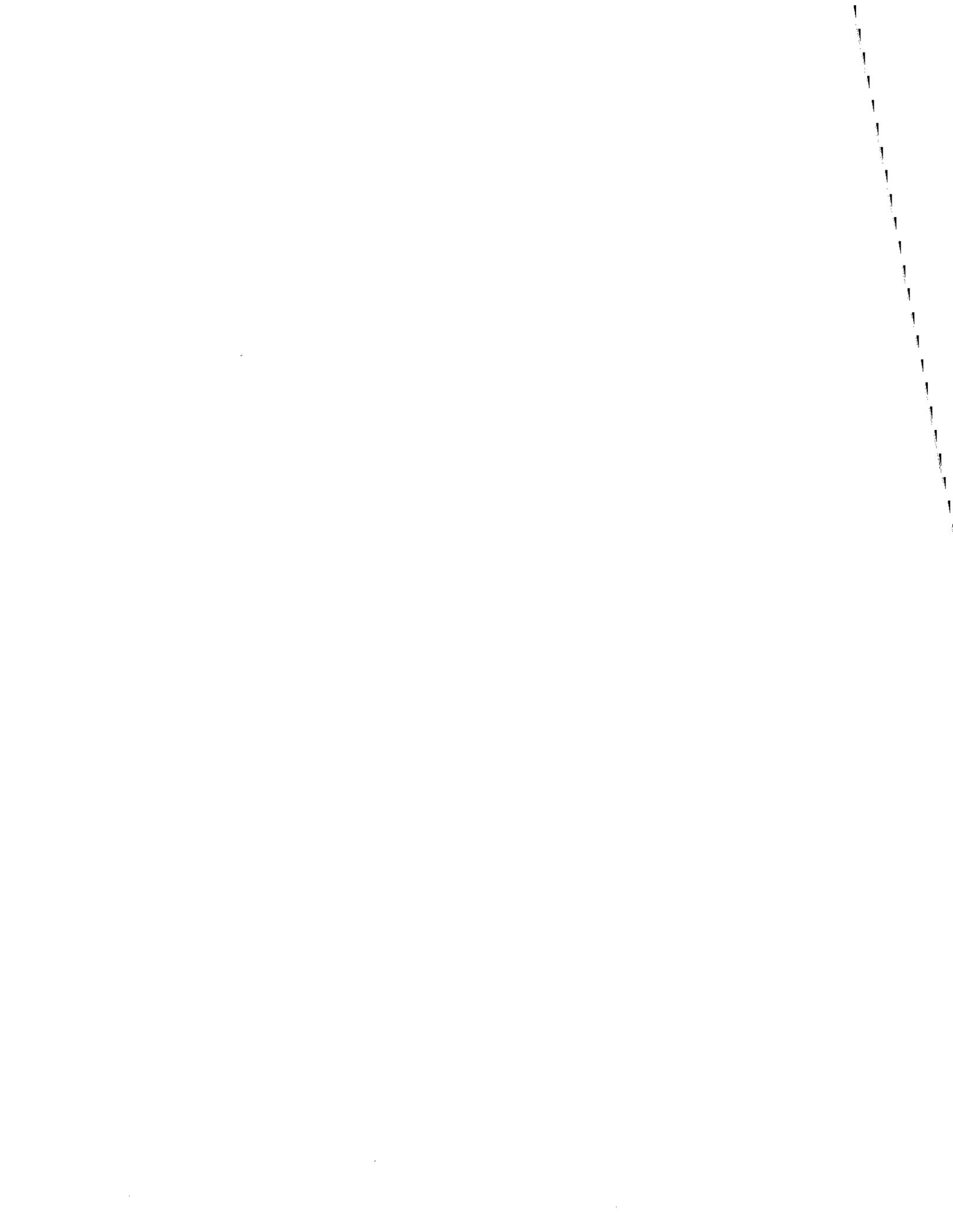
ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2011	ISSUED	PAID	REFUNDED	BALANCE JUNE 30, 2012
			DATE	AMOUNT						
Improvement & Renovations to Elementary School	6/1/02	\$3,299,000	9/1/12	\$105,000	4.600%	\$2,839,000		100,000	2,634,000	105,000
Refunding Bonds, Series 2011	8/25/11	2,755,000	9/1/12	25,000	2.000%		2,755,000			2,755,000
			9/1/13	135,000	2.000%					
			9/1/14	140,000	2.000%					
			9/1/15	145,000	2.000%					
			9/1/16	145,000	2.000%					
			9/1/17	150,000	2.250%					
			9/1/18	155,000	3.000%					
			9/1/19	160,000	3.000%					
			9/1/20	160,000	3.125%					
			9/1/21	170,000	4.000%					
			9/1/22	175,000	4.000%					
			9/1/23	180,000	4.000%					
			9/1/24	190,000	4.000%					
			9/1/25	195,000	4.000%					
9/1/26	205,000	4.000%								
9/1/27	210,000	4.000%								
9/1/28	215,000	4.000%								
Total						\$2,839,000	2,755,000	100,000	2,634,000	2,860,000

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Revenues:										
Local Sources:										
Local Tax Levy	\$234,791		234,791	234,791		239,391		239,391	239,391	
Total Revenues	234,791		234,791	234,791		239,391		239,391	239,391	
Expenditures:										
Regular Debt Service:										
Interest	134,791		134,791	106,889	27,902	139,391		139,391	139,391	
Redemption of Principal	100,000		100,000	100,000		100,000		100,000	100,000	
Total Regular Debt Service	234,791		234,791	206,889	27,902	239,391		239,391	239,391	
Excess/(Deficiency) of Revenues Over (Under) Expenditures				27,902	(27,902)					
Fund Balance, July 1	1		1	1		1		1	1	
Fund Balance, June 30	\$ -	-	1	27,903	(27,902)	1	-	1	1	-

**GIBBSBORO BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF COMPENSATED ABSENCES  
JUNE 30, 2012**

	OUTSTANDING BALANCE JUNE 30, 2011	ACCRUED	OUTSTANDING BALANCE JUNE 30, 2012
Compensated Absences	\$101,348	17,496	118,844



**STATISTICAL SECTION (Unaudited)**



**GIBBSBORO BOROUGH BOARD OF EDUCATION**  
**NET ASSETS BY COMPONENT**  
**LAST NINE FISCAL YEARS**  
*(Accrual Basis of Accounting)*

	FISCAL YEAR ENDING JUNE 30,								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities:									
Invested in Capital Assets, Net of Related Debt	\$2,053,644	2,235,281	2,289,489	2,354,068	2,428,357	2,538,736	2,623,913	2,651,396	2,389,010
Restricted	395,119	318,690	404,637	492,351	400,182	328,488	386,370	70,394	4,916
Unrestricted	113,263	25,500	(32,830)	28,401	77,254	72,784	(209,014)	(51,470)	(113,692)
<b>Total Governmental Activities Net Assets</b>	<b>\$2,562,026</b>	<b>2,579,471</b>	<b>2,661,296</b>	<b>2,874,820</b>	<b>2,905,793</b>	<b>2,940,008</b>	<b>2,801,269</b>	<b>2,670,320</b>	<b>2,280,234</b>
Business-Type Activities:									
Unrestricted	\$35,196	34,471	35,632	35,637	37,585	40,011	37,764	21,886	11,661
<b>Total Business-Type Activities Net Assets</b>	<b>\$35,196</b>	<b>34,471</b>	<b>35,632</b>	<b>35,637</b>	<b>37,585</b>	<b>40,011</b>	<b>37,764</b>	<b>21,886</b>	<b>11,661</b>
District-Wide:									
Invested in Capital Assets, Net of Related Debt	\$2,053,644	2,235,281	2,289,489	2,354,068	2,428,357	2,538,736	2,623,913	2,651,396	2,389,010
Restricted	395,119	318,690	404,637	492,351	400,182	328,488	386,370	70,394	4,916
Unrestricted	148,459	59,971	2,802	64,038	114,839	112,795	(171,250)	(29,584)	(102,031)
<b>Total District Net Assets</b>	<b>\$2,597,222</b>	<b>2,613,942</b>	<b>2,696,928</b>	<b>2,910,457</b>	<b>2,943,378</b>	<b>2,980,019</b>	<b>2,839,033</b>	<b>2,692,206</b>	<b>2,291,895</b>

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)  
LAST NINE FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses:									
Governmental Activities									
Instruction:									
Regular	\$1,582,455	1,428,015	1,635,384	1,603,946	1,656,605	1,440,443	1,415,089	1,344,689	1,407,732
Special Education	335,939	372,793	461,860	410,513	411,735	412,289	356,019	381,549	432,660
Other Instruction	82,117	75,009	96,889	92,730	75,061	85,247	60,597	51,901	52,686
Support Services:									
Tuition							2,166	6,160	31,612
Attendance/Social Work	7,036	6,763	6,506	6,202	5,912	10,008	4,701		
Health Services	68,901	67,029	67,902	61,960	58,499	56,233	57,173	50,182	51,872
Student & Instruction Related Services	357,287	358,105	321,810	306,012	302,175	302,608	323,342	258,961	253,530
Educational Media/Library	42,019	42,280	40,378	41,711	52,969	31,948	30,458	45,307	21,984
Instructional Staff Training	4,330	7,240	5,215	3,049	4,300	3,484	5,642	3,889	3,481
General & Administrative Services	145,386	159,820	140,354	126,133	133,190	149,727	176,365	169,854	142,127
School Administrative Services	58,270	54,912	32,844	40,867	63,505	59,675	78,231	74,603	76,605
Central Services	79,656	77,088	62,772	59,764	63,457	57,223	60,967	60,002	
Administrative Information Technology	1,410	2,280	2,568	6,450	3,218		8,746		
Plant Operations & Maintenance	298,107	416,842	334,881	452,919	388,438	339,379	316,331	263,138	173,438
Pupil Transportation	70,373	72,022	86,553	68,926	67,416	52,669	80,343	58,426	66,644
Business & Other Support Services									48,578
Unallocated Benefits	1,158,627	1,080,363	1,049,724	988,168	1,085,650	1,026,722	818,741	790,731	748,586
Interest on Long-Term Debt	96,656	138,241	130,612	146,751	150,546	152,747	156,591	160,201	163,583
Amortized Bond Issuance Costs	5,902								
Unallocated Debt Absences	17,496	(34,912)	8,933	25,791	(8,030)	4,627	4,803	(17,858)	13,883
Unallocated Depreciation	167,326	166,619	169,485	167,189	167,124	167,965	134,768	20,576	19,750
Total Governmental Activities Expenses	4,579,293	4,490,509	4,654,670	4,609,081	4,681,770	4,352,994	4,091,073	3,722,311	3,708,751
Business-Type Activities:									
Food Service	60,029	75,138	86,957	89,903	94,507	83,254	99,943	82,046	72,708
Internal Service Fund		15,050	100,782	80,040					

72

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)  
LAST NINE FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
Total Business-Type Activities Expense	60,029	90,188	187,739	169,943	94,507	83,254	99,943	82,046	72,708
Total District Expenses	<u>\$4,639,322</u>	<u>4,580,697</u>	<u>4,842,409</u>	<u>4,779,024</u>	<u>4,776,277</u>	<u>4,436,248</u>	<u>4,191,016</u>	<u>3,804,357</u>	<u>3,781,459</u>
Program Revenues:									
Governmental Activities:									
Charges for Services:									
Operating Grants & Contributions	\$109,200	109,279	140,987	102,089	129,586	154,096	126,825	130,398	135,770
Total Governmental Activities Program Revenues	<u>109,200</u>	<u>109,279</u>	<u>140,987</u>	<u>102,089</u>	<u>129,586</u>	<u>154,096</u>	<u>126,825</u>	<u>130,398</u>	<u>135,770</u>
Business-Type Activities:									
Charges for Services:									
Food Service	54,789	60,799	55,290	56,572	51,435	59,526	61,193	53,371	52,499
Internal Service Fund		15,050	100,782	80,040					
Total Business Type Activities Program Revenues	<u>54,789</u>	<u>75,849</u>	<u>156,072</u>	<u>136,612</u>	<u>51,435</u>	<u>59,526</u>	<u>61,193</u>	<u>53,371</u>	<u>52,499</u>
Total District Program Revenues	<u>\$163,989</u>	<u>185,128</u>	<u>297,059</u>	<u>238,701</u>	<u>181,021</u>	<u>213,622</u>	<u>188,018</u>	<u>183,769</u>	<u>188,269</u>
Net (Expense)/Revenue:									
Governmental Activities	(\$4,470,093)	(4,381,230)	(\$4,513,683)	(4,506,992)	(4,552,184)	(4,198,898)	(3,964,248)	(3,591,913)	(3,572,981)
Business-Type Activities	<u>(5,240)</u>	<u>(14,339)</u>	<u>(31,667)</u>	<u>(33,331)</u>	<u>(43,072)</u>	<u>(23,728)</u>	<u>(38,750)</u>	<u>(28,675)</u>	<u>(20,209)</u>
Total District-Wide Net Expense	<u>(\$4,475,333)</u>	<u>(4,395,569)</u>	<u>(4,545,350)</u>	<u>(4,540,323)</u>	<u>(4,595,256)</u>	<u>(4,222,626)</u>	<u>(4,002,998)</u>	<u>(3,620,588)</u>	<u>(3,593,190)</u>

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)  
LAST NINE FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Revenues & Other Changes in Net Assets:									
Governmental Activities:									
Property Taxes Levied for General Purposes, Net	\$2,480,161	2,480,161	2,480,161	2,480,161	2,384,770	2,255,735	2,206,141	2,061,917	1,697,316
Taxes Levied for Debt Service	234,791	239,391	238,876	238,131	196,236	216,910	214,815	212,490	328,622
Unrestricted Grants & Contributions	1,723,547	1,582,248	1,529,464	1,690,016	1,871,366	1,806,269	1,613,923	1,689,034	1,585,079
Miscellaneous Income	20,105	10,768	83,284	99,041	106,083	84,698	114,946	57,458	93,264
Cancellation of Grants						(223)			
Transfers	(5,956)	(13,163)	(31,626)	(31,330)	(40,486)	(25,752)	(54,628)	(38,900)	(30,080)
Total Governmental Activities	<u>\$4,452,648</u>	<u>4,299,405</u>	<u>4,300,159</u>	<u>4,476,019</u>	<u>4,517,969</u>	<u>4,337,637</u>	<u>4,095,197</u>	<u>3,981,999</u>	<u>3,674,201</u>
Business-Type Activities:									
Investment Earnings	\$9	15	36	53	160	223			
Transfers	5,956	13,163	31,626	31,330	40,486	25,752	54,628	38,900	30,080
Total Business-Type Activities	<u>5,965</u>	<u>13,178</u>	<u>31,662</u>	<u>31,383</u>	<u>40,646</u>	<u>25,975</u>	<u>54,628</u>	<u>38,900</u>	<u>30,080</u>
Total District-Wide	<u>\$4,458,613</u>	<u>4,312,583</u>	<u>4,331,821</u>	<u>4,507,402</u>	<u>4,558,615</u>	<u>4,363,612</u>	<u>4,149,825</u>	<u>4,020,899</u>	<u>3,704,281</u>
Change in Net Assets:									
Governmental Activities	(\$17,445)	(81,825)	(213,524)	(30,973)	(34,215)	138,739	130,949	390,086	101,220
Business-Type Activities	725	(1,161)	(5)	(1,948)	(2,426)	2,247	15,878	10,225	9,871
Total District	<u>(\$16,720)</u>	<u>(82,986)</u>	<u>(213,529)</u>	<u>(32,921)</u>	<u>(36,641)</u>	<u>140,986</u>	<u>146,827</u>	<u>400,311</u>	<u>111,091</u>

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
FUND BALANCES AND GOVERNMENTAL FUNDS  
LAST NINE FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund									
Restricted	\$389,516	352,962	440,059	591,037	450,248	379,244	225,304	139,136	733
Assigned	1,740								
Unrestricted	117,009	126,848	103,430	105,728	178,790	182,350	109,211	33,530	63,402
<b>Total General Fund</b>	<b>\$508,265</b>	<b>479,810</b>	<b>543,489</b>	<b>696,765</b>	<b>629,038</b>	<b>561,594</b>	<b>334,515</b>	<b>172,666</b>	<b>64,135</b>
All Other Governmental Funds									
Restricted							51,619	51,619	2,014,578
Assigned	\$27,903	1							
Unrestricted, Reported in:									
Capital Projects Fund						8,992	56,220	223,602	19,028
Debt Service Fund			1	1	1	1	1	1	
<b>Total All Other Governmental Funds</b>	<b>\$27,903</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>8,993</b>	<b>107,840</b>	<b>275,222</b>	<b>2,033,606</b>

**GIBBSBORO BOROUGH BOARD OF EDUCATION**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,**  
**LAST NINE FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*

	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Revenues:</b>									
Tax Levy	\$2,714,952	2,719,552	2,719,037	2,718,292	2,581,006	2,472,645	2,420,956	2,274,407	2,025,938
Tuition Charges			23,346	39,580	46,980	28,895	57,550	37,750	48,138
Miscellaneous	20,105	10,768	59,938	59,461	59,103	55,803	57,396	19,708	29,147
State Sources	1,686,859	1,577,619	1,361,921	1,690,016	1,879,162	1,838,945	1,643,373	1,719,337	1,622,741
Federal Sources	145,888	113,908	308,530	102,089	121,790	121,420	97,375	100,095	98,108
<b>Total Revenue</b>	<b>4,567,804</b>	<b>4,421,847</b>	<b>4,472,772</b>	<b>4,609,438</b>	<b>4,688,041</b>	<b>4,517,708</b>	<b>4,276,650</b>	<b>4,151,297</b>	<b>3,824,072</b>
<b>Expenditures:</b>									
<b>Instruction:</b>									
Regular Instruction	1,582,455	1,428,015	1,635,384	1,603,946	1,656,605	1,440,443	1,415,089	1,344,689	1,407,732
Special Education Instruction	335,939	372,793	461,860	410,513	411,735	412,289	356,019	381,549	432,660
Other Instruction	82,117	75,009	96,889	92,730	75,061	85,247	60,597	51,901	52,686
<b>Support Services:</b>									
Tuition							2,166	6,160	31,612
Attendance/Social Work	7,036	6,763	6,506	6,202	5,912	10,008	4,701		
Health Services	68,901	67,029	67,902	61,960	58,499	56,233	57,173	50,182	51,872
Student & Instruction Related Services	357,287	358,105	321,810	306,012	302,175	302,608	323,342	258,961	253,530
Educational Media/Library	42,019	42,280	40,378	41,711	52,969	31,948	30,458	45,307	21,984
Instructional Staff Training	4,330	7,240	5,215	3,049	4,300	3,484	5,642	3,889	3,481
General & Administration Services	130,929	132,210	140,354	126,133	133,190	149,727	176,365	169,854	142,127
School Administrative Services	58,270	54,912	32,844	40,867	63,505	59,675	78,231	74,603	76,605
Central Services	79,656	77,088	62,772	59,764	63,457	57,223	60,967	60,002	
Administrative Information Technology	1,410	2,280	2,568	6,450	3,218		8,746		
Plant Operations & Maintenance	298,107	416,842	334,881	452,919	388,438	339,379	316,331	263,138	173,438
Pupil Transportation	70,373	72,022	86,553	68,926	67,416	52,669	80,343	58,426	66,644
Other Support Services									48,578
Unallocated Benefits	1,158,627	1,080,363	1,049,724	988,168	1,085,650	1,026,722	818,741	790,731	748,586
Capital Outlay	21,146	40,021	9,906	2,900	20,737	3,011	199,667	1,971,347	3,078,424
<b>Debt Service:</b>									
Principal	100,000	100,000	95,000	90,000	45,000	80,000	75,000	70,000	65,000
Interest & Other Charges	106,889	139,391	143,876	148,131	151,236	154,211	157,977	161,511	283,505
<b>Total Expenditures</b>	<b>4,505,491</b>	<b>4,472,363</b>	<b>4,594,422</b>	<b>4,510,381</b>	<b>4,589,103</b>	<b>4,264,877</b>	<b>4,227,555</b>	<b>5,762,250</b>	<b>6,938,464</b>
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>62,313</b>	<b>(50,516)</b>	<b>(121,650)</b>	<b>99,057</b>	<b>98,938</b>	<b>252,831</b>	<b>49,095</b>	<b>(1,610,953)</b>	<b>(3,114,392)</b>
<b>Other Financing Sources/(Uses):</b>									
Transfers Out	(5,956)	(13,163)	(31,626)	(31,330)	(40,486)	(25,752)	(54,628)	(38,900)	(30,080)
Cancellation of EDA Grant						(223)			
<b>Total Other Financing Sources/(Uses)</b>	<b>(5,956)</b>	<b>(13,163)</b>	<b>(31,626)</b>	<b>(31,330)</b>	<b>(40,486)</b>	<b>(25,975)</b>	<b>(54,628)</b>	<b>(38,900)</b>	<b>(30,080)</b>
<b>Net Change in Fund Balances</b>	<b>\$56,357</b>	<b>(63,679)</b>	<b>(153,276)</b>	<b>67,727</b>	<b>58,452</b>	<b>226,856</b>	<b>(5,533)</b>	<b>(1,649,853)</b>	<b>(3,144,472)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>4.8%</b>	<b>5.7%</b>	<b>5.5%</b>	<b>5.6%</b>	<b>4.5%</b>	<b>5.8%</b>	<b>6.1%</b>	<b>6.5%</b>	<b>9.9%</b>

Source: District records

**GIBBSBORO BOROUGH BOARD OF EDUCATION**  
**GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	MISCELLANEOUS	TOTAL
2012	\$2,588	3,308	5,896
2011	3,501	7,267	10,768
2010	12,431	47,507	59,938
2009	16,612	42,849	59,461
2008	35,396	23,707	59,103
2007	41,803	14,000	55,803
2006	16,492	40,904	57,396
2005	14,405	5,303	19,708
2004	24,326	4,821	29,147
2003	58,531	887	59,418

Source: District records

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
 LAST TEN FISCAL YEARS**

78

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2012	\$5,627,800	128,261,300	187,000	21,600	26,635,900	9,172,000	192,700	170,098,300	465,822	170,564,122	2.328	240,468,239
2011	5,703,800	130,345,800	169,400	22,700	27,451,000	11,193,700	192,700	175,079,100	530,041	175,609,141	2.330	272,399,384
2010	5,809,600	129,622,000	169,400	24,700	28,742,300	11,193,700	225,000	175,786,700	530,041	176,316,741	2.274	272,933,036
2009	7,201,100	129,842,200	169,400	24,700	29,680,200	12,251,300	225,000	179,393,900	530,140	179,924,040	2.274	N/A
2008	8,599,900	129,686,100	169,400	24,700	28,951,900	12,284,600	225,000	179,941,600	493,640	180,435,240	2.289	280,645,283
2007	8,384,100	128,116,700	169,400	24,700	30,713,900	12,284,600	225,000	179,918,400	495,054	180,413,454	2.177	N/A
2006	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.051	N/A
2005	8,746,700	127,466,900	169,400	24,700	29,526,200	17,052,900	225,000	183,211,800	649,393	183,861,193	2.051	208,641,304
2004	9,304,100	126,992,000	169,400	24,700	27,794,700	17,052,900	225,000	181,562,800	753,841	182,316,641	1.720	181,562,800
2003	8,967,400	127,026,400		24,700	27,856,700	17,052,900	225,000	181,153,100	754,730	181,907,830	1.559	155,800,374

**GIBBSBORO BOROUGH BOARD OF EDUCATION**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
*(Rate per \$100 of Assessed Value)*

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES		TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	TOWNSHIP OF GIBBSBORO	ALL CAMDEN COUNTY	
2012	1.583	0.745	2.328	1.027	1.094	4.449
2011	1.547	0.783	2.330	0.973	1.097	4.400
2010	1.543	0.762	2.305	0.928	1.016	4.249
2009	1.511	0.763	2.274	0.809	0.966	4.049
2008	1.481	0.808	2.289	0.796	1.014	4.099
2007	1.395	0.782	2.177	0.666	1.057	3.900
2006	1.324	0.727	2.051	0.567	1.047	3.665
2005	1.250	0.654		0.499	0.942	3.345
2004	1.177	0.543	1.720	0.460	0.893	3.073
2003	1.073	0.486	1.559	0.423	0.825	2.807

Source: Municipal Tax Collector

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
PRINCIPAL PROPERTY TAX PAYERS,  
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2012		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
Brandywine/Operat Part L. Minnici	\$11,931,900	1	7.00%
CIT Lending Serv. Corp	2,100,000	2	1.23%
Robert Platzer	1,700,000	3	1.00%
Eureka Stone Quarry Inc	1,426,800	4	0.84%
Parisi Enterprises, LLC	1,375,000	5	0.81%
DG Gibbs, LLC	1,250,000	6	0.73%
Square Circle Sportsmen	1,185,700	7	0.70%
Clementon LLC	875,000	8	0.51%
Hueyroo LLC c/o Gibraltar Construction	803,300	9	0.47%
Bredell Leslie & Theresa	741,300	10	0.43%
<b>Total</b>	<b>\$23,389,000</b>		<b>13.71%</b>

TAXPAYER	2003		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
Brandywine	\$22,347,500	1	12.274%
Tri-Borough	3,262,700	2	1.792%
High Ridge Ice Arena	2,100,000	3	1.153%
Robert Platzer	1,700,000	4	0.934%
J & J Parisi	1,375,000	5	0.755%
Donald Willier	1,357,600	6	0.746%
Sherwin Williams	1,225,200	7	0.673%
Square Circle	1,213,700	8	0.667%
Bredell, Leslie	899,800	9	0.494%
Silver Lake	800,000	10	0.439%
<b>Total</b>	<b>\$36,281,500</b>		<b>19.927%</b>

Source: Municipal Tax Assessor

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2011	\$7,734,222	7,681,601	99.32%	52,621
2010	7,517,085	7,474,401	99.43%	42,684
2009	7,290,910	7,213,009	98.93%	77,901
2008	7,485,580	7,414,888	99.05%	67,452
2007	7,047,442	6,990,691	99.19%	51,152
2006	6,780,846	6,666,325	98.31%	N/A
2005	6,174,833	6,154,186	99.67%	20,647
2004	5,637,822	5,552,695	98.49%	85,127
2003	5,131,672	5,110,216	99.58%	21,456
2002	4,554,604	4,539,309	99.66%	15,295

Source: Municipal audit report

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 20,	<u>GOVERNMENTAL ACTIVITIES</u>		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	BOND ANTICIPATION NOTES (BANs)			
2012	\$2,860,000		2,860,000	N/A	1,258
2011	2,839,000		2,839,000	N/A	1,248
2010	2,939,000		2,939,000	N/A	1,208
2009	3,034,000		3,034,000	1.36%	1,247
2008	3,124,000		3,124,000	1.34%	1,287
2007	3,169,000		3,169,000	1.27%	1,284
2006	3,249,000		3,249,000	3.45%	1,316
2005	3,324,000	600,000	3,924,000	4.39%	1,590
2004	3,394,000		3,394,000	3.96%	1,374
2003	3,459,000		3,459,000	4.19%	1,396

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS			
2012	\$2,860,000		2,860,000	1.68%	1,258
2011	2,839,000		2,839,000	1.62%	1,248
2010	2,939,000		2,939,000	1.63%	1,208
2009	3,034,000		3,034,000	1.69%	1,247
2008	3,124,000		3,124,000	1.73%	1,287
2007	3,169,000		3,169,000	1.76%	1,284
2006	3,249,000		3,249,000	N/A	1,316
2005	3,324,000		3,324,000	1.81%	1,590
2004	3,394,000		3,394,000	1.86%	1,574
2003	3,459,000		3,459,000	1.90%	1,396

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2012**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Gibbsboro Borough	\$4,825,912	100.00%	\$4,825,912
Eastern Regional School District	332,188	5.93%	19,712
Local School District	2,860,000	100.00%	2,860,000
Camden County	211,014,203	0.75%	<u>1,582,607</u>
Total Overlapping Debt			<u><u>\$9,288,231</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Taxation.

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(Dollars in Thousands)**

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt Limit	\$7,941,387	8,270,055	8,473,754	8,413,162	7,955,579	7,142,057	6,202,428	5,384,065	4,826,763	4,321,253
Total Net Debt Applicable to Limit	<u>2,860,000</u>	<u>2,839,000</u>	<u>2,939,000</u>	<u>3,034,000</u>	<u>3,124,000</u>	<u>3,169,000</u>	<u>3,249,000</u>	<u>3,924,000</u>	<u>3,394,000</u>	<u>3,459,000</u>
Legal Debt Margin	<u>\$5,081,387</u>	<u>5,431,055</u>	<u>5,534,754</u>	<u>5,379,162</u>	<u>4,831,579</u>	<u>3,973,057</u>	<u>2,953,428</u>	<u>1,460,065</u>	<u>1,432,763</u>	<u>862,253</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	36.01%	34.33%	34.68%	36.06%	39.27%	44.37%	52.38%	72.88%	70.32%	80.05%

84

**Legal Debt Margin Calculation for Fiscal Year 2011**

	Equalized Valuation Basis
	2011 \$247,284,868
	2010 269,154,341
	2009 <u>277,699,536</u>
	<u>\$794,138,745</u>
Average Equalized Valuation of Taxable Property	\$264,712,915
Debt Limit (3 % of Average Equalization Value)	7,941,387
Net Bonded School Debt	<u>2,860,000</u>
Legal Debt Margin	<u>\$5,081,387</u>

**Source:** Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PERSONAL INCOME(b)	PER CAPITA		UNEMPLOYMENT RATE (d)
			PERSONAL INCOME (c)		
2012	N/A	N/A	N/A		N/A
2011	2272	N/A	N/A		8.0%
2010	* 2274	97,145,280	42,720		10.0%
2009	2432	100,699,392	41,406		8.2%
2008	2438	102,376,496	41,992		4.9%
2007	2445	98,435,700	40,260		3.7%
2006	2450	94,743,950	38,671		4.0%
2005	2457	89,186,643	36,299		3.7%
2004	2461	86,024,255	34,955		4.6%
2003	2469	83,383,068	33,772		5.1%
2002	2463	80,128,779	32,533		4.9%

\*2010 Census

Source:

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income is estimated - population times estimated per capita personal income.

<sup>c</sup> Per Capita Per County from US Bureau of Economic Analysis

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND TEN YEARS AGO**

NOT AVAILABLE

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction:										
Regular	20.0	19.0	22.0	22.0	20.0	22.0	26.0	26.0	24.5	24.0
Special Education	5.0	5.0	7.0	7.0	7.0	7.0	6.0	6.0	6.5	6.0
Other Special Education	6.0	6.0	6.0	6.0	2.0	1.5			6.0	6.0
Vocational										6.0
Support Services:										
Student & Instruction Related Services	2.0	2.0	2.0	2.0	1.0	0.5				
School Administrative Services	1.5	1.5	1.0	1.0	1.0	1.0			1.6	1.6
General & Business Administrative Services	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5		
Plant Operations & Maintenance	3.0	3.0	3.0	3.0	3.0	2.5			3.5	2.5
Pupil Transportation									3.0	4.0
<b>Total</b>	<b>40.0</b>	<b>39.0</b>	<b>43.5</b>	<b>36.5</b>	<b>37.0</b>	<b>34.5</b>	<b>34.5</b>	<b>45.1</b>	<b>50.1</b>	<b>35.6</b>

Source: District Personnel Records

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO ELEMENTARY	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2012	248	\$4,075,506	16,433	-2.80%	28	8.857	248.0	241.0	-0.88%	97.18%
2011	248	4,192,951	16,907	1.56%	30	8.267	250.2	237.3	-0.24%	94.84%
2010	253	4,211,820	16,648	2.16%	34	7.441	250.8	240.2	-2.49%	95.77%
2009	262	4,269,350	16,295	-0.49%	38	7.280	257.2	246.4	-2.58%	95.80%
2008	267	4,372,130	16,375	8.18%	37	7.320	264.0	253.0	-8.65%	95.83%
2007	288	4,359,428	15,137	10.09%	37	7.730	289.0	278.0	4.90%	96.19%
2006	276	3,794,911	13,750	5.65%	37	7.459	275.5	265.5	1.32%	96.37%
2005	277	3,604,845	13,014	1.27%	32	8.631	271.9	253.8	-1.49%	93.34%
2004	276	3,546,803	12,851	12.38%	32	8.625	276.0	267.0	-5.51%	96.74%
2003	289	3,304,832	11,435	15.96%	37	7.810	292.1	286.1	3.60%	97.95%

**Sources:** District records

a. Operating expenditures equal total expenditures less debt service and capital outlay.

b. Teaching staff includes only full-time equivalents of certificated staff.

c. Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Elementary Schools:										
Elementary School:										
Square Feet	52,777	52,777	52,777	52,777	52,777	52,777	52,777	52,777	52,777	30,924
Capacity (Students)	301	301	301	301	301	301	301	301	301	242
Enrollment	248	253	253	260	267	289	278	266	254	267

Number of Schools at June 30, 2012:

  Elementary = 1

Source: District Facilities Office

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

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS**

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

ELEMENTARY  
SCHOOL

2012		\$29,606
2011		72,152
2010		60,580
2009		101,710
2008		97,349
2007		51,248
2006		43,435
2005		14,539
2004		10,409
2003		9,145

Source: District records

**INSURANCE SCHEDULE  
JUNE 30, 2012**

	COVERAGE	DEDUCTIBLE
<b>School Package Policy - School Boards:</b>		
Property - Blank Building & Contents	\$3,260,401	1,000
Comprehensive General Liability	2,000,000	1,000
Comprehensive Automobile Liability	1,000,000	
<b>Umbrella Liability - School Boards:</b>		
Umbrella Policy	10,000,000	
<b>School Board Legal Liability:</b>		
Directors and Officers Policy	1,000,000	1,000
<b>NJ School Board:</b>		
Worker's Compensation - Professional	2,264,649	
- Nonprofessional	84,874	

Source: District records.



**SINGLE AUDIT SECTION**





Certified Public Accountants & Consultants

EXHIBIT K-1

**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**

Honorable President and Members  
of the Board of Education  
Gibbsboro Borough School District  
County of Camden  
Gibbsboro, New Jersey 08026

We have audited the financial statements of the Board of Education of the Gibbsboro Borough School District, County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated August 3, 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 audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

**Internal Control Over Financial Reporting**

Management of the Gibbsboro Board of Education is responsible for establishing and maintaining effective internal controls over financial reporting. In planning and performing our audit, we considered the Gibbsboro Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 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 entity'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 the 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 above.

**Compliance and Other Matters**

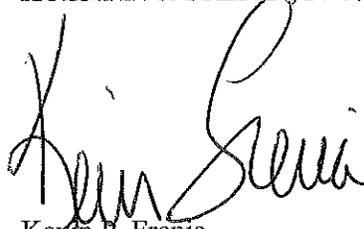
As part of obtaining reasonable assurance about whether the Gibbsboro Borough Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain

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 Finance, Department of Education, State of New Jersey.

This report is intended solely for the information of the audit committee, management, the Gibbsboro Borough Board of Education, the New Jersey State Department of Education and other state and federal 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,

HOLMAN & FRENIA, P. C.

A handwritten signature in black ink, appearing to read "Kevin Frenia", written over a faint, larger version of the same signature.

Kevin P. Frenia  
Certified Public Accountant  
Public School Accountant  
No. 1011

Medford, New Jersey  
August 3, 2012



Certified Public Accountants & Consultants

EXHIBIT K-2

**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 NEW JERSEY OMB CIRCULAR 04-04**

Honorable President and Members  
of the Board of Education  
Gibbsboro Borough School District  
County of Camden  
Gibbsboro, New Jersey 08026

**Compliance**

We have audited the compliance of Board of Education of the Gibbsboro Borough School District, in the County of Camden, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey Grants Compliance Supplement* that could have a direct and material effect to each of its major state programs for the fiscal year ended June 30, 2012. The Board of Education of the Gibbsboro Borough School District's major 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 state programs is the responsibility of Board of Education of the Gibbsboro Borough School District's management. Our responsibility is to express an opinion on Board of Education of the Gibbsboro Borough 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; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, 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 state program occurred. An audit includes examining, on a test basis, evidence about Board of Education of the Gibbsboro Borough 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 on the Board of Education of the Gibbsboro Borough School District's compliance with those requirements.

In our opinion, the Board of Education of the Gibbsboro Borough School District, in the County of Camden, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 2012.

**MEDFORD OFFICE**

618 Stokes Road • Medford, NJ 08055  
Tel: 609.953.0612 • Fax: 609.953.8443  
holmanfrenia.com

**TOMS RIVER OFFICE**

10 Allen St., Suite 2B • Toms River, NJ 08753  
Tel: 732.797.1333 • Fax: 732.797.1022  
holmanfrenia.com

## Internal Control Over Compliance

The management of the Board of Education of the Gibbsboro Borough School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered Gibbsboro Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major state programs in order to determine our 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, 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 Gibbsboro Board of Education's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily 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 for the information of the management of the Board of Education of the Gibbsboro Borough School District, the New Jersey State Department of Education, other state and federal 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,

HOLMAN & FRENIA, P. C.



Kevin P. Frenia  
Certified Public Accountant  
Public School Accountant  
No. 1011

Medford, New Jersey  
August 3, 2012

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

94

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE		BUDGETARY EXPENDITURES	(ACCOUNTS	MEMO		
				AT JUNE 30, 2011	CASH RECEIVED		RECEIVABLE) AT JUNE 30, 2012	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
State Department of Education:										
Equalization Aid	12-495-034-5120-078	\$729,246	7/1/11-6/30/12		729,246	(729,246)		72,148	729,246	
Transportation Aid	12-495-034-5120-014	19,412	7/1/11-6/30/12		19,412	(19,412)		1,921	19,412	
Special Education Categorical Aid	12-495-034-5120-089	120,782	7/1/11-6/30/12		120,782	(120,782)		11,950	120,782	
Security Aid	12-495-034-5120-084	18,710	7/1/11-6/30/12		18,710	(18,710)		1,851	18,710	
Adjustment Aid	12-495-034-5120-085	428,766	7/1/11-6/30/12		471,886	(471,886)		46,687	471,886	
Other State Aid - Transportation	11-495-034-5120-014	1,740	7/1/10-6/30/11	(\$1,740)	1,740					
Other State Aid - Transportation	12-495-034-5120-014	1,566	7/1/11-6/30/12			(1,566)	(1,566)		1,566	
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	132,972	7/1/11-6/30/12		132,972	(132,972)			132,972	
On-Behalf TPAF Pension Contributions	12-495-034-5095-001	201,950	7/1/11-6/30/12		201,950	(201,950)			201,950	
National School Lunch Program (State Share)	12-100-010-3360-067	708	7/1/09-6/30/10		675	(708)	(33)		708	
Total State Financial Assistance					(\$1,740)	1,697,373	(1,697,232)	(1,599)	134,557	1,697,232

The Accompanying Notes to Schedule of Expenditures of Awards and Financial Assistance are an Integral Part of this schedule



**GIBBSBORO BOROUGH BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
JUNE 30, 2012**

**Note 1. General**

The accompanying schedules of expenditures of state financial assistance include state award activity of the Board of Education, Gibbsboro Borough Board of Education. The Board of Education is defined in Note 1 to the Board's basic financial statements. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditures of state financial assistance.

**Note 2. Basis of Accounting**

The accompanying schedules of expenditures of awards and financial assistance are presented on 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 basis of accounting are described in Note 1 to the Board's 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 last two state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.18A:22-44.2*. For GAAP purposes, the payments are not recognized until the subsequent budget year due to the state deferral and recording of the last 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 last two state aid payments in the current budget year, consistent with *N.J.S.A.18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$9,665) for the general fund and \$0 for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
JUNE 30, 2012**

**Note 3. Relationship to Basic Financial Statements (continued):**

	<b>State</b>
General Fund	\$1,686,859
Food Service Fund	<u>708</u>
Total Financial Assistance	<u>\$1,687,567</u>

**Note 4. Relationship to State Financial Reports**

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

**Note 5. Other**

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2012. TPAF social security contributions represent the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

**Note 6. Federal and State Loans Outstanding**

Gibbsboro Borough Board of Education had no loan balances outstanding at June 30, 2012.

**GIBBSBORO BOROUGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2012**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to basic financial Statements noted?	No

**State Awards**

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No
Type of auditor’s report issued on compliance for major programs	<u>Unqualified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	No
Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04	No

**Identification of major programs:**

<b>GMIS Number(s)</b>	<b>Name of State Program</b>
12-495-034-5120-078	Equalization Aid

**GIBBSBORO BOROUGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2012**

**Section II – Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 audit.

None Noted

**Section III – Federal Awards & State Financial Assistance Finding & Questioned Costs**

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB's Circular Letter 04-04.

None Noted

**GIBBSBORO BOROUGH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
For the Fiscal Year Ended June 30, 2012**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315 (a)(b)) and New Jersey OMB's Circular 04-04.

**Finding 2010-01:**

**Condition:**

Various deposits in the student activities fund did not have proper supporting documentation including detail of the date, source and purpose of each deposit.

**Current Status:**

This condition has been corrected.

**Finding 2010-02:**

**Condition:**

It was noted that there are insufficient internal controls related to the receipt, recording, disbursing and reconciliation of student funds.

**Current Status:**

This condition has been corrected.

**Finding 2010-03:**

**Condition:**

It was noted that funds being collected for outside organizations are being deposited and subsequently disbursed through the student activities account.

**Current Status:**

This condition has been corrected.

