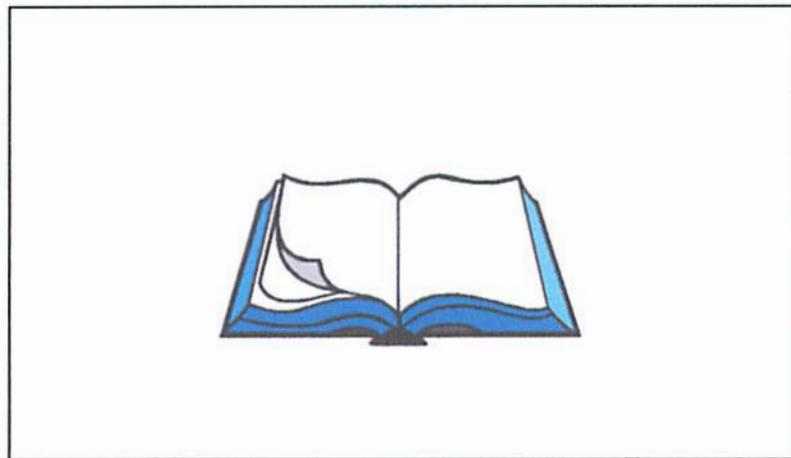


SCHOOL DISTRICT
OF
GLOUCESTER CITY



Gloucester City Board of Education
Gloucester City, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012

**Comprehensive Annual
Financial Report**

of the

Gloucester City Board of Education

Gloucester City, New Jersey

For the Fiscal Year Ended June 30, 2012

**Prepared by
Gloucester City Board of Education
Finance Department**

GLOUCESTER CITY SCHOOL DISTRICT

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Introductory Section

Gloucester City Board of Education
520 Cumberland Street
Gloucester City, New Jersey 08030

Joseph G. Rafferty
Superintendent

Margaret M. McDonnell
Board Secretary/Business Administrator

September 10, 2012

Honorable President and
Members of the Board of Education
Gloucester City Public Schools
Camden County, New Jersey 08030

Dear Board Members:

The comprehensive annual financial report of the Gloucester City School District (District) for the fiscal year ended June 30, 2012 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). 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 accounting 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 general purpose 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 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", 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:**

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

The District provides a full range of educational services appropriate to grade levels Preschool 3 year old through Adult High School. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2011-12 fiscal year with a PK-12 enrollment of 2038 students. The following details the changes in student enrollment of the District over the last ten years:

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2002-03	2169	+0.5
2003-04	2099	-3.2
2004-05	2088	-0.5
2005-06	2128	+1.9
2006-07	2097	-1.5
2007-08	2115	+0.9
2008-09	2080	-1.6
2009-10	2137	+1.0
2010-11	2034	-4.8
2011-12	2077	+2.1

2) ECONOMIC CONDITION AND OUTLOOK:

The City of Gloucester has a major marine terminal and is populated with many small businesses. The City is aggressive in its efforts to redevelop its former industrial area known as Southport. Gloucester City and the surrounding communities are essentially developed with regard to housing. Over the past decade, Gloucester City real estate values increased substantially as is reflected in the equalized value of property.

3) MAJOR INITIATIVES:

The district's Long Range Facilities Plan includes approval of the new middle school. The project, which has had State funding approved then put on hold a number of times over the past decade, has once again had funding approved by the Governor and the State of New Jersey. The district and citizens of Gloucester City are now very hopeful that revised planning, construction and completion of the project may soon commence since funding is approved.

The major issue facing the Gloucester City School District, and all other school districts, especially the former Abbott Districts, is the future funding stream. In the Spring of 2008, the State of New Jersey approved the 'School Funding Reform Act of 2008'. Under the new funding formula, school aid is distributed through a foundation formula. Calculations are based on a per-pupil adequacy budget, which represents the amount necessary to allow each student to attain New Jersey's educational standards. The base amount is set for elementary school students and increased for middle school students, high school students and vocational school students because it grows more expensive to meet student's needs as they progress through school.

Additional weights are added to the basic formula for at-risk students and students with limited English proficiency. A number of other factors are recognized in the formula including poverty concentration, geographic cost differences, special education costs and providing of kindergarten. In order to get legislative approval for the new funding formula, all districts were to receive at least a 2% increase in aid relative to 2007-2008 for the 2008-2009 and the 2009-2010 budget years even if calculations under the new formula resulted in a lower "adequacy budget". Gloucester City School District received the minimum state aid proposed for 2008-2009 and 2009-2010, though 2009-2010 state aid was later reduced about \$754 thousand by Governor Christie's Administration. It was anticipated that beginning with the 2010-2011 budget year, the State would provide aid in accordance with its new funding formula. However, due to state financial difficulties, the Christie Administration reduced funding for the 2010-2011 school year by about \$2 million. During the 2010-2011 budget year, the Educational Law Center sued the State of New Jersey and the court's decision was to restore to the former Abbott Districts, including Gloucester City, the funding which had been reduced. Additional State Aid resulting from the ELC law suit is \$1,556,572 which the district opted to defer to support funding for the 2012-2013 school year. No information has been provided from the state on projected school funding for the 2013-2014 school year.

4) **INTERNAL ACCOUNTING CONTROLS:**

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

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

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

5) **BUDGETARY 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. Approved Capital Projects are 100% funded by the State through the Schools Development Authority.

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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2012.

6) **ACCOUNTING SYSTEM AND REPORTS:**

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

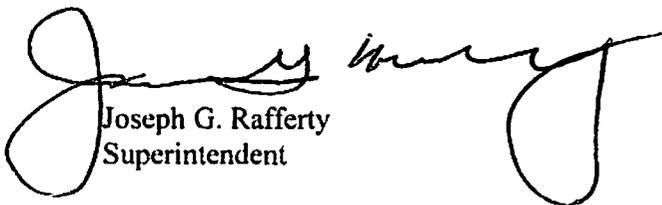
7) **RISK MANAGEMENT:**

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, an umbrella policy, fidelity bonds, student accident and workmen's compensation.

8) **OTHER INFORMATION:**

A) **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Inverso & Stewart was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

Respectfully submitted,

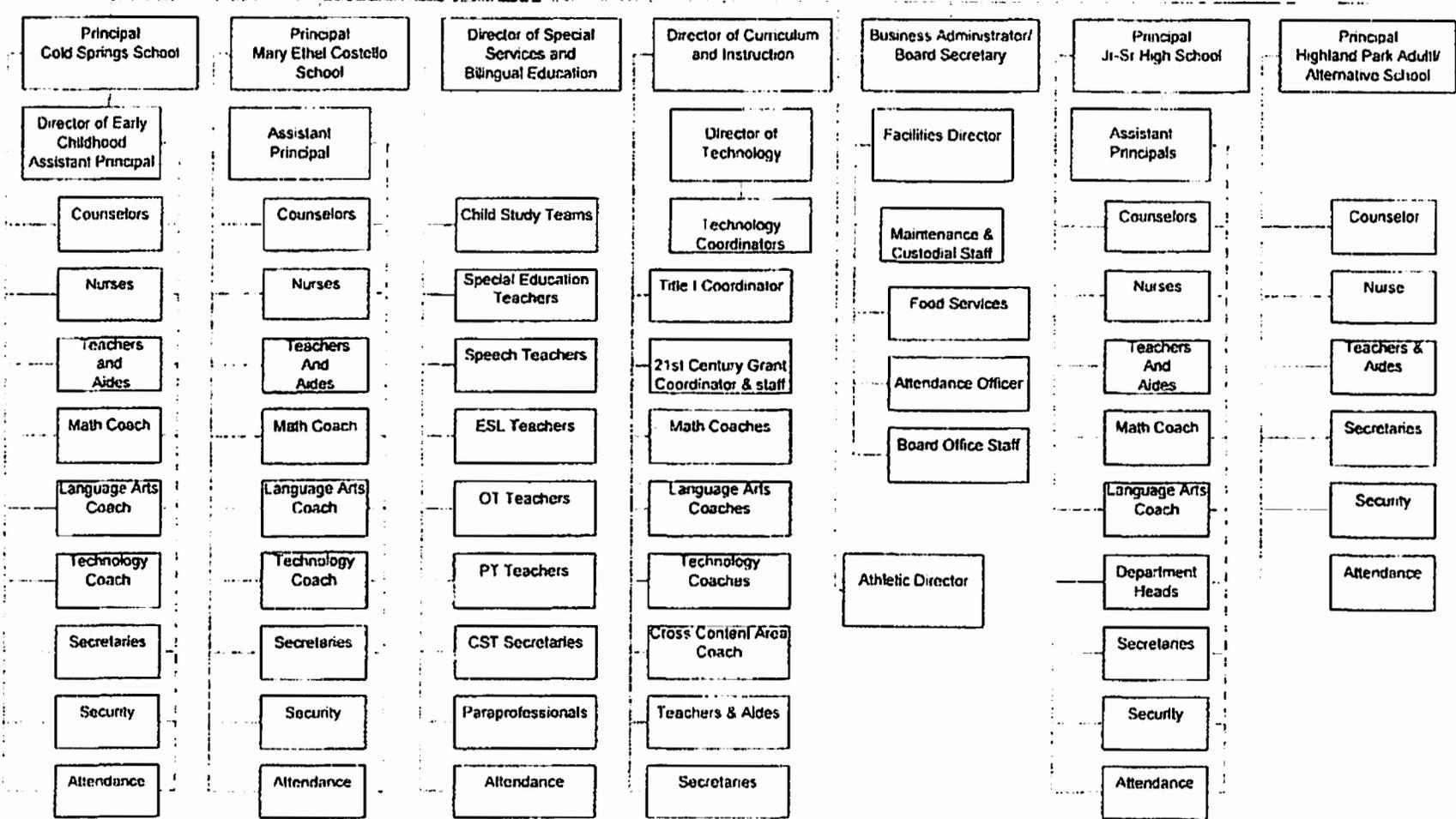

Joseph G. Rafferty
Superintendent


Margaret M. McDonnell
Board Secretary/Business Administrator

MARCH 2011
 Gloucester City Public Schools
 Organizational Chart

Board of Education

Superintendent of Schools



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GLOUCESTER CITY BOARD OF EDUCATION
GLOUCESTER CITY, NEW JERSEY 08030

BOARD MEMBERS

JUNE 2012

ROSTER OF OFFICIALS

Ms. Louisa W. Llewellyn	President	2012
Mr. Edward C. Hubbs	V-President	2012
Mr. Adam Baker	Member	2013
Mrs. Linda Bittmann	Member	2012
Mrs. Jacqueline Borger	Member	2014
Mr. Patrick R. Hagan	Member	2013
Mrs. Gina Levins	Member	2014
Mr. W. Bruce Marks	Member	2013
Mrs. Kathleen McHugh	Member	2014

Other Officials

Joseph Rafferty, Superintendent of Schools

Margaret M. McDonnell, Board Secretary/School Business Administrator

Frank Robertson, Treasurer

Parker/McCay; Frank Cavallo, Solicitor

Bruce Darrow, Board Representative of Brooklawn

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**GLOUCESTER CITY SCHOOL DISTRICT
Consultants and Advisors**

Audit Firm

Inverso & Stewart, LLC
12000 Lincoln Drive West, Suite 402
Marlton, NJ 08053

Attorney

Parker McCay, P.A.
7001 Lincoln Drive., WE5
Marlton, NJ 08053

Architects

Regan Young England Butera
456 High Street
Mount Holly, NJ 08060

Official Depository

PNC Bank
Monmouth Street
Gloucester City, NJ 08030

Beneficial Bank
3002 Route 130
Delran, NJ 08075

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Financial Section

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

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E-Mail: iscpas@concentric.net

**-Member of-
American Institute of CPAs
New Jersey Society of CPAs**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Board of Education
Gloucester City School District
County of Camden
Gloucester City, New Jersey

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 Gloucester City School District, in the County of Camden, State of New Jersey (School District), as of and for the fiscal year ended June 30, 2012, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we express no such opinion. 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, business-type activities, each major fund and the aggregate remaining fund information of the Gloucester City School District, in the County of Camden, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 2012, on our consideration of the Gloucester City School District, in the County of Camden, State of New Jersey's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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The accompanying management's discussion and analysis and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gloucester City School District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and 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 State of New Jersey Circular 04-04-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the financial statements. In addition, the introductory section, combining statements and related major fund supporting statements and schedules, and statistical section listed in the table of contents are also presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedules of Expenditures of Federal Awards and State Financial Assistance, combining statements and related major fund supporting statements and schedules 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 and statistical sections 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,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert A. Stewart
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
August 17, 2012

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INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

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American Institute of CPAs
New Jersey Society of CPAs**

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

The Honorable President and Members
of the Board of Education
Gloucester City School District
County of Camden
Gloucester City, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Gloucester City School District (School District), in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the School District's basic financial statements and have issued our report thereon dated August 17, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Gloucester City School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Gloucester City School District'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 School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

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

We noted certain matters that we reported to management of the Gloucester City School District in a separate report entitled, *Auditors Management Report on Administrative Findings - Financial, Compliance and Performance* dated August 17, 2012.

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

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert A. Stewart
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
August 17, 2012

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Required Supplementary Information - Part I

Management's Discussion and Analysis

**Gloucester City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012**

As management of the Board of Education of the City of Gloucester, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$38,471,162 (*net assets*).
- Governmental activities have an unrestricted net assets deficit of \$3,313,234. The June state aid payments deferral and state statutes that prohibit the school district from maintaining more than 2% of its adopted budget as unassigned fund balance are primarily responsible for this deficit balance.
- The total net assets of the School District increased by \$2,501,785 from the prior fiscal year-end balance. The majority of this increase is attributable to the net effect limiting budgetary expenditures to 88.62%, excess revenues, payment of debt and the depreciation expense for the year.
- Fund balance of the School District's governmental funds increased by \$2,893,324 resulting in an ending fund balance of \$9,522,708. The limitation on budgetary expenditures and additional state aid was the main reason for this increase.
- Business-type activities have unrestricted net assets of \$438,279, which may be used to meet the School District's ongoing obligations of the enterprise-related activities.
- The School District's long-term obligations decreased by \$931,068, which is the direct result of current year payments on existing debt obligations including compensated absences.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide Financial Statements

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net assets and the statement of activities.

The *statement of net assets* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net assets of the School District changed during the current fiscal year. Changes in net assets are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover all or most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities include only the Food Service Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains one type of proprietary fund - the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the district-wide financial statements, only in more detail.

The School District's one enterprise fund (Food Service Fund) is listed individually and is considered to be a major fund.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the School District's programs.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

District-wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Capital assets are used in the operations of the School District. These assets are land, buildings, improvements and equipment. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2012. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2012.

The assets of the primary government activities exceeded liabilities by \$38,032,883 with an unrestricted deficit balance of \$3,313,234. As mentioned earlier, deficit unrestricted net assets are primarily due to the accounting treatment for accrued interest payable and the deferral of the June state aid payments. The net assets of the primary government do not include internal balances.

A net investment of \$29,671,228 in land, improvements, buildings and equipment which provide the services to the School District's public school students, represents 77.12% of the School District's net assets. Net assets of \$11,789,837 have been restricted as follows:

Restricted for Encumbrances	\$ 829,777
Restricted for Debt Service Costs	38,695
Restricted for Future Tuition Costs	110,800
Restricted for Future Capital Projects	1,015,873
Restricted for Future Emergencies	392,000
Restricted for Future Maintenance Costs	2,500,000
Restricted for Subsequent Year's Budget	<u>6,902,692</u>
 Total	 <u><u>\$11,789,837</u></u>

**Comparative Summary of Net Assets
As of June 30, 2012 and 2011**

	Governmental Activities		Business-Type Activities		District-Wide	
	2012	2011	2012	2011	2012	2011
ASSETS						
Current assets	\$ 11,355,755	\$ 8,435,744	\$ 324,633	\$ 358,115	\$ 11,680,388	\$ 8,793,859
Capital assets	<u>40,356,280</u>	<u>41,603,102</u>	<u>114,948</u>	<u>129,051</u>	<u>40,471,228</u>	<u>41,732,153</u>
Total assets	<u>51,712,035</u>	<u>50,038,846</u>	<u>439,581</u>	<u>487,166</u>	<u>52,151,616</u>	<u>50,526,012</u>
LIABILITIES						
Current liabilities	2,741,431	2,719,994	1,302	2,852	2,742,733	2,722,846
Noncurrent liabilities	<u>10,937,721</u>	<u>11,833,789</u>			<u>10,937,721</u>	<u>11,833,789</u>
Total liabilities	<u>13,679,152</u>	<u>14,553,783</u>	<u>1,302</u>	<u>2,852</u>	<u>13,680,454</u>	<u>14,556,635</u>
Net Assets	<u>\$ 38,032,883</u>	<u>\$ 35,485,063</u>	<u>\$ 438,279</u>	<u>\$ 484,314</u>	<u>\$ 38,471,162</u>	<u>\$ 35,969,377</u>
Net Assets Consist of:						
Invested in Capital Assets	\$ 29,556,280	\$ 29,918,102	\$ 114,948	\$ 129,051	\$ 29,671,228	\$ 30,047,153
Restricted Assets	11,789,837	9,021,629			11,789,837	9,021,629
Unrestricted Assets	<u>(3,313,234)</u>	<u>(3,454,668)</u>	<u>323,331</u>	<u>355,263</u>	<u>(2,989,903)</u>	<u>(3,099,405)</u>
Net Assets	<u>\$ 38,032,883</u>	<u>\$ 35,485,063</u>	<u>\$ 438,279</u>	<u>\$ 484,314</u>	<u>\$ 38,471,162</u>	<u>\$ 35,969,377</u>

**Comparative Schedule of Changes in Net Assets
As of and for the Fiscal Year Ended June 30, 2012 and 2011**

	Governmental Activities		Business-Type Activities		District-Wide	
	2012	2011	2012	2011	2012	2011
Revenues:						
Charges for services	\$ 1,528,120	\$ 1,326,699	\$ 347,105	\$ 359,973	\$ 1,875,225	\$ 1,686,672
Operating grants and contributions	9,314,355	8,421,422	818,707	733,612	10,133,062	9,155,034
Property taxes	3,912,559	3,864,929			3,912,559	3,864,929
State aid - unrestricted	31,803,533	29,069,758			31,803,533	29,069,758
Other revenues	427,473	111,588			427,473	111,588
Total Revenues	46,986,040	42,794,396	1,165,812	1,093,585	48,151,852	43,887,981
Expenses:						
Governmental Activities:						
Instruction	18,693,926	18,295,474			18,693,926	18,295,474
Tuition	1,938,045	1,703,269			1,938,045	1,703,269
Related services	6,108,433	5,899,736			6,108,433	5,899,736
Administrative services	2,459,565	2,449,164			2,459,565	2,449,164
Operations and Maintenance	4,188,600	3,490,285			4,188,600	3,490,285
Transportation	1,066,666	897,120			1,066,666	897,120
Employee benefits	9,007,766	8,916,116			9,007,766	8,916,116
Special schools	249,874	200,716			249,874	200,716
Interest on debt	388,799	712,610			388,799	712,610
Other	305,539	411,192			305,539	411,192
Business-Type Activities:						
Food Service			1,192,661	1,037,696	1,192,661	1,037,696
Total Expenses	44,407,213	42,975,682	1,192,661	1,037,696	45,599,874	44,013,378
Increase (Decrease) in Net Assets before transfers						
Assets before transfers	2,578,827	(181,286)	(26,849)	55,889	2,551,978	(125,397)
Loss on disposal of assets	(31,007)	(174,413)	(19,186)		(50,193)	(174,413)
Change in Net Assets	2,547,820	(355,699)	(46,035)	55,889	2,501,785	(299,810)
Net Assets, July 1	35,485,063	35,840,762	484,314	428,425	35,969,377	36,269,187
Net Assets, June 30	\$ 38,032,883	\$ 35,485,063	\$ 438,279	\$ 484,314	\$ 38,471,162	\$ 35,969,377

Governmental Activities

Revenues from Governmental activities increased \$4,191,644 compared to last year, while expenditures increased \$1,431,531, the net effect of current year revenues over current year expenditures is a increase in operations.

- Unrestricted federal and state aid increased \$2,733,775 or about 9.40%.
- Tuition revenues increased \$201,421 or about 15.18% while other revenues increased \$315,885 about 283.08%

Business-type Activities

Business-type activities decreased the School District's net assets by \$46,035 compared to the previous year. Overall the cafeteria is in sound financial condition. Key elements of the decrease in net assets for business-type activities are as follows:

- Loss on disposal of capital assets of \$19,186.
- Operating loss of \$26,849.

Financial Analysis of the Governmental Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$9,522,708, an increase of \$2,893,324 in comparison with the prior year. The increase in fund balance comes as a result of limiting budgetary expenditures to 88.62% of the total budget. Due to the large amount of fund balance appropriated it is anticipated that fund balance will decrease this year and probably into next year.

The unreserved fund balance for the School District at the end of the fiscal year is a deficit of \$2,267,129. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) appropriated as a revenue source in the subsequent year's budget (\$6,902,692), 2) reserved for future capital outlay expenditures (\$1,015,873), 3) reserved for future tuition costs (\$110,800), 4) reserved for emergencies (\$392,000), 5) reserved for encumbrances (\$829,777) and 6) reserved for future maintenance costs (\$2,500,000).

The general fund is the chief operating fund of the School District. As discussed earlier, the deficit balance in the unassigned fund balance is due, in part, to the accounting treatment of the June state aid payments as discussed in the notes to the basic financial statements.

Revenue is generally recognized at the time that the outlays are identified; therefore no fund balances are normally generated in the special revenue fund.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$304,029, which represents prior year encumbrances carried over to this budget year.

At the end of the current fiscal year, unassigned fund balance (budgetary basis) of the general fund was \$685,578, while total fund balance (budgetary basis) was \$12,436,720. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$37,129,942. Unassigned fund balance (budgetary basis) represents 1.85% of expenditures while total fund balance (budgetary basis) represents 33.49% of that same amount.

Capital Asset and Debt Administration

The School District's capital assets for its governmental and business-type activities as of June 30, 2012, totaled \$40,471,228 (net of accumulated depreciation). The capital assets of the School District include land, improvements, buildings and equipment. The total decrease in the School District's investment in capital assets for the current fiscal year was \$1,260,925, or a 3.02% decrease. The decrease is primarily due to depreciation expense of \$1,486,130 and the write off of \$50,193 worth of assets removed during the year.

Gloucester City School District Capital Asset (net of accumulated depreciation) June 30, 2012 and 2011

	Governmental Activities		Business-Type Activities		District-Wide	
	2012	2011	2012	2011	2012	2011
Land	\$ 2,799,583	\$ 2,799,583			\$ 2,799,583	\$ 2,799,583
Site Improvements	503,441	568,494			503,441	568,494
Building and Building Improvements	35,763,947	36,969,987			35,763,947	36,969,987
Vehicles	40,310	48,862			40,310	48,862
Equipment	1,248,999	1,216,176	\$ 114,948	\$ 129,051	1,363,947	1,345,227
Net Assets	\$ 40,356,280	\$ 41,603,102	\$ 114,948	\$ 129,051	\$ 40,471,228	\$ 41,732,153

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Long-term debt – During the fiscal year ended June 30, 2012, the School District had \$10,800,000 in serial bonds payable and \$987,721 in compensated absences.

All reductions in long-term debt were made according to the payment schedules.

The School District continues to maintain its AA rating from Standard & Poor's Corporation for its general obligation bond issues.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered and incorporated into the preparation of the School District's budget for the 2012-2013 fiscal year:

The State of New Jersey approved the 'School Funding Reform Act of 2008 in Spring of 2008. In order to get legislative approval for the new funding formula, all districts were to receive at least a 2% increase in aid relative to 2008 for the 2009 budget year, then flat funding for 2010 and 2012 budget years. Gloucester City School District did receive the minimum state aid increase of 2% for 2009 and the same level of funding for 2010 as was proposed. For Fiscal Year 2012, due to the severe global and domestic economic crises, the State of New Jersey reduced state aid about \$2 million which was far more than the district predicted but the district was able to compensate for the funding gap and minimize loss of staff by budgeting withdrawal from various reserves. For Fiscal Year 2012, the State of New Jersey increased aid to all school districts, with Gloucester City School District's increase about \$400 thousand.

The general fund tax rate increased about 2.22% or about \$13 per year for a homeowner with a house valued at the district average. This is a function of the amount of money awarded to the School District by the State, an increase in the General Fund tax levy by 2%, and the impact of a slightly lower tax base.

The 2012-2012 Budget includes appropriations for several major facilities projects included in the Long Range Facilities Plan which have not been appropriated in previous years due to insufficient funding from the State.

The amount of State Aid funding for the School District's 2013 school year budget is not yet available. However, in order to get legislative approval for the new funding formula, it was proposed that State Aid Funding to the Gloucester City School District would remain flat at the 2009 funding level through 2012 and then, beginning with the 2012 school year, the new funding formula would be applied. Since the State did not hold to its previous proposal for the 2012 budget year but instead reduced state aid by about \$2 million, the Educational Law Center sued the State of New Jersey on behalf of the former Abbott Districts. A court decision in 2012 restored to the former Abbott Districts the amount reduced in 2012. District's with restored funding have the option of using the restored funds in the 2012 school year or deferring to the 2013 school year. Since the district has no information on what to anticipate for budget year 2013 and needs to be prepared in the event of another major decrease in state aid, the district has opted to defer \$1.6 million of restored aid from the 2012 school year to the 2013 school year.

The Gloucester City School District has committed itself to strong financial controls. The School District continually monitors its budget and scrutinizes spending requests as well as implementing ever stronger internal controls. The District commits itself to constantly reviewing the ways in which it conducts business, and making improvements whenever possible, in order to operate efficiently and to meet future challenges.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Gloucester City School District Business Administrator, 520 Cumberland Street, Gloucester City, New Jersey, 08030, telephone number (856) 456-4250.

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Basic Financial Statements

District-Wide Financial Statements

GLOUCESTER CITY SCHOOL DISTRICT
Statement of Net Assets
June 30, 2012

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 9,570,268	\$ 270,190	\$ 9,840,458
Receivables, net	1,711,052	40,157	1,751,209
Inventory		14,286	14,286
Deferred bond issuance costs - net	74,435		74,435
Capital assets, net (Note 5)	<u>40,356,280</u>	<u>114,948</u>	<u>40,471,228</u>
Total Assets	<u>51,712,035</u>	<u>439,581</u>	<u>52,151,616</u>
LIABILITIES:			
Accounts payable	1,088,899	1,302	1,090,201
Intergovernmental payable:			
State	233,201		233,201
Deferred revenue	436,512		436,512
Accrued Interest	132,819		132,819
Noncurrent liabilities (Note 7):			
Due within one year	850,000		850,000
Due beyond one year	<u>10,937,721</u>		<u>10,937,721</u>
Total Liabilities	<u>13,679,152</u>	<u>1,302</u>	<u>13,680,454</u>
NET ASSETS:			
Invested in capital assets, net of related debt	29,556,280	114,948	29,671,228
Restricted for:			
Debt Service	38,695		38,695
Other purposes	11,751,142		11,751,142
Unrestricted (Deficit)	<u>(3,313,234)</u>	<u>323,331</u>	<u>(2,989,903)</u>
Total Net Assets	<u>\$ 38,032,883</u>	<u>\$ 438,279</u>	<u>\$ 38,471,162</u>

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

GLOUCESTER CITY SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2012

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities:							
Instruction:							
Regular	\$ 10,846,651				\$ (10,846,651)		\$ (10,846,651)
Special Education	7,086,135		\$ 3,649,238		(3,436,897)		(3,436,897)
Other instruction	761,140				(761,140)		(761,140)
Support Services:							
Tuition	1,938,045				(1,938,045)		(1,938,045)
Student & instruction related services	6,108,433		2,159,199		(3,949,234)		(3,949,234)
General administrative services	595,138				(595,138)		(595,138)
School administrative services	1,383,050				(1,383,050)		(1,383,050)
Central services	481,377				(481,377)		(481,377)
Plant operations and maintenance	4,188,600				(4,188,600)		(4,188,600)
Pupil transportation	1,066,666				(1,066,666)		(1,066,666)
Unallocated benefits	9,007,766		2,851,047		(6,156,719)		(6,156,719)
Special schools	145,754				(145,754)		(145,754)
Transfer to Charter Schools	104,120				(104,120)		(104,120)
Interest on long-term debt	388,799		654,871		266,072		266,072
Unallocated depreciation and amortization	305,539				(305,539)		(305,539)
Total Governmental Activities	44,407,213		9,314,355		(35,092,858)		(35,092,858)
Business-Type Activities:							
Food service	1,192,661	\$ 347,105	818,707			\$ (26,849)	(26,849)
Total Business-Type Activities	1,192,661	347,105	818,707			(26,849)	(26,849)
Total Primary Government	\$45,599,874	\$347,105	\$10,133,062		(35,092,858)	(26,849)	(35,119,707)
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net					3,283,237		3,283,237
Taxes levied for debt service					629,322		629,322
Federal and State aid not restricted					31,803,533		31,803,533
Tuition received					1,528,120		1,528,120
Miscellaneous income					427,473		427,473
Special items:							
Gain/(Loss) on Disposal of Capital Assets					(31,007)	(19,186)	(50,193)
Total general revenues, special items, extraordinary items and transfers					37,640,678	(19,186)	37,621,492
Change in Net Assets					2,547,820	(46,035)	2,501,785
Net Assets - July 1, 2011					35,485,063	484,314	35,969,377
Net Assets - June 30, 2012					\$ 38,032,883	\$ 438,279	\$ 38,471,162

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

Fund Financial Statements

GLOUCESTER CITY SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2012

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 7,418,817	\$ (245,117)		\$ 38,695	\$ 7,212,395
Receivables, net					
State aid	392,592	302,442			695,034
Federal aid	35,028	722,377			757,405
Other	258,613				258,613
Restricted assets:					
Cash and cash equivalents	2,357,873				2,357,873
Total Assets	\$ 10,462,923	\$ 779,702	\$ -	\$ 38,695	11,281,320
 LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 978,910	\$ 109,989			1,088,899
Intergovernmental payable:					
State		233,201			233,201
Deferred revenue		436,512			436,512
Total Liabilities	978,910	779,702	-	38,695	1,758,612
Fund Balances:					
Restricted for:					
Capital reserve	2,357,873				2,357,873
Tuition reserve	221,100				221,100
Maintenance reserve	3,100,000				3,100,000
Emergency reserve	786,000				786,000
Assigned to:					
Year-end encumbrances	829,777				829,777
Designated for subsequent year's budget	4,456,392			\$ 38,695	4,495,087
Unassigned	(2,267,129)				(2,267,129)
Total Fund Balances	9,484,013	-	-	38,695	9,522,708
Total Liabilities and Fund Balances	\$ 10,462,923	\$ 779,702	\$ -	\$ 38,695	-

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 \$62,631,449 and the accumulated depreciation is \$22,275,169. 40,356,280

Bond issuance costs are amortized over the life of the bonds on the statement of net assets. 74,435

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:

General Obligation Bonds	\$ (10,800,000)	
Compensated Absences Payable	(987,721)	
Accrued Interest Payable	(132,819)	
		(11,920,540)

Net assets of governmental activities

\$ 38,032,883

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

GLOUCESTER CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 3,283,237			\$ 629,322	\$ 3,912,559
Tuition	1,528,120				1,528,120
Miscellaneous	427,473				427,473
Total local sources	5,238,830			629,322	5,868,152
State sources	33,492,569	\$ 3,440,801		654,871	37,588,241
Federal sources	1,162,011	2,367,636			3,529,647
Total Revenues	39,893,410	5,808,437		1,284,193	46,986,040
EXPENDITURES:					
Current expense:					
Regular instruction	9,859,848				9,859,848
Special education instruction	3,542,441	3,543,694			7,086,135
Other instruction	761,140				761,140
Support services and undistributed costs:					
Tuition	1,938,045				1,938,045
Student & instruction related services	3,949,234	2,159,199			6,108,433
General administrative services	521,362				521,362
School administrative services	1,309,274				1,309,274
Central services	481,377				481,377
Plant operations and maintenance	3,923,102				3,923,102
Pupil transportation	1,066,666				1,066,666
Unallocated employee benefits	9,007,766				9,007,766
Capital outlay	519,813	5,399			525,212
Special schools	145,754				145,754
Transfer to charter schools	104,120				104,120
Debt service:					
Principal				885,000	885,000
Interest and other charges				369,482	369,482
Total Expenditures	37,129,942	5,708,292		1,254,482	44,092,716
Excess (deficiency) of revenues over (under) expenditures	2,763,468	100,145		29,711	2,893,324
Other Financing Sources (Uses):					
Transfers in		164,748			164,748
Transfers out	(164,748)				(164,748)
Total Other Financing Sources (Uses)	(164,748)	164,748			
Net Change in Fund Balance	2,598,720	264,893		29,711	2,893,324
Fund balance - July 1, 2011 (Deficit)	6,885,293	(264,893)		8,984	6,629,384
Fund balance - June 30, 2012	<u>\$ 9,484,013</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,695</u>	<u>\$ 9,522,708</u>

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

**GLOUCESTER CITY SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2012**

Total net change in fund balances - governmental funds (from B-2) \$ 2,893,324

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

Governmental Funds report capital outlays 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 current period.

Depreciation expense	\$ (1,475,530)	
Fixed assets additions	<u>259,715</u>	(1,215,815)

The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to decrease net assets (31,007)

Repayment of long-term debt 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. 885,000

Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences. (10,433)

Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt. (19,317)

In the statement of activities, certain operating expenses, (e.g. compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+) 46,068

Change in Net Assets of Governmental Activities \$ 2,547,820

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

GLOUCESTER CITY SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Business-Type Activities Enterprise Funds Food Service
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 270,190
Intergovernmental receivables:	
State	599
Federal	33,061
Other	6,497
Inventories	14,286
Total Current Assets	324,633
Noncurrent Assets:	
Machinery and equipment (net of accumulated depreciation)	114,948
Total Noncurrent Assets	114,948
Total Assets	439,581
 LIABILITIES:	
Current Liabilities:	
Accounts payable	1,302
Total Current Liabilities	1,302
 NET ASSETS:	
Invested in capital assets	114,948
Unrestricted	323,331
Total Net Assets	\$ 438,279

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

GLOUCESTER CITY SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	<u>Business-Type Activities Enterprise Funds Food Service</u>
Operating Revenues:	
Charges for services:	
Daily sales - reimbursable programs	\$ 173,189
Daily sales - non-reimbursable programs	173,916
Total Operating Revenues	<u>347,105</u>
Operating Expenses:	
Cost of sales	604,591
Salaries	442,591
Management fee	49,304
Maintenance and repairs	19,446
Supplies	44,602
Other costs	21,527
Depreciation	10,600
Total Operating Expenses	<u>1,192,661</u>
Operating Income (Loss)	<u>(845,556)</u>
Non-Operating Revenues (Expenses):	
State sources:	
State school lunch program	12,918
Federal sources:	
National school lunch program	526,412
National school breakfast program	148,259
After school snack program	30,870
Fresh fruit and vegetable program	43,258
Food distribution program	56,990
Total Non-Operating Revenues	<u>818,707</u>
Income (Loss) before Contributions and Transfers	(26,849)
Loss on disposal of capital assets	<u>(19,186)</u>
Change in Net Assets	(46,035)
Net Assets - July 1, 2011	<u>484,314</u>
Net Assets - June 30, 2012	<u>\$ 438,279</u>

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

GLOUCESTER CITY SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Business-Type Activities Enterprise Funds Food Service
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 342,279
Cash payments to employees for services	(442,591)
Cash payments to suppliers for goods and services	(736,774)
Net cash used by operating activities	(837,086)
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	12,319
Cash received from federal sources	772,728
Cash received from operating transfer in	
Net cash provided by noncapital financing activities	785,047
Cash Flows Used by Capital and Related Financing Activities:	
Purchase of equipment	(15,683)
Cash Flow Provided by Investing Activities:	
Interest on cash equivalents	
Net increase (decrease) in cash and cash equivalents	(67,722)
Cash and cash equivalents - July 1, 2011	337,912
Cash and cash equivalents - June 30, 2012	\$ 270,190
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ (845,556)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:	
Depreciation	10,600
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(4,826)
(Increase) decrease in inventory	4,246
Increase (decrease) in accounts payable	(1,550)
Net cash provided by (used for) operating activities	\$ (837,086)
Noncash Noncapital Financing Activities:	
During the year the District received \$56,990 of food commodities from the U.S. Department of Agriculture.	

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

GLOUCESTER CITY SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	<u>Trust Funds</u>			<u>Agency Funds</u>
	<u>Unemployment Compensation Trust</u>	<u>Flexible Benefit Trust</u>	<u>Private Purpose Scholarship Fund</u>	
ASSETS:				
Cash and cash equivalents	<u>\$ 1,048,027</u>	<u>\$ 32,471</u>	<u>\$ 67,181</u>	<u>\$ 69,056</u>
Total Assets	<u>1,048,027</u>	<u>32,471</u>	<u>67,181</u>	<u>\$ 69,056</u>
 LIABILITIES:				
Payroll deductions and withholdings				<u>\$ 3,493</u>
Due to student groups	<u> </u>	<u> </u>	<u> </u>	<u>65,563</u>
Total Liabilities	<u> </u>	<u> </u>	<u> </u>	<u>\$ 69,056</u>
 NET ASSETS:				
Held in trust for unemployment claims and other purposes	<u>\$ 1,048,027</u>			
Held in trust for claims		<u>\$ 32,471</u>		
Reserved for scholarships			<u>\$ 67,181</u>	

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

GLOUCESTER CITY SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2012

	<u>Unemployment Compensation Trust</u>	<u>Flexible Benefit Trust</u>	<u>Private Purpose Scholarship Fund</u>
ADDITIONS:			
Contributions:			
Employee	\$ 37,617	\$ 19,964	
Donations		30,000	\$ 1,580
Total Contributions	<u>37,617</u>	<u>49,964</u>	<u>1,580</u>
Interest earned on investments	<u>1,632</u>	<u>5</u>	<u>150</u>
Total Additions	<u>39,249</u>	<u>49,969</u>	<u>1,730</u>
DEDUCTIONS:			
Claims paid	63,862	17,228	
Scholarships awarded			8,400
Total Deductions	<u>63,862</u>	<u>17,228</u>	<u>8,400</u>
Change in Net Assets	(24,613)	32,741	(6,670)
Net Assets - July 1, 2011	<u>1,072,640</u>		<u>73,851</u>
Net Assets - June 30, 2012	<u>\$ 1,048,027</u>	<u>\$ 32,741</u>	<u>\$ 67,181</u>

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

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The City of Gloucester School District ("School District") 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 of Education is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for resident students in grades K through 12. In addition, the School District provides educational services for students in grades 9 through 12 received from the Brooklawn School District, on a tuition basis. The Gloucester City School District has an approximate enrollment at June 30, 2012 of 1,733 students.

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

Basis of Presentation

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

The School District's basic financial statements consists of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

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

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

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

General Fund - The general fund is the general operating fund of the School District 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 non-instructional equipment classified in the capital outlay sub-fund.

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

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

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

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

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

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

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

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

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The School District's enterprise funds are:

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

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

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

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into two classifications: trust funds and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has four fiduciary funds; an unemployment compensation trust fund, a private purpose scholarship fund, a student activity fund, and a payroll fund.

Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets.

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

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

Basis of Accounting

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

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Budgets/Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23A-16.2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

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

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

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

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

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

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

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

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

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

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

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2012 and 2011 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

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

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed, and is not recorded since any amounts are considered immaterial to the basic financial statements.

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

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

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

Deferred Expenditures - Deferred expenditures are disbursements that are made in one period, but are more accurately reflected as an expenditure/expense in the next fiscal period. Unlike prepaid expenses, deferred expenditures are not regularly recurring cost of operations.

Short-Term Interfund Receivables / Payables - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

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

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

Accrued Salaries and Wages - Certain School District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2012, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

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

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences (Continued) - The entire compensated absence liability is reported on the government-wide financial statements.

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

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

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

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

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2012.

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

Committed - This fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, which for the School District is the Board of Education. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action imposing the commitment.

Assigned - This fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the Business Administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

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

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Operating and Non-Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program and registration fees for the before and after school program. Non-operating revenues principally consist of interest income earned on various interest bearing accounts and federal and state subsidy reimbursements for the food service program.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses

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

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

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. Banks that qualify as public depositories under New Jersey statutes hold cash deposits, with bank balances totaling \$12,283,172 at June 30, 2012.

3. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

3. CAPITAL RESERVE ACCOUNT (Continued)

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Balance July 1, 2011		\$	1,730,658	
Increased by:				
Interest Earned	\$		2,000	
Board Resolution			<u>1,225,215</u>	
				1,227,215
				<u>2,957,873</u>
Decreased by:				
Budget Withdrawal			600,000	
Board Resolution			<u> </u>	
				<u>600,000</u>
Balance June 30, 2012		\$	<u>2,357,873</u>	

The June 30, 2012 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

The withdrawals from the capital reserve were utilized to fund facilities projects approved by the New Jersey Department of Education, consistent with the School District's LRFP.

4. ACCOUNTS RECEIVABLES

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

Accounts receivable at June 30, 2012 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
Intergovernmental				
State	\$ 392,592	\$ 302,442	\$ 599	\$ 695,633
Federal	35,028	722,377	33,061	790,466
Other	<u>258,613</u>	<u> </u>	<u>6,497</u>	<u>265,110</u>
Total	<u>\$ 686,233</u>	<u>\$ 1,024,819</u>	<u>\$ 40,157</u>	<u>\$ 1,751,209</u>

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

5. CAPITAL ASSETS

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

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
Governmental Activities:				
Land	\$ 2,799,583			\$ 2,799,583
Total Capital Assets not being				
Depreciation	2,799,583			2,799,583
Land Improvements	1,715,706			1,715,706
Building and Improvements	51,221,982			51,221,982
Vehicles	140,216			140,216
Equipment	6,631,756	\$ 259,715	\$ (137,509)	6,753,962
Total Historical Cost	<u>62,509,243</u>	<u>259,715</u>	<u>(137,509)</u>	<u>62,631,449</u>
Less Accumulated Depreciation:				
Land Improvements	(1,147,212)	(65,053)		(1,212,265)
Building and Improvements	(14,251,995)	(1,206,040)		(15,458,035)
Vehicles	(91,354)	(8,552)		(99,906)
Equipment	(5,415,580)	(195,885)	106,502	(5,504,963)
Total Accumulated Depreciation	<u>(20,906,141)</u>	<u>(1,475,530)</u>	<u>106,502</u>	<u>(22,275,169)</u>
Governmental Activities Capital Assets, Net	<u>\$ 41,603,102</u>	<u>\$ (1,215,815)</u>	<u>\$ (31,007)</u>	<u>\$ 40,356,280</u>
Business-Type Activities:				
Equipment	\$ 571,261	\$ 15,683	\$ (41,509)	\$ 545,435
Less - Accumulated Depreciation	(442,210)	(10,600)	22,323	(430,487)
Business-Type Activities Capital Assets, Net	<u>\$ 129,051</u>	<u>\$ 5,083</u>	<u>(19,186)</u>	<u>\$ 114,948</u>

Depreciation expense in the amount of \$1,475,530 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 1,032,871
General Administration	73,776
School Administration	73,776
Unallocated	295,107
Total depreciation expense	<u>\$ 1,475,530</u>

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

6. INVENTORY

Inventory in the food service fund at June 30, 2012 consisted of the following:

Food	\$	10,501
Supplies		<u>3,785</u>
		<u>\$ 14,286</u>

7. LONG-TERM OBLIGATIONS

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

	<u>Principal Outstanding June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2012</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 1,033,789	\$ 17,600	\$ 63,668	\$ 987,721	
General Obligation Bonds	<u>11,685,000</u>		<u>885,000</u>	<u>10,800,000</u>	\$ 850,000
	<u>\$ 12,718,789</u>	<u>\$ 17,600</u>	<u>\$ 948,668</u>	<u>\$ 11,787,721</u>	<u>\$ 850,000</u>

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

2005 Refunding Bonds dated June 15, 2005 in the amount of \$5,075,000 due in annual installments through August 15, 2023, bearing interest rate of 4.95%.

2012 Refunding Bonds dated February 15, 2012 in the amount of \$5,725,000 due in annual installments through August 15, 2024, bearing interest rate of 2.00% to 4.125%.

As of June 30, 2012, principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 850,000	\$ 384,525	\$ 1,234,525
2014	860,000	356,563	1,216,563
2015	850,000	328,600	1,178,600
2016	860,000	300,636	1,160,636
2017	870,000	271,813	1,141,813
2018-2022	4,335,000	875,663	5,210,663
2023-2025	<u>2,175,000</u>	<u>115,284</u>	<u>2,290,284</u>
	<u>\$ 10,800,000</u>	<u>\$ 2,633,084</u>	<u>\$ 13,433,084</u>

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

7. LONG-TERM OBLIGATIONS (Continued)

As of June 30, 2012 the School District had no authorizations to issue additional bonded debt.

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

8. OPERATING LEASES

At June 30, 2012, the School District had operating lease agreements in effect for copy machines, swimming pool and postage meter. Total rental payments for such leases were \$90,300 for the fiscal year ended June 30, 2012. The future minimum lease payments for these leases are as follows:

Fiscal Year Ending June 30,	Amount
2013	\$ 90,300
2014	52,675
	\$ 142,975

9. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

Teachers' Pension and Annuity Fund (TPAF)

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over the several preceding fiscal years.

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS)

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

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

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Total Liability Paid by District</u>
2012	\$ 158,744	\$ 317,489	\$ 30,342	\$ 506,575
2011	175,944	280,355	34,656	490,955
2010	142,167	182,668	45,047	369,882

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. The employee contributions along with the School District's contribution for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

There were no School District employees enrolled in the DCRP for the fiscal years ended June 30, 2012, 2011 and 2010.

Related Party Investments – The Division of Pensions and Benefits does not invest in securities issued by the School District.

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

10. POST-RETIREMENT BENEFITS

The School District contributes to the New Jersey State Health Benefits Program (SHBP), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP was established to provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of 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 pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and 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.

The State establishes the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contribution to the SHBP Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the year ended June 30, 2012 was \$1,053,794, which equaled the required contributions. The State's contribution to the SHBP Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2012, the School District has recognized as revenues and expenditures \$524,208 of on-behalf payments made by the State of New Jersey for normal retirement costs related to TPAF and \$1,273,045 for employer's share of social security contributions for TPAF members, as calculated on their base salaries.

12. RISK MANAGEMENT

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

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

Joint Insurance Pool - The School District is a member of the School Alliance Insurance Fund. Insurance coverage as provided by the Fund can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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

The Fund publishes its own financial report which can be obtained by writing to: School Alliance Insurance Fund, c/o PEGAS, 51 Everett Drive, Lawrenceville, New Jersey, 08648.

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

12. RISK MANAGEMENT (Continued)

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012	\$ 1,632	\$ 37,617	\$ 63,862	\$ 1,048,027
2011	301,640	35,907	66,093	1,072,640
2010	250,653	37,659	56,715	801,186

13. FLEXIBLE BENEFITS PROGRAM

The School District offers its employees a Flexible Benefits Program. The purpose of the program is to provide a tax incentive for plan participants incurring health premium expenses, dependent care expenses and other medical expenses not covered by other insurance. The School District, who is the plan administrator, has contracted with American Family Life Assurance Company (AFLAC) to act as its agent to furnish reimbursement services. The plan participants redirect a prescribed amount of their gross pay (tax-free) into a reimbursement account and then in-turn submit claims to AFLAC for repayment. Because of Internal Revenue Service regulations, if at the end of any plan year unexpended funds remain, these funds will be forfeited by the participants and returned to the School District.

The following is a summary of School District contributions, employee contributions, reimbursements to the plan participants for benefits paid and the ending balance of the School District's fiduciary fund for the current and prior two years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012	\$ 30,005	\$ 19,964	\$ 17,228	\$ 32,741
2011				-
2010				-

14. COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2012, the liability for compensated absences in the governmental activities fund type was \$987,721.

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

15. DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, available to all permanent School District employees, permit participants to defer a portion of their current salary to future years. Participation in the plans is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and are administered by a third party therefore they are not reflected on the financial statements of the School District.

16. CONTINGENCIES

The School District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School District may be required to reimburse the grantor government.

At June 30, 2012, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, deferred revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

17. DEFICIT UNASSIGNED FUND BALANCE

The School District has a deficit unassigned fund balance of \$2,267,129 in the General Fund as of June 30, 2012 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenues, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$2,267,129 is equal to or less than the June state aid payment.

18. DEFICIT UNRESTRICTED NET ASSETS

As of June 30, 2012, a deficit of \$3,313,234 existed in the Unrestricted Net Assets of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Assets reported on Exhibited A-1 as follows:

Balances, June 30, 2012:	
(Exclusive of Debt Service Fund)	
Fund Balance - Unassigned (Deficit)	\$ (2,267,129)
Add - Amortized Bond Issuance Cost	74,435
Liabilities:	
Accrued Interest Payable	(132,819)
Compensated Absences	(987,721)
Unrestricted Net Assets (Deficit)	<u>\$ (3,313,234)</u>

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

19. FUND BALANCES

RESTRICTED

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

General Fund:

Capital Reserve – As of June 30, 2012, the balance in the capital reserve account is \$2,357,873. Of this amount \$1,342,000 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2013 and \$1,015,873 is restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan.

Maintenance Reserve Account – As of June 30, 2012, the balance in the maintenance reserve account is \$3,100,000. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). Of this amount \$600,000 has been designated for use in the 2012-2013 budget.

Tuition Reserve – In accordance with N.J.A.C. 6A:23-3.1(f)(8), the School District has restricted fund balance at June 30, 2012 in the amount of \$221,100 for tuition adjustments. This reserve represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated cost of the respective contract year. As of June 30, 2012, \$110,300 has been reserved for the 2012-2013 year and \$110,800 has been reserved for the 2013-2014 year.

Emergency Reserve – As of June 30, 2012, the balance in the emergency reserve is \$786,000. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a through and efficient education in accordance with N.J.S.A. 18A:7F-41c(1). Of this amount \$394,000 has been designated for use in the 2012-2013 budget.

Debt Service Fund – As of June 30, 2012, the restricted fund balance amount was \$38,695. The entire amount has been designated for utilization in the 2012-2013 budget.

ASSIGNED

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

General Fund:

Other Purposes – At June 30, 2012 the School District has \$829,777 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year

Designated for Subsequent Year's Expenditures – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2013, \$4,456,392 of general fund balance at June 30, 2012.

UNASSIGNED

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

General Fund – As of June 30, 2012, the fund balance of the general fund was a deficit of \$2,267,129, thus resulting in the fund balance classification of unassigned. The deficit is a result of the delay in the recording of the payment of state aid until the following fiscal year (See Note 17).

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Required Supplementary Information - Part II

Budgetary Comparison Schedules

GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local Tax Levy	\$ 3,283,237		\$ 3,283,237	\$ 3,283,237	
Tuition from other LEA's	1,228,550		1,228,550	1,528,120	\$ 299,570
Transportation fees	4,000		4,000	22,609	18,609
Interest on capital reserve funds	2,000		2,000	2,000	
Unrestricted misc. revenues	45,000		45,000	402,864	357,864
Total local sources	4,562,787		4,562,787	5,238,830	676,043
State sources:					
Categorical special education aid	948,494		948,494	931,684	(16,810)
Equalization aid	19,458,872		19,458,872	18,534,355	(924,517)
Categorical security aid	577,943		577,943	579,622	1,679
Adjustment aid	7,745,240		7,745,240	10,144,035	2,398,795
Categorical transportation aid	131,320		131,320	228,565	97,245
Extraordinary aid		\$ 392,488	392,488	392,488	
Anti-Bullying aid				23,129	23,129
On-behalf TPAF pension contributions (non-budgeted)				1,578,002	1,578,002
Reimbursed TPAF social security contri. (non-budgeted)				1,273,045	1,273,045
Total state sources	28,861,869	392,488	29,254,357	33,684,925	4,430,568
Federal sources:					
Medicaid reimbursement	66,216		66,216	122,342	56,126
Education Jobs Fund	1,008,088	31,581	1,039,669	1,039,669	
Total federal sources	1,074,304	31,581	1,105,885	1,162,011	56,126
TOTAL REVENUES	34,498,960	424,069	34,923,029	40,085,766	5,162,737
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Preschool/Kindergarten	415,372	(42,851)	372,521	349,182	23,339
Grades 1-5	4,317,624	(386,856)	3,930,768	3,681,387	249,381
Grades 6-8	1,913,565	(145,000)	1,768,565	1,548,973	219,592
Grades 9-12	2,987,995	(2,117)	2,985,878	2,906,389	79,489
Regular Programs - Home Instruction:					
Salaries of teachers	56,375		56,375	40,612	15,763
Other purchased services	55,000	(1,292)	53,708	35,980	17,728
Regular Programs - Undistributed Instruction:					
Other salaries	275,009	(21,797)	253,212	250,229	2,983
Purchased prof. - educ. services	8,475		8,475	2,225	6,250
Purchased technical services	3,000		3,000		3,000
Other purchased services	135,581	7,910	143,491	90,840	52,651
General supplies	388,270	465,506	853,776	791,750	62,026
Textbooks	32,500	123,392	155,892	148,617	7,275
Other objects	24,035	(699)	23,336	13,664	9,672
Total regular programs - instruction	10,612,801	(3,804)	10,608,997	9,859,848	749,149

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education					
Learning and/or Language Disabilities:					
Salaries of teachers	\$ 394,319	\$ (28,019)	\$ 366,300	\$ 358,927	\$ 7,373
Other salaries for instruction	192,025	71,412	263,437	249,053	14,384
General supplies	3,000		3,000	1,218	1,782
Total learning and/or language disabilities	<u>589,344</u>	<u>43,393</u>	<u>632,737</u>	<u>609,198</u>	<u>23,539</u>
Behavioral Disabilities:					
Salaries of teachers	255,205	5,470	260,675	259,295	1,380
Other salaries for instruction	166,263	33,705	199,968	194,593	5,375
General supplies	2,700		2,700	2,083	617
Total behavioral disabilities	<u>424,168</u>	<u>39,175</u>	<u>463,343</u>	<u>455,971</u>	<u>7,372</u>
Multiple Disabilities:					
Salaries of teachers	260,899	(50,228)	210,671	170,227	40,444
Other salaries for instruction	137,245	29,570	166,815	113,398	53,417
Other purchased services		1,525	1,525		1,525
General supplies	5,000	150	5,150	3,126	2,024
Total multiple disabilities	<u>403,144</u>	<u>(18,983)</u>	<u>384,161</u>	<u>286,751</u>	<u>97,410</u>
Resource Room/Resource Center:					
Salaries of teachers	1,641,287	(24,319)	1,616,968	1,609,527	7,441
Other salaries for instruction	276,912	(74,648)	202,264	136,436	65,828
Other purchased services	2,000		2,000		2,000
General supplies	2,000	(621)	1,379	845	534
Total resource room/resource center	<u>1,922,199</u>	<u>(99,588)</u>	<u>1,822,611</u>	<u>1,746,808</u>	<u>75,803</u>
Autism:					
Salaries of teachers	55,699	51,586	107,285	105,845	1,440
Other salaries for instruction	108,513	96,813	205,326	202,280	3,046
Purchased professional educ. services		1,529	1,529	1,529	
General supplies	500	15,300	15,800	13,137	\$2,663
Total autism	<u>164,712</u>	<u>165,228</u>	<u>329,940</u>	<u>322,791</u>	<u>7,149</u>
Preschool Disabilities - Full Time:					
Salaries of teachers	62,700	1,935	64,635	63,660	975
Other salaries for instruction	56,200	1,912	58,112	57,262	850
Total Preschool Disabilities - Full Time:	<u>118,900</u>	<u>3,847</u>	<u>122,747</u>	<u>120,922</u>	<u>1,825</u>
Total Special Education - Instruction	<u>\$ 3,622,467</u>	<u>\$ 133,072</u>	<u>\$ 3,755,539</u>	<u>\$ 3,542,441</u>	<u>\$ 213,098</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Bilingual Education - Instruction:					
Salaries of teachers	\$ 111,286	\$ (1,139)	\$ 110,147	\$ 108,864	\$ 1,283
General supplies	750		750	70	680
Total bilingual education - instruction	112,036	(1,139)	110,897	108,934	1,963
School - Sponsored Cocurricular Activities:					
Salaries	82,724	10,650	93,374	79,396	13,978
Purchased services	6,000	605	6,605	5,576	1,029
General supplies	16,208	6,230	22,438	17,281	5,157
Other objects	13,550		13,550	8,650	4,900
Total school sponsored cocurricular activities	118,482	17,485	135,967	110,903	25,064
School - Sponsored Athletics:					
Salaries	376,066	3,042	379,108	374,705	4,403
Other purchased services	61,500	(4,912)	56,588	52,244	4,344
General supplies	93,000	8,694	101,694	97,734	3,960
Other objects	19,100	(1,815)	17,285	16,620	665
Total school sponsored athletics	549,666	5,009	554,675	541,303	13,372
Total Instruction	15,015,452	150,623	15,166,075	14,163,429	1,002,646
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - regular	127,000	(27,694)	99,306	85,663	13,643
Tuition to other LEAs within the state - special	87,000	(4,908)	82,092	32,291	49,801
Tuition to county voc. school - regular	73,700		73,700	59,850	13,850
Tuition to county voc. school - special	18,375		18,375		18,375
Tuition to CSSD & reg. day schools	887,000	(3,400)	883,600	670,538	213,062
Tuition to priv. sch. for the disabled w/i state	1,242,742	(58,083)	1,184,659	907,557	277,102
Tuition to priv. sch. for the disabled o/s state		53,100	53,100	7,965	45,135
Tuition - state facilities	174,181		174,181	174,181	
Total undistributed expenditures - instruction	2,609,998	(40,985)	2,569,013	1,938,045	630,968
Attendance and Social Work:					
Salaries	42,224	37,451	79,675	77,622	2,053
Salaries of drop-out prevention officer	54,841	(36,318)	18,523	18,523	
Purchased professional and technical services	65,000	(568)	64,432	62,885	1,547
General supplies	1,000		1,000	192	808
Total attendance and social work	163,065	565	163,630	159,222	4,408
Health Services					
Salaries	327,254	(2,086)	325,168	274,991	50,177
Purchased professional and technical services	6,000	2,050	8,050	6,398	1,652
Other purchased services	300	169	469	358	111
General supplies	7,255	3,535	10,790	10,371	419
Other objects	800		800	28	772
Total health services	341,609	3,668	345,277	292,146	53,131

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Speech, OT, PT & Related Services:					
Purchased professional - educ services		\$ 3,400	\$ 3,400	\$ 3,400	
Total speech, ot, pt, & related services		3,400	3,400	3,400	
Guidance:					
Salaries of other professional staff	\$ 741,749	(86,121)	655,628	633,453	\$ 22,175
Salaries of secretarial and clerical assistants	33,377		33,377	32,998	379
Purchased professional - educ services	1,455	40	1,495	1,195	300
Purchased professional and tech. services	9,000	3,950	12,950	3,946	9,004
Other purchased services	1,041		1,041	934	107
Supplies and materials	7,747	(40)	7,707	2,410	5,297
Other objects	345		345	345	
Total Guidance:	794,714	(82,171)	712,543	675,281	37,262
Child Study Teams:					
Salaries of other professional staff	839,833	86,932	926,765	926,765	
Salaries of secretarial and clerical assistants	130,090	(3,500)	126,590	119,201	7,389
Purchased professional - educ services	8,000		8,000	4,491	3,509
Purchased professional and tech. services	85,700	7,000	92,700	57,327	35,373
Misc. pur. serv. (400-500 series o/than resid. costs)	17,800	1,315	19,115	17,228	1,887
Supplies and materials	21,326	(7,000)	14,326	9,160	5,166
Other objects	1,000		1,000	983	17
Total Child Study Team	1,103,749	84,747	1,188,496	1,135,155	53,341
Improvement of Instructional Services:					
Salaries of supervisor of instruction	16,839		16,839	10,524	6,315
Salaries of secretarial and clerical assistants	87,401		87,401	86,410	991
Other salaries	223,738	(70,763)	152,975	136,206	16,769
Salaries of facilitators, math & literacy coaches	800,474	36,141	836,615	767,080	69,535
Purchased professional - educ services	72,000	12,000	84,000	61,902	22,098
Other purchased services	6,200	3,200	9,400	7,363	2,037
Supplies and materials	31,600	(814)	30,786	11,001	19,785
Other objects	3,700		3,700	2,813	887
Total improvement of instructional services	1,241,952	(20,236)	1,221,716	1,083,299	138,417
Educational Media Services/School Library:					
Salaries	232,209		232,209	223,912	8,297
Salaries of technology coordinators	200,156	(28,000)	172,156	140,041	32,115
Purchased professional and tech. services	113,810	718	114,528	109,241	5,287
Other purchased services	24,294	(218)	24,076	22,549	1,527
Supplies and materials	90,380	(1,350)	89,030	79,115	9,915
Other objects	3,310		3,310	2,959	351
Total educational media services/school library	664,159	(28,850)	635,309	577,817	57,492

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Instructional Staff Training Services:					
Purchased professional - educ services	\$ 30,700	\$ (1,208)	\$ 29,492	\$ 20,756	\$ 8,736
Other purchased services	1,000	1,208	2,208	2,158	50
Supplies and materials	1,600		1,600		1,600
Total instructional staff training services	33,300		33,300	22,914	10,386
General Administration:					
Salaries	237,318	18,145	255,463	255,463	
Legal services	75,000	(920)	74,080	55,163	18,917
Audit fees	30,000	2,000	32,000	30,500	1,500
Architectural/engineering services	45,000	(14,375)	30,625	5,564	25,061
Other purchased professional services	28,000	(6,357)	21,643	12,198	9,445
Purchased technical services	10,800	2,592	13,392		13,392
Communications / telephone	148,900	3,500	152,400	116,396	36,004
BOE Other purchased services	11,200		11,200	1,446	9,754
Other purchased services	52,000	802	52,802	7,780	45,022
Supplies and materials	21,000	485	21,485	8,994	12,491
BOE in house training/meeting supplies	4,000		4,000	49	3,951
Misc. expenditures	21,000	1,330	22,330	8,187	14,143
BOE membership dues and fees	25,000		25,000	19,622	5,378
Total general administration	709,218	7,202	716,420	521,362	195,058
School Administration:					
Salaries of principals/assist. principals	926,459	(109,172)	817,287	788,722	28,565
Salaries of secretarial and clerical assistants	463,870	(1,887)	461,983	452,132	9,851
Other purchased services	44,000	1,612	45,612	24,181	21,431
Supplies and materials	47,200	1,036	48,236	25,506	22,730
Other objects	18,863	4,200	23,063	18,733	4,330
Total school administration	1,500,392	(104,211)	1,396,181	1,309,274	86,907
Central Services:					
Salaries	367,805		367,805	341,244	26,561
Purchased professional services	12,000	1,355	13,355	5,480	7,875
Purchased technical services	64,000		64,000	28,600	35,400
Misc. purchased services	11,600	752	12,352	8,630	3,722
Supplies and materials	28,000	650	28,650	13,429	15,221
Interest for lease purchase agreements	4,500	(1,500)	3,000		3,000
Miscellaneous expenditures	4,000	1,500	5,500	5,217	283
Total central services	491,905	2,757	494,662	402,600	92,062
Admin. Info. Technology					
Purchased technical services	31,800		31,800	31,800	
Other purchased services (400 - 500 series)	42,500		42,500	39,977	2,523
Supplies and materials	7,000		7,000	7,000	
Total admin. info. technology	81,300		81,300	78,777	2,523

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Required Maintenance School Facilities:					
Cleaning, repair, and maintenance services	\$ 344,810	\$ 439,567	\$ 784,377	\$ 472,653	\$ 311,724
General supplies	127,750	(25,570)	102,180	87,907	14,273
Total required maintenance school facilities	472,560	413,997	886,557	560,560	325,997
Custodial Services:					
Salaries	1,336,444	(834)	1,335,610	1,242,873	92,737
Salaries of non-instructional aides	157,969		157,969	126,400	31,569
Purchased professional - tech. services	29,740	(6,600)	23,140	16,447	6,693
Cleaning, repair, and maintenance services	188,897	(4,102)	184,795	143,190	41,605
Other purchased property services	106,000		106,000	100,460	5,540
Insurance	180,000		180,000	146,808	33,192
Misc. purchased services	5,100		5,100	3,036	2,064
General supplies	165,809	58,455	224,264	206,739	17,525
Energy (Electricity)	1,100,000	262,787	1,362,787	976,239	386,548
Energy (natural gas)	394,500	(91,278)	303,222	168,834	134,388
Energy (oil)	12,000		12,000	1,825	10,175
Other objects	1,675	300	1,975	170	1,805
Total custodial services	3,678,134	218,728	3,896,862	3,133,021	763,841
Care and Upkeep of Grounds:					
Salaries	106,416	834	107,250	104,312	2,938
Security:					
Salaries	181,007	1,200	182,207	125,209	56,998
Total Operation & Maintenance of Plant Services	4,438,117	634,759	5,072,876	3,923,102	1,149,774
Student Transportation Services:					
Contr. serv. (between home & sch.) - Vendors	473,100	9,739	482,839	387,892	94,947
Contr. serv. (other than between home & sch.) - Vendors	79,101	7,207	86,308	71,135	15,173
Contr. serv. (between home & sch.) - jointure	26,000	11,423	37,423	35,609	1,814
Contr. serv. (special ed. students.) - ESCs & CTSA's	700,000	7,852	707,852	565,842	142,010
Contr. serv. (aid in lieu of pym'ts) - Charter school	5,000	3,304	8,304	6,188	2,116
Total student transportation services	1,283,201	39,525	1,322,726	1,066,666	256,060
Regular Programs - Instruction Employee Benefits:					
Health benefits	75,000	(75,000)			
Regular Programs - Instructional Staff Training - Employee Benefits:					
Tuition reimbursements	120,000	(120,000)			
Total regular programs - instruction - employee benefits	195,000	(195,000)			
Unallocated Benefits - Employee Benefits:					
Group insurance	31,200		31,200	17,217	13,983
Social security contributions	540,000	(63,311)	476,689	390,840	85,849
Other retirement contributions - regular	300,000	232,957	532,957	506,575	26,382
Unemployment Compensation	50,000		50,000		50,000
Workmen's compensation	330,000		330,000	322,471	7,529
Health benefits	6,025,915	(344,468)	5,681,447	4,850,466	830,981
Tuition reimbursements	120,000	120,000	120,000	62,520	57,480
Other employee benefits	12,000		12,000	6,630	5,370
Total unallocated benefits - employee benefits	7,289,115	(54,822)	7,234,293	6,156,719	1,077,574

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
On-behalf TPAF pension contributions (non-budgeted)				\$ 1,578,002	\$ (1,578,002)
Reimbursed TPAF social security contri. (non-budgeted)				1,273,045	(1,273,045)
Total Undistributed Expenditures	\$ 22,940,794	\$ 250,348	\$ 23,191,142	22,196,826	994,316
Total General Current Expense	37,956,246	400,971	38,357,217	36,360,255	1,996,962
<u>CAPITAL OUTLAY:</u>					
Increase in capital reserve	2,000		2,000		2,000
Equipment:					
Grades 1-5		70,298	70,298	15,831	54,467
Grades 9-12	14,500	11,745	26,245	6,794	19,451
Special education - Autism	26,000	(14,800)	11,200	4,647	6,553
Undist. expend. - support services - students reg.		24,000	24,000		24,000
Undist. expend. - support services - instruc. staff		8,842	8,842	8,842	
Undist. expend. - custodial services	27,800	47,305	75,205	72,413	2,792
Total equipment	68,400	147,390	215,790	108,527	52,796
Facilities Acquisition and Construction Services					
Other purchased professional & tech serv.		168,478	168,478	106,500	61,978
Construction services	600,000	(26,326)	573,674	304,786	268,888
Total Facilities Acquisition and Construction Services	600,000	142,152	742,152	411,286	330,866
Total Capital Outlay	670,400	289,542	959,942	519,813	385,662
<u>SPECIAL SCHOOLS</u>					
Adult Evening/Adult High School/post-graduate:					
Instruction:					
Salaries of teachers	151,804		151,804	142,359	9,445
General supplies	3,302		3,302		3,302
Other objects	900		900	580	320
Total instruction	156,006		156,006	142,939	13,067
Support Services:					
Salaries	13,028		13,028	330	12,698
Total support services	13,028		13,028	330	12,698
Total adult evening/adult high school/post-grad.	169,034		169,034	143,269	25,765

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<u>SPECIAL SCHOOLS</u>					
Adult Education - Local:					
Support Services:					
Salaries	\$ 15,375		\$ 15,375	\$ 2,485	\$ 12,890
Purchased prof. and technical services	800		800		800
Other purchased services	250		250		250
Supplies and materials	250		250		250
Total support services	<u>16,675</u>		<u>16,675</u>	<u>2,485</u>	<u>14,190</u>
Total adult education - local	<u>16,675</u>		<u>16,675</u>	<u>2,485</u>	<u>14,190</u>
Total Special Schools	<u>185,709</u>		<u>185,709</u>	<u>145,754</u>	<u>39,955</u>
Transfer to Charter Schools	<u>78,606</u>	\$ 37,585	<u>116,191</u>	<u>104,120</u>	<u>12,071</u>
TOTAL EXPENDITURES	<u>38,890,961</u>	<u>728,098</u>	<u>39,619,059</u>	<u>37,129,942</u>	<u>2,434,650</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>(4,392,001)</u>	<u>(304,029)</u>	<u>(4,696,030)</u>	<u>2,955,824</u>	<u>7,597,387</u>
Other Financing Sources (Uses):					
Operating Transfer Out:					
Transfer to Special Revenue Fund	<u>(185,655)</u>		<u>(185,655)</u>	<u>(164,748)</u>	<u>20,907</u>
Total Other Financing Sources (Uses)	<u>(185,655)</u>		<u>(185,655)</u>	<u>(164,748)</u>	<u>20,907</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	<u>(4,577,656)</u>	<u>(304,029)</u>	<u>(4,881,685)</u>	<u>2,791,076</u>	<u>7,618,294</u>
Fund Balance - July 1, 2011	<u>9,645,644</u>		<u>9,645,644</u>	<u>9,645,644</u>	
Fund Balance - June 30, 2012	<u>\$ 5,067,988</u>	<u>\$ (304,029)</u>	<u>\$ 4,763,959</u>	<u>\$ 12,436,720</u>	<u>\$ 7,618,294</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital Reserve				\$ 1,015,873	
Capital Reserve - designated for subsequent year's budget				1,342,000	
Maintenance Reserve				2,500,000	
Maintenance Reserve - designated for subsequent year's budget				600,000	
Tuition Reserve				110,800	
Tuition Reserve - designated for subsequent year's budget				110,300	
Emergency Reserve				392,000	
Emergency Reserve - designated for subsequent year's budget				394,000	
Assigned Fund Balance:					
Year-end encumbrances				829,777	
Designated for subsequent year's expenditures				4,456,392	
Unassigned Fund Balance:				<u>685,578</u>	
				12,436,720	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				<u>(2,952,707)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 9,484,013</u>	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	ORIGINAL BUDGET			BUDGET TRANSFERS		
	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund
REVENUES:						
Local sources:						
Local Tax Levy	\$ 3,283,237		\$ 3,283,237			
Tuition	1,228,550		1,228,550			
Transportation fees	4,000		4,000			
Interest earned on capital reserve	2,000		2,000			
Unrestricted misc. revenues	45,000		45,000			
Total local sources	4,562,787		4,562,787			
State sources:						
Categorical special education aid	948,494		948,494			
Equalization aid	19,458,872		19,458,872			
Categorical security aid	577,943		577,943			
Adjustment aid	7,745,240		7,745,240			
Categorical transportation aid	131,320		131,320			
Extraordinary aid				\$ 392,488		\$ 392,488
Anti-Bullying aid						
TPAF Pension (On-Behalf - Non-Budgeted)						
TPAF Social Security (Reimbursed - Non-Budgeted)						
Total state sources	28,861,869		28,861,869	392,488		392,488
Federal sources:						
Medicaid reimbursement	66,216		66,216			
Education Jobs Fund	1,008,088		1,008,088	31,581		31,581
Total federal sources	1,074,304		1,074,304	31,581		31,581
TOTAL REVENUES	34,498,960		34,498,960	424,069		424,069
EXPENDITURES:						
CURRENT EXPENSE:						
Regular Programs - Instruction:						
Salaries of teachers						
Preschool/Kindergarten		\$ 415,372	415,372		\$ (42,851)	(42,851)
Grades 1-5		4,317,624	4,317,624		(386,856)	(386,856)
Grades 6-8		1,913,565	1,913,565		(145,000)	(145,000)
Grades 9-12	278,858	2,709,137	2,987,995		(2,117)	(2,117)
Regular Programs - Home Instruction:						
Salaries of teachers	56,375		56,375			
Other purchased services	55,000		55,000	(1,292)		(1,292)
Regular Programs - Undistributed Instruction:						
Other salaries for instruction	53,313	221,686	275,009	56,198	(77,995)	(21,797)
Purchased professional educational services		8,475	8,475			
Purchased technical services		3,000	3,000			
Other purchased services	12,600	122,981	135,581	1,504	6,406	7,910
General supplies	32,106	356,164	388,270	325	465,181	465,506
Textbooks	6,000	26,500	32,500		123,392	123,392
Other objects	7,150	16,885	24,035		(699)	(699)
Total regular programs - instruction	501,402	10,111,399	10,612,801	56,735	(60,539)	(3,804)

Exhibit C-1a

FINAL BUDGET			ACTUALS		
Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund
\$ 3,283,237		\$ 3,283,237	\$ 3,283,237		\$ 3,283,237
1,228,550		1,228,550	1,528,120		1,528,120
4,000		4,000	22,609		22,609
2,000		2,000	2,000		2,000
45,000		45,000	402,864		402,864
<u>4,562,787</u>		<u>4,562,787</u>	<u>5,238,830</u>		<u>5,238,830</u>
948,494		948,494	931,684		931,684
19,458,872		19,458,872	18,534,355		18,534,355
577,943		577,943	579,622		579,622
7,745,240		7,745,240	10,144,035		10,144,035
131,320		131,320	228,565		228,565
392,488		392,488	392,488		392,488
			23,129		23,129
			1,578,002		1,578,002
			<u>1,273,045</u>		<u>1,273,045</u>
<u>29,254,357</u>		<u>29,254,357</u>	<u>33,684,925</u>		<u>33,684,925</u>
66,216		66,216	122,342		122,342
<u>1,039,669</u>		<u>1,039,669</u>	<u>1,039,669</u>		<u>1,039,669</u>
<u>1,105,885</u>		<u>1,105,885</u>	<u>1,162,011</u>		<u>1,162,011</u>
<u>34,923,029</u>		<u>34,923,029</u>	<u>40,085,766</u>		<u>40,085,766</u>
	\$ 372,521	372,521		\$ 349,182	349,182
	3,930,768	3,930,768		3,681,387	3,681,387
	1,768,565	1,768,565		1,548,973	1,548,973
278,858	2,707,020	2,985,878	265,493	2,640,896	2,906,389
56,375		56,375	40,612		40,612
53,708		53,708	35,980		35,980
109,511	143,701	253,212	109,511	140,718	250,229
	8,475	8,475		2,225	2,225
	3,000	3,000			
14,104	129,387	143,491	9,778	81,062	90,840
32,431	821,345	853,776	12,135	779,615	791,750
6,000	149,892	155,892		148,617	148,617
<u>7,150</u>	<u>16,186</u>	<u>23,336</u>	<u>2,920</u>	<u>10,744</u>	<u>13,664</u>
<u>558,137</u>	<u>10,050,860</u>	<u>10,608,997</u>	<u>478,429</u>	<u>9,383,419</u>	<u>9,859,848</u>

GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	<u>ORIGINAL BUDGET</u>			<u>BUDGET TRANSFERS</u>		
	<u>Operating Fund Fund 11-13</u>	<u>Blended Resources Fund 15</u>	<u>Total General Fund</u>	<u>Operating Fund Fund 11-13</u>	<u>Blended Resources Fund 15</u>	<u>Total General Fund</u>
Special Education						
Learning and/or Language Disabilities:						
Salaries of teachers		\$ 394,319	\$ 394,319		\$ (28,019)	\$ (28,019)
Other salaries for instruction		192,025	192,025	\$ 68,121	3,291	71,412
General supplies		3,000	3,000			
Total learning and/or language disabilities		<u>589,344</u>	<u>589,344</u>	<u>68,121</u>	<u>(24,728)</u>	<u>43,393</u>
Behavioral Disabilities:						
Salaries of teachers		255,205	255,205		5,470	5,470
Other salaries for instruction		166,263	166,263	57,302	(23,597)	33,705
General supplies		2,700	2,700			
Total behavioral disabilities		<u>424,168</u>	<u>424,168</u>	<u>57,302</u>	<u>(18,127)</u>	<u>39,175</u>
Multiple Disabilities:						
Salaries of teachers		260,899	260,899		(50,228)	(50,228)
Other salaries for instruction		137,245	137,245	34,264	(4,694)	29,570
Other purchased services					1,525	1,525
General supplies		5,000	5,000		150	150
Total multiple disabilities		<u>403,144</u>	<u>403,144</u>	<u>34,264</u>	<u>(53,247)</u>	<u>(18,983)</u>
Resource Room/Resource Center:						
Salaries of teachers		1,641,287	1,641,287		(24,319)	(24,319)
Other salaries for instruction		276,912	276,912	41,128	(115,776)	(74,648)
Other purchased services		2,000	2,000			
General supplies		2,000	2,000		(621)	(621)
Total resource room/resource center		<u>1,922,199</u>	<u>1,922,199</u>	<u>41,128</u>	<u>(140,716)</u>	<u>(99,588)</u>
Autism:						
Salaries of teachers		55,699	55,699		51,586	51,586
Other salaries for instruction		108,513	108,513	58,668	38,145	96,813
Purchased professional educ. services					1,529	1,529
General supplies		500	500		15,300	15,300
Total autism		<u>164,712</u>	<u>164,712</u>	<u>58,668</u>	<u>106,560</u>	<u>165,228</u>
Preschool Disabilities - Full Time:						
Salaries of teachers		62,700	62,700		1,935	1,935
Other salaries for instruction		56,200	56,200	16,462	(14,550)	1,912
Total Preschool Disabilities - Full Time		<u>118,900</u>	<u>118,900</u>	<u>16,462</u>	<u>(12,615)</u>	<u>3,847</u>
Total Special Education - Instruction		<u>3,622,467</u>	<u>3,622,467</u>	<u>275,945</u>	<u>(142,873)</u>	<u>133,072</u>

Exhibit C-1a

FINAL BUDGET			ACTUAL		
Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund
\$ 68,121	\$ 366,300 195,316 3,000	\$ 366,300 263,437 3,000	\$ 68,121	\$ 358,927 180,932 1,218	\$ 358,927 249,053 1,218
<u>68,121</u>	<u>584,818</u>	<u>632,737</u>	<u>68,121</u>	<u>541,077</u>	<u>609,198</u>
57,302	260,675 142,666 2,700	260,675 199,968 2,700	57,302	259,295 137,291 2,083	259,295 194,593 2,083
<u>57,302</u>	<u>406,041</u>	<u>463,343</u>	<u>57,302</u>	<u>398,669</u>	<u>455,971</u>
34,264	210,671 132,551 1,525 5,150	210,671 166,815 1,525 5,150	34,264	170,227 79,134 3,126	170,227 113,398 3,126
<u>34,264</u>	<u>349,897</u>	<u>384,161</u>	<u>34,264</u>	<u>252,487</u>	<u>286,751</u>
41,128	1,616,968 161,136 2,000 1,379	1,616,968 202,264 2,000 1,379	41,128	1,609,527 95,308 845	1,609,527 136,436 845
<u>41,128</u>	<u>1,781,483</u>	<u>1,822,611</u>	<u>41,128</u>	<u>1,705,680</u>	<u>1,746,808</u>
58,668	107,285 146,658 1,529 15,800	107,285 205,326 1,529 15,800	58,668	105,845 143,612 1,529 13,137	105,845 202,280 1,529 13,137
<u>58,668</u>	<u>271,272</u>	<u>329,940</u>	<u>58,668</u>	<u>264,123</u>	<u>322,791</u>
16,462	64,635 41,650	64,635 58,112	16,462	63,660 40,800	63,660 57,262
<u>16,462</u>	<u>106,285</u>	<u>122,747</u>	<u>16,462</u>	<u>104,460</u>	<u>120,922</u>
<u>275,945</u>	<u>3,479,594</u>	<u>3,755,539</u>	<u>275,945</u>	<u>3,266,496</u>	<u>3,542,441</u>

GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	ORIGINAL BUDGET			BUDGET TRANSFERS		
	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund
Bilingual Education - Instruction:						
Salaries of teachers		\$ 111,286	\$ 111,286		\$ (1,139)	\$ (1,139)
General supplies		750	750			
Total bilingual education - instruction		112,036	112,036		(1,139)	(1,139)
School - Sponsored Cocurricular Activities:						
Salaries		82,724	82,724		10,650	10,650
Purchased services		6,000	6,000		605	605
General supplies		16,208	16,208		6,230	6,230
Other objects		13,550	13,550			
Total school sponsored cocurricular activities		118,482	118,482		17,485	17,485
School - Sponsored Athletics:						
Salaries		376,066	376,066		3,042	3,042
Purchased services		61,500	61,500		(4,912)	(4,912)
General supplies		93,000	93,000		8,694	8,694
Other objects		19,100	19,100		(1,815)	(1,815)
Total school sponsored athletics		549,666	549,666		5,009	5,009
Total Instruction	\$ 501,402	14,514,050	15,015,452	\$ 332,680	(182,057)	150,623
Undistributed Expenditures - Instruction						
Tuition to other LEAs within the state - regular	127,000		127,000	(27,694)		(27,694)
Tuition to other LEAs within the state - special	87,000		87,000	(4,908)		(4,908)
Tuition to county voc. school - regular	73,700		73,700			
Tuition to county voc. school - special	18,375		18,375			
Tuition to CSSD & reg. day schools	887,000		887,000	(3,400)		(3,400)
Tuition to priv. sch. for the disabled w/ state	1,242,742		1,242,742	(58,083)		(58,083)
Tuition to priv. sch. for the disabled o/s state				53,100		53,100
Tuition - state facilities	174,181		174,181			
Total undistributed expenditures - instruction	2,609,998		2,609,998	(40,985)		(40,985)
Attendance and Social Work:						
Salaries		42,224	42,224		37,451	37,451
Salaries of drop-out prevention officer		54,841	54,841	18,523	(54,841)	(36,318)
Purchased professional and technical services		65,000	65,000		(568)	(568)
Supplies and materials		1,000	1,000			
Total attendance and social work		163,065	163,065	18,523	(17,958)	565
Health Services						
Salaries	53,460	273,794	327,254	(100)	(1,986)	(2,086)
Purchased professional and technical services	6,000		6,000	2,050		2,050
Other purchased services		300	300		169	169
Supplies and materials		7,255	7,255	100	3,435	3,535
Other objects		800	800			
Total health services	59,460	282,149	341,609	2,050	1,618	3,668

Exhibit C-1a

FINAL BUDGET			ACTUAL		
Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund
	\$ 110,147 750	\$ 110,147 750		\$ 108,864 70	\$ 108,864 70
	110,897	110,897		108,934	108,934
	93,374 6,605 22,438 13,550	93,374 6,605 22,438 13,550		79,396 5,576 17,281 8,650	79,396 5,576 17,281 8,650
	135,967	135,967		110,903	110,903
	379,108 56,588 101,694 17,285	379,108 56,588 101,694 17,285		374,705 52,244 97,734 16,620	374,705 52,244 97,734 16,620
	554,675	554,675		541,303	541,303
\$ 834,082	14,331,993	15,166,075	\$ 752,374	13,411,055	14,163,429
99,306 82,092 73,700 18,375 883,600 1,184,659 53,100 174,181		99,306 82,092 73,700 18,375 883,600 1,184,659 53,100 174,181	85,663 32,291 59,850		85,663 32,291 59,850
2,569,013		2,569,013	1,938,045		1,938,045
18,523	79,675 64,432 1,000	79,675 18,523 64,432 1,000	18,523	77,622 62,885 192	77,622 18,523 62,885 192
18,523	145,107	163,630	18,523	140,699	159,222
53,360 8,050 100	271,808 469 10,690 800	325,168 8,050 469 10,790 800	51,624 6,398 64	223,367 358 10,307 28	274,991 6,398 358 10,371 28
61,510	283,767	345,277	58,086	234,080	292,146

**GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012**

	ORIGINAL BUDGET			BUDGET TRANSFERS		
	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund
Speech, OT, PT & Related Services:						
Purchased prof. - educational services				\$ 3,400		\$ 3,400
Guidance:						
Salaries of other professional staff	\$ 121,549	\$ 620,200	\$ 741,749		\$ (86,121)	(86,121)
Salaries of secretarial and clerical assistants		33,377	33,377			
Purchased prof. - educational services		1,455	1,455		40	40
Purchased professional and technical services		9,000	9,000		3,950	3,950
Other purchased services		1,041	1,041			
Supplies and materials		7,747	7,747		(40)	(40)
Other objects		345	345			
Total guidance	121,549	673,165	794,714		(82,171)	(82,171)
Child Study Teams:						
Salaries of other professional staff	839,833		839,833	86,932		86,932
Salaries of secretarial and clerical assistants	130,090		130,090	(3,500)		(3,500)
Purchased professional - educ services	8,000		8,000			
Purchased professional and tech. services	85,700		85,700	7,000		7,000
Misc. pur. serv. (400-500 series o/than resid. costs)	17,800		17,800	1,315		1,315
Supplies and materials	21,326		21,326	(7,000)		(7,000)
Other objects	1,000		1,000			
Total child study teams	1,103,749		1,103,749	84,747		84,747
Improvement of Instructional Services:						
Salaries of supervisor of instruction		16,839	16,839			
Salaries of secretarial and clerical assistants	87,401		87,401			
Other salaries	208,363	15,375	223,738	(84,261)	13,498	(70,763)
Salaries of facilitators, math & literacy coaches	23,760	776,714	800,474		36,141	36,141
Purchased professional - educ services	67,000	5,000	72,000	12,000		12,000
Other purchased services	6,200		6,200	3,200		3,200
Supplies and materials	17,200	14,400	31,600	(814)		(814)
Other objects	3,700		3,700			
Total improvement of instructional services	413,624	828,328	1,241,952	(69,875)	49,639	(20,236)
Educational Media Services/School Library:						
Salaries		232,209	232,209			
Salaries of technology coordinators		200,156	200,156	58,958	(86,958)	(28,000)
Purchased professional and tech. services	17,100	96,710	113,810		718	718
Other purchased services	4,394	19,900	24,294		(218)	(218)
Supplies and materials	9,000	81,380	90,380		(1,350)	(1,350)
Other objects		3,310	3,310			
Total educational media services/school library	30,494	633,665	664,159	58,958	(87,808)	(28,850)

FINAL BUDGET			ACTUAL		
Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund
\$ 3,400		\$ 3,400	\$ 3,400		\$ 3,400
121,549	\$ 534,079	655,628	117,095	\$ 516,358	633,453
	33,377	33,377		32,998	32,998
	1,495	1,495		1,195	1,195
	12,950	12,950		3,946	3,946
	1,041	1,041		934	934
	7,707	7,707		2,410	2,410
	345	345		345	345
121,549	590,994	712,543	117,095	558,186	675,281
926,765		926,765	926,765		926,765
126,590		126,590	119,201		119,201
8,000		8,000	4,491		4,491
92,700		92,700	57,327		57,327
19,115		19,115	17,228		17,228
14,326		14,326	9,160		9,160
1,000		1,000	983		983
1,188,496		1,188,496	1,135,155		1,135,155
	16,839	16,839		10,524	10,524
87,401		87,401	86,410		86,410
124,102	28,873	152,975	121,099	15,107	136,206
23,760	812,855	836,615	23,760	743,320	767,080
79,000	5,000	84,000	61,902		61,902
9,400		9,400	7,363		7,363
16,386	14,400	30,786	7,832	3,169	11,001
3,700		3,700	2,813		2,813
343,749	877,967	1,221,716	311,179	772,120	1,083,299
	232,209	232,209		223,912	223,912
58,958	113,198	172,156	58,958	81,083	140,041
17,100	97,428	114,528	17,062	92,179	109,241
4,394	19,682	24,076	4,394	18,155	22,549
9,000	80,030	89,030	9,000	70,115	79,115
	3,310	3,310		2,959	2,959
89,452	545,857	635,309	89,414	488,403	577,817

GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	ORIGINAL BUDGET			BUDGET TRANSFERS		
	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund
Instructional Staff Training Services:						
Purchased prof. - educational services	\$ 20,000	\$ 10,700	\$ 30,700		\$ (1,208)	\$ (1,208)
Other purchased services		1,000	1,000		1,208	1,208
Supplies and materials		1,800	1,800			
Total instructional staff training services	20,000	13,300	33,300			
General Administration:						
Salaries	237,318		237,318	\$ 18,145		18,145
Legal services	75,000		75,000	(920)		(920)
Audit Fees	30,000		30,000	2,000		2,000
Architectural/engineering services	45,000		45,000	(14,375)		(14,375)
Other purchased professional services	28,000		28,000	(6,357)		(6,357)
Purchased technical services	10,800		10,800	2,592		2,592
Communications / telephone	148,900		148,900	3,500		3,500
BOE Other Purchased Services	11,200		11,200			
Misc. purchased services	52,000		52,000	802		802
Supplies and materials	21,000		21,000	485		485
BOE In-house training/meeting supplies	4,000		4,000			
Miscellaneous expenditures	21,000		21,000	1,330		1,330
BOE Membership dues and fees	25,000		25,000			
Total general administration	709,218		709,218	7,202		7,202
School Administration:						
Salaries of principals/assist. principals	102,753	823,708	926,459		(109,172)	(109,172)
Salaries of secretarial and clerical assistants	32,088	431,782	463,870		(1,887)	(1,887)
Other purchased services	2,700	41,300	44,000		1,612	1,612
Supplies and materials	4,000	43,200	47,200		1,036	1,036
Other objects	1,588	17,275	18,863		4,200	4,200
Total school administration	143,129	1,357,263	1,500,392		(104,211)	(104,211)
Central Services:						
Salaries	367,805		367,805			
Purchased professional services	12,000		12,000	1,355		1,355
Purchased technical services	64,000		64,000			
Misc. purchased services	11,600		11,600	752		752
Supplies and materials	28,000		28,000	650		650
Interest for lease purchase agreements	4,500		4,500	(1,500)		(1,500)
Miscellaneous expenditures	4,000		4,000	1,500		1,500
Total central services	491,905		491,905	2,757		2,757
Admin. Info, Technology:						
Purchased technical services	31,800		31,800			
Other purchased services (400-500)	42,500		42,500			
Supplies and materials	7,000		7,000			
Total admin info. technology	81,300		81,300			
Required Maintenance School Facilities:						
Cleaning, repair, and maintenance services	344,810		344,810	439,567		439,567
General supplies	127,750		127,750	(25,570)		(25,570)
Total required maintenance school facilities	472,560		472,560	413,997		413,997

FINAL BUDGET			ACTUAL		
Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund
\$ 20,000	\$ 9,492	\$ 29,492	\$ 18,242	\$ 2,514	\$ 20,756
	2,208	2,208		2,158	2,158
	1,600	1,600			
<u>20,000</u>	<u>13,300</u>	<u>33,300</u>	<u>18,242</u>	<u>4,672</u>	<u>22,914</u>
255,463		255,463	255,463		255,463
74,080		74,080	55,163		55,163
32,000		32,000	30,500		30,500
30,625		30,625	5,564		5,564
21,643		21,643	12,198		12,198
13,392		13,392			
152,400		152,400	116,396		116,396
11,200		11,200	1,446		1,446
52,802		52,802	7,780		7,780
21,485		21,485	8,994		8,994
4,000		4,000	49		49
22,330		22,330	8,187		8,187
25,000		25,000	19,622		19,622
<u>716,420</u>		<u>716,420</u>	<u>521,362</u>		<u>521,362</u>
102,753	714,534	817,287	102,753	685,969	788,722
32,088	429,895	461,983	31,725	420,407	452,132
2,700	42,912	45,612	1,888	22,293	24,181
4,000	44,236	48,236		25,506	25,506
1,588	21,475	23,063	947	17,786	18,733
<u>143,129</u>	<u>1,253,052</u>	<u>1,396,181</u>	<u>137,313</u>	<u>1,171,961</u>	<u>1,309,274</u>
367,805		367,805	341,244		341,244
13,355		13,355	5,480		5,480
64,000		64,000	28,600		28,600
12,352		12,352	8,630		8,630
28,650		28,650	13,429		13,429
3,000		3,000			
5,500		5,500	5,217		5,217
<u>494,662</u>		<u>494,662</u>	<u>402,800</u>		<u>402,600</u>
31,800		31,800	31,800		31,800
42,500		42,500	39,977		39,977
7,000		7,000	7,000		7,000
<u>81,300</u>		<u>81,300</u>	<u>78,777</u>		<u>78,777</u>
784,377		784,377	472,653		472,653
102,180		102,180	87,907		87,907
<u>886,557</u>		<u>886,557</u>	<u>580,560</u>		<u>560,560</u>

GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended Juno 30, 2012

	ORIGINAL BUDGET			BUDGET TRANSFERS		
	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund
Custodial Services:						
Salaries	\$ 1,336,444		\$ 1,336,444	\$ (834)		\$ (834)
Salaries of non-instructional aides	157,969		157,969			
Purchased professional - tech. services	29,740		29,740	(6,600)		(6,600)
Cleaning, repair, and maintenance services	188,897		188,897	(4,102)		(4,102)
Other purchased property services	106,000		106,000			
Insurance	180,000		180,000			
Misc. purchased services	5,100		5,100			
General supplies	165,809		165,809	58,455		58,455
Energy (Electricity)	1,100,000		1,100,000	262,787		262,787
Energy (Natural Gas)	394,500		394,500	(91,278)		(91,278)
Energy (Oil)	12,000		12,000			
Other objects	1,675		1,675	300		300
Total custodial services	3,678,134		3,678,134	218,728		218,728
Care and Upkeep of Grounds:						
Salaries	106,416		106,416	834		834
Total care and upkeep of grounds	106,416		106,416	834		834
Security:						
Salaries	56,733	\$ 124,274	181,007	29,775	\$ (28,575)	1,200
Total care and upkeep of grounds	56,733	124,274	181,007	29,775	(28,575)	1,200
Total Operation & Maintenance of Plant Services	4,313,843	124,274	4,438,117	663,334	(28,575)	634,759
Student Transportation Services:						
Contr. serv. (between home & sch.) - Vendors	473,100		473,100	9,739		9,739
Contr. serv. (other than between home & sch.) - Vendors	6,000	73,101	79,101		7,207	7,207
Contr. serv. (bet. home and school) - jointure	26,000		26,000	11,423		11,423
Contr. serv. (special ed. ed students) - ESC	700,000		700,000	7,852		7,852
Contr. serv. (aid in lieu of pym'ts) - Charter School	5,000		5,000	3,304		3,304
Total student transportation services	1,210,100	73,101	1,283,201	32,318	7,207	39,525
Regular Programs - Instruction - Employee Benefits:						
Health benefits	75,000		75,000	(75,000)		(75,000)
Regular Programs - Instructional Staff Training - Employee Benefits:						
Tuition reimbursement	120,000		120,000	(120,000)		(120,000)
Total allocated employee benefits	195,000		195,000	(195,000)		(195,000)
Unallocated Benefits - Employee Benefits:						
Group insurance	31,200		31,200			
Social security contributions	540,000		540,000	(63,311)		(63,311)
Other retirement contributions - regular	300,000		300,000	232,957		232,957
Unemployment compensation	50,000		50,000			
Workmen's compensation	330,000		330,000			
Health benefits	1,425,915	4,600,000	6,025,915	(344,468)		(344,468)
Tuition reimbursements				120,000		120,000
Other employee benefits	12,000		12,000			
Total unallocated benefits - employee benefits	2,689,115	4,600,000	7,289,115	(54,822)		(54,822)
On-behalf TPAF pension contributions (non-budgeted)						
Reimbursed TPAF social security contri. (non-budgeted)						
Total Undistributed Expenditures	14,192,484	8,748,310	22,940,794	512,607	(262,259)	250,348
Total General Current Expense	14,693,886	23,262,360	37,956,246	845,287	(444,316)	400,971

GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	ORIGINAL BUDGET			BUDGET TRANSFERS		
	Operating Fund 11-13	Blended Resources Fund 15	Total General Fund	Operating Fund 11-13	Blended Resources Fund 15	Total General Fund
CAPITAL OUTLAY:						
Increase in Capital Reserve	\$ 2,000		\$ 2,000			
Equipment:						
Grades 1-5					\$ 70,298	\$ 70,298
Grades 9-12		\$ 14,500	14,500		11,745	11,745
Special education - Autism		26,000	26,000		(14,800)	(14,800)
Undist. expend. - support serv. - students reg.					24,000	24,000
Undist. expend. - support serv. - instructional staff					8,842	8,842
Undist. expend. - custodial services	27,900		27,900	\$ 45,130	2,175	47,305
Total equipment	27,900	40,500	68,400	45,130	102,260	147,390
Facilities Acquisition and Construction Services						
Architectural/Engineering services				168,478		168,478
Construction services	600,000		600,000	(26,326)		(26,326)
Total Fac. Acq. and Construction Services	600,000		600,000	142,152		142,152
Total Capital Outlay	629,900	40,500	670,400	187,282	102,260	289,542
SPECIAL SCHOOLS:						
Adult Evening/						
Adult High School/post-graduate:						
Instruction:						
Salaries of teachers	151,804		151,804			
General supplies	3,302		3,302			
Other objects	900		900			
Total instruction	156,006		156,006			
Support Services:						
Salaries	13,028		13,028			
Total support services	13,028		13,028			
Total adult evening/						
adult high school/post-grad.	169,034		169,034			
Adult Education - Local:						
Support Services:						
Salaries	15,375		15,375			
Purchased prof. - tech. services	800		800			
Other purchased services	250		250			
Supplies and materials	250		250			
Total support services	16,675		16,675			
Total adult education - local	16,675		16,675			
Total Special Schools	185,709		185,709			
Transfer to Charter Schools	78,606		78,606	37,585		37,585
TOTAL EXPENDITURES	15,588,101	23,302,860	38,890,961	1,070,154	(342,056)	728,098

FINAL BUDGET			ACTUAL		
Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund
\$ 2,000		\$ 2,000			
	\$ 70,298	70,298		\$ 15,831	\$ 15,831
	26,245	26,245		6,794	6,794
	11,200	11,200		4,647	4,647
	24,000	24,000			
	8,842	8,842		8,842	8,842
73,030	2,175	75,205	\$ 70,238	2,175	72,413
73,030	142,760	215,790	70,238	38,289	108,527
168,478		168,478	106,500		106,500
573,674		573,674	304,786		304,786
742,152		742,152	411,286		411,286
817,182	142,760	959,942	481,524	38,289	519,813
151,804		151,804	142,359		142,359
3,302		3,302			
900		900	580		580
156,006		156,006	142,939		142,939
13,028		13,028	330		330
13,028		13,028	330		330
169,034		169,034	143,269		143,269
15,375		15,375	2,485		2,485
800		800			
250		250			
250		250			
16,675		16,675	2,485		2,485
16,675		16,675	2,485		2,485
185,709		185,709	145,754		145,754
116,191		116,191	104,120		104,120
16,658,255	22,960,804	39,619,059	15,574,365	21,555,577	37,129,942

GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	<u>ORIGINAL BUDGET</u>			<u>BUDGET TRANSFERS</u>		
	<u>Operating Fund Fund 11-13</u>	<u>Blended Resources Fund 15</u>	<u>Total General Fund</u>	<u>Operating Fund Fund 11-13</u>	<u>Blended Resources Fund 15</u>	<u>Total General Fund</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>\$ 18,910,859</u>	<u>\$ (23,302,860)</u>	<u>\$ (4,392,001)</u>	<u>\$ (646,085)</u>	<u>\$ 342,056</u>	<u>\$ (304,029)</u>
Other Financing Sources (Uses):						
Operating Transfer Out:						
Transfer to Special Revenue Fund	(185,655)		(185,655)			
Contrib. to School-Based Budgets	<u>(23,302,860)</u>	<u>23,302,860</u>	<u> </u>	<u>342,056</u>	<u>(342,056)</u>	<u> </u>
Total Other Financing Sources (Uses)	<u>(23,488,515)</u>	<u>23,302,860</u>	<u>(185,655)</u>	<u>342,056</u>	<u>(342,056)</u>	<u> </u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	(4,577,656)		(4,577,656)	(304,029)		(304,029)
Fund Balance - July 1, 2011	<u>9,645,644</u>		<u>9,645,644</u>			
Fund Balance - June 30, 2012	<u>\$ 5,067,988</u>	<u>\$ -</u>	<u>\$ 5,067,988</u>	<u>\$ (304,029)</u>	<u>\$ -</u>	<u>\$ (304,029)</u>

FINAL BUDGET			ACTUAL		
Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund
\$ 18,264,774	\$ (22,960,804)	\$ (4,696,030)	\$ 24,511,401	\$ (21,555,577)	\$ 2,955,824
(185,655)		(185,655)	(164,748)		(164,748)
(22,960,804)	22,960,804		(21,555,577)	21,555,577	
(23,146,459)	22,960,804	(185,655)	(21,720,325)	21,555,577	(164,748)
(4,881,685)		(4,881,685)	2,791,076		2,791,076
9,645,644		9,645,644	9,645,644		9,645,644
\$ 4,763,959	\$ -	\$ 4,763,959	\$ 12,436,720	\$ -	\$ 12,436,720

GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Education Jobs Fund
General Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources	\$ 1,008,088	\$ 31,581	\$ 1,039,669	\$ 1,039,669	
Total Revenues	1,008,088	31,581	1,039,669	1,039,669	
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	62,786		62,786	62,786	
Special Education:					
Learning and Language Disabilities:					
Other salaries for instruction	68,121		68,121	68,121	
Behavioral Disabilities:					
Other salaries for instruction	57,302		57,302	57,302	
Multiple Disabilities:					
Other salaries for instruction	34,264		34,264	34,264	
Reserve Room/Resource Center:					
Other salaries for instruction	41,128		41,128	41,128	
Autism:					
Other salaries for instruction	58,668		58,668	58,668	
Preschool Disabilities - Full Time:					
Other salaries for instruction	16,462		16,462	16,462	
Total - special education	275,945		275,945	275,945	
Total Instruction	338,731		338,731	338,731	
Undistributed Expenditures:					
Attendance and Social Work Services:					
Salaries of drop out prevention officer	18,523		18,523	18,523	
Educational Media Services/School Library:					
Salaries of technology coordinators	58,958		58,958	58,958	
Custodial Services:					
Salaries	414,515	31,581	446,096	446,096	
Salaries of technology coordinators	28,373		28,373	28,373	
Total - custodial services	442,888	31,581	474,469	474,469	
Care and Upkeep of Grounds:					
Salaries	41,427		41,427	41,427	
Security:					
Salaries	38,434		38,434	38,434	
Unallocated Benefits:					
Health benefits	69,127		69,127	69,127	
Total Undistributed Expenditures	669,357	31,581	700,938	700,938	
Total Expenditures	1,008,088	31,581	1,039,669	1,039,669	
Excess of revenues over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
State sources	\$ 3,385,618		\$ 3,385,618	\$ 3,152,417	\$ (233,201)
Federal sources	<u>2,750,477</u>		<u>2,750,477</u>	<u>2,367,636</u>	<u>(382,841)</u>
Total Revenues	<u>6,136,095</u>		<u>6,136,095</u>	<u>5,520,053</u>	<u>(616,042)</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	1,795,384		1,795,384	1,712,377	83,007
Other salaries for instruction	582,751		582,751	579,946	2,805
Purchased professional - tech. services	332,879		332,879	168,710	164,169
Purchased professional - educ. services	428,981		428,981	218,396	210,585
Other purchased services	110,847		110,847	97,791	13,056
Tuition	639,251		639,251	623,212	16,039
General supplies	83,966		83,966	78,661	5,305
Textbooks	46,851		46,851	37,291	9,560
Other objects	<u>3,882</u>		<u>3,882</u>	<u>3,819</u>	<u>63</u>
Total instruction	<u>4,024,792</u>		<u>4,024,792</u>	<u>3,520,203</u>	<u>504,589</u>
Support services:					
Salaries of principals	98,757		98,757	98,757	
Salaries of program directors	137,952		137,952	89,802	48,150
Salaries of other professional staff	326,360		326,360	326,360	
Salaries of secretaries & clerical assistants	131,394		131,394	126,976	4,418
Other salaries for instruction	201,130		201,130	198,650	2,480
Personal services - employee benefits	912,721		912,721	903,694	9,027
Purchased professional - tech. services	57,232		57,232	33,745	23,487
Purchased professional - educ. services	297,795		297,795	279,213	18,582
Other purchased services	26,537		26,537	25,296	1,241
Contracted services - transportation	2,397		2,397	1,735	662
Travel	1,195		1,195	289	906
Class trips	3,681		3,681	3,681	
Supplies and materials	<u>73,501</u>		<u>73,501</u>	<u>71,001</u>	<u>2,500</u>
Total support services	<u>2,270,652</u>		<u>2,270,652</u>	<u>2,159,199</u>	<u>111,453</u>
Facilities acquisition and construction services:					
Instructional equipment	<u>5,399</u>		<u>5,399</u>	<u>5,399</u>	
Total facilities acq. and const. services	<u>5,399</u>		<u>5,399</u>	<u>5,399</u>	
Total Expenditures	<u>6,300,843</u>		<u>6,300,843</u>	<u>5,684,801</u>	<u>616,042</u>
Other Financing Sources (Uses):					
Transfer in from General Fund	<u>164,748</u>		<u>164,748</u>	<u>164,748</u>	
Total Outflows	<u>6,136,095</u>		<u>6,136,095</u>	<u>5,520,053</u>	<u>616,042</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Notes to RSI - Budget to GAAP Reconciliation
For the Fiscal Year Ended June 30, 2012

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 40,085,766	\$ 5,520,053
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	2,760,351	288,384
State aid payment recognized as revenue for budgetary purposes, not recognized for GAAP statements until subsequent year.	<u>(2,952,707)</u>	<u> </u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 39,893,410</u>	<u>\$ 5,808,437</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 37,129,942	\$ 5,684,801
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior Year		23,491
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 37,129,942</u>	<u>\$ 5,708,292</u>

Other Supplementary Information

School Level Schedules

GLOUCESTER CITY SCHOOL DISTRICT
General Fund
Combining Balance Sheet
June 30, 2012

	Operating Fund 11-13	Blended Resource Fund 15	Total General Fund
ASSETS:			
Cash and cash equivalents	\$ 6,960,030	\$ 458,787	\$ 7,418,817
Receivables from other governments:			
State	392,592		392,592
Federal	35,028		35,028
Other	258,613		258,613
Restricted assets:			
Cash and cash equivalents	<u>2,357,873</u>		<u>2,357,873</u>
Total Assets	<u>\$ 10,004,136</u>	<u>\$ 458,787</u>	<u>\$ 10,462,923</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ 646,309	\$ 332,601	\$ 978,910
Payable to State Government			
Deferred revenue			
Total Liabilities	<u>646,309</u>	<u>332,601</u>	<u>978,910</u>
Fund Balances:			
Restricted for:			
Capital reserve	2,357,873		2,357,873
Maintenance reserve	3,100,000		3,100,000
Tuition reserve	221,100		221,100
Emergency reserve	786,000		786,000
Assigned for:			
Year-end Encumbrances	703,591	126,186	829,777
Designated for subsequent year's expenditures	4,456,392		4,456,392
Unassigned:	<u>(2,267,129)</u>		<u>(2,267,129)</u>
Total Fund Balances	<u>9,357,827</u>	<u>126,186</u>	<u>9,484,013</u>
Total Liabilities and Fund Balances	<u>\$ 10,004,136</u>	<u>\$ 458,787</u>	<u>\$ 10,462,923</u>

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Expenditures Allocated by Resource Type - Actual
For the Fiscal Year Ended June 30, 2012

Districtwide

Resources	<u>Resource Amount</u>	<u>District- wide Blended % of Total Resources</u>	<u>Total Expenditures Allocated as a % of Total Resources</u>	<u>Total Surplus/ Carryover</u>
General Fund Contribution to School-Based Budgets	\$ 22,960,804		\$ 21,555,577	\$ 1,405,227
Combined general fund contribution & state resources	<u>22,960,804</u>	<u>100.00%</u>	<u>21,555,577</u>	<u>1,405,227</u>
Totals	<u>\$ 22,960,804</u>	<u>100.00%</u>	<u>\$ 21,555,577</u>	<u>\$ 1,405,227</u>

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Expenditures Allocated by Resource Type - Actual
For the Fiscal Year Ended June 30, 2012

School: Junlor/Senior High School

Resources	<u>Resource Amount</u>	<u>% of Total Resources</u>	<u>Total Expenditures Allocated as a % of Total Resources</u>	<u>Total Surplus/ Carryover</u>
General Fund Contribution to School-Based Budgets	\$10,217,632		\$ 9,694,655	\$ 522,977
Combined general fund contribution & state resources	<u>10,217,632</u>	<u>100.00%</u>	<u>9,694,655</u>	<u>522,977</u>
Totals	<u>\$10,217,632</u>	<u>100.00%</u>	<u>\$ 9,694,655</u>	<u>\$ 522,977</u>

**GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Expenditures Allocated by Resource Type - Actual
For the Fiscal Year Ended June 30, 2012**

School: Mary Ethel Costello School

Resources	<u>Resource Amount</u>	<u>% of Total Resources</u>	<u>Total Expenditures Allocated as a % of Total Resources</u>	<u>Total Surplus/ Carryover</u>
General Fund Contribution to School-Based Budgets	\$ 5,099,340		\$ 4,574,419	\$ 524,921
Combined general fund contribution & state resources	<u>5,099,340</u>	<u>100.00%</u>	<u>4,574,419</u>	<u>524,921</u>
Totals	<u>\$ 5,099,340</u>	<u>100.00%</u>	<u>\$ 4,574,419</u>	<u>\$ 524,921</u>

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Expenditures Allocated by Resource Type - Actual
For the Fiscal Year Ended June 30, 2012

School: Cold Springs School

Resources	<u>Resource Amount</u>	<u>% of Total Resources</u>	<u>Total Expenditures Allocated as a % of Total Resources</u>	<u>Total Surplus/ Carryover</u>
General Fund Contribution to School-Based Budgets	\$ 7,643,832		\$ 7,286,503	\$ 357,329
Combined general fund contribution & state resources	<u>7,643,832</u>	<u>100.00%</u>	<u>7,286,503</u>	<u>357,329</u>
Totals	<u>\$ 7,643,832</u>	<u>100.00%</u>	<u>\$ 7,286,503</u>	<u>\$ 357,329</u>

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2012

<u>Districtwide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of teachers	\$ 415,372	\$ (42,851)	\$ 372,521	\$ 349,182	\$ 23,339
Grades 1-5 - Salaries of teachers	4,317,624	(386,856)	3,930,768	3,681,387	249,381
Grades 6-8 - Salaries of teachers	1,913,565	(145,000)	1,768,565	1,548,973	219,592
Grades 9-12 - Salaries of teachers	2,709,137	(2,117)	2,707,020	2,640,896	66,124
Regular Programs - Undistributed Instruction					
Other salaries for instruction	221,696	(77,995)	143,701	140,718	2,983
Purchased professional - educational services	8,475		8,475	2,225	6,250
Purchased technical services	3,000		3,000		3,000
Other purchased services (400-500 series)	122,981	6,406	129,387	81,062	48,325
General supplies	356,164	465,181	821,345	779,615	41,730
Textbooks	26,500	123,392	149,892	148,617	1,275
Other objects	16,885	(699)	16,186	10,744	5,442
Total Regular Programs - Instruction	<u>10,111,399</u>	<u>(60,539)</u>	<u>10,050,860</u>	<u>9,383,419</u>	<u>667,441</u>
Special Education - Instruction					
Learning and/or Language Disabilities:					
Salaries of teachers	394,319	(28,019)	366,300	358,927	7,373
Other salaries for instruction	192,025	3,291	195,316	180,932	14,384
General supplies	3,000		3,000	1,218	1,782
Total Learning and/or Language Disabilities	<u>589,344</u>	<u>(24,728)</u>	<u>564,616</u>	<u>541,077</u>	<u>23,539</u>
Behavioral Disabilities:					
Salaries of teachers	255,205	5,470	260,675	259,295	1,380
Other salaries for instruction	186,263	(23,597)	142,666	137,291	5,375
General supplies	2,700		2,700	2,083	617
Total Behavioral Disabilities	<u>424,168</u>	<u>(18,127)</u>	<u>406,041</u>	<u>398,669</u>	<u>7,372</u>
Multiple Disabilities:					
Salaries of teachers	260,899	(50,228)	210,671	170,227	40,444
Other salaries for instruction	137,245	(4,694)	132,551	79,134	53,417
Other purchased services		1,525	1,525		1,525
General supplies	5,000	150	5,150	3,126	2,024
Total Multiple Disabilities	<u>403,144</u>	<u>(53,247)</u>	<u>349,897</u>	<u>252,487</u>	<u>97,410</u>
Resource Room/Resource Center:					
Salaries of teachers	1,641,287	(24,319)	1,616,968	1,609,527	7,441
Other salaries for instruction	276,912	(115,776)	161,136	95,308	65,828
Other purchased services (400-500 series)	2,000		2,000		2,000
General supplies	2,000	(621)	1,379	845	534
Total Resource Room/Resource Center	<u>1,922,199</u>	<u>(140,716)</u>	<u>1,781,483</u>	<u>1,705,680</u>	<u>75,803</u>

(Continued)

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2012

<u>Districtwide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Autism:					
Salaries of teachers	\$ 55,699	\$ 51,586	\$ 107,285	\$ 105,845	\$ 1,440
Other salaries for instruction	108,513	38,145	146,658	143,612	3,046
Purchased professional - educational services		1,529	1,529	1,529	
General supplies	500	15,300	15,800	13,137	2,663
Total Autism	<u>164,712</u>	<u>106,560</u>	<u>271,272</u>	<u>264,123</u>	<u>7,149</u>
Preschool Disabilities - Full Time:					
Salaries of teachers	62,700	1,935	64,635	63,660	975
Other salaries for instruction	56,200	(14,550)	41,650	40,800	850
Total Preschool Disabilities - Full Time	<u>118,900</u>	<u>(12,615)</u>	<u>106,285</u>	<u>104,460</u>	<u>1,825</u>
Total Special Education - Instruction	<u>3,622,467</u>	<u>(142,873)</u>	<u>3,479,594</u>	<u>3,266,496</u>	<u>213,098</u>
Bilingual Education - Instruction					
Salaries of teachers	111,286	(1,139)	110,147	108,864	1,283
Supplies and materials	750		750	70	680
Total Bilingual Education - Instruction	<u>112,036</u>	<u>(1,139)</u>	<u>110,897</u>	<u>108,934</u>	<u>1,963</u>
School Sponsored Cocurricular Actvts. - Inst.:					
Salaries	82,724	10,650	93,374	79,396	13,978
Purchased services (300-500 series)	6,000	605	6,605	5,576	1,029
Supplies and materials	16,208	6,230	22,438	17,281	5,157
Other objects	13,550		13,550	8,650	4,900
Total School Sponsored Cocurricular Actvts. - Inst.	<u>118,482</u>	<u>17,485</u>	<u>135,967</u>	<u>110,903</u>	<u>25,064</u>
School Sponsored Athletics - Instruction:					
Salaries	376,066	3,042	379,108	374,705	4,403
Purchased services (300-500 series)	61,500	(4,912)	56,588	52,244	4,344
Supplies and materials	93,000	8,694	101,694	97,734	3,960
Other objects	19,100	(1,815)	17,285	16,620	665
Total School Sponsored Athletics - Instruction	<u>549,666</u>	<u>5,009</u>	<u>554,675</u>	<u>541,303</u>	<u>13,372</u>
Total Instruction	<u>14,514,050</u>	<u>(182,057)</u>	<u>14,331,993</u>	<u>13,411,055</u>	<u>920,938</u>
Undistributed Expend. - Attend. & Social Work:					
Salaries	42,224	37,451	79,675	77,622	2,053
Salaries of drop-out prevention officer	54,841	(54,841)			
Purchased professional and technical services	65,000	(568)	64,432	62,885	1,547
Supplies and materials	1,000		1,000	192	808
Total Undistributed Expend. - Attend. & Social Work	<u>163,065</u>	<u>(17,958)</u>	<u>145,107</u>	<u>140,699</u>	<u>4,408</u>
Undistributed Expenditures - Health Services:					
Salaries	273,794	(1,986)	271,808	223,367	48,441
Other purchased services (400-500 series)	300	169	469	358	111
Supplies and materials	7,255	3,435	10,690	10,307	383
Other objects	800		800	28	772
Total Undistributed Expenditures - Health Services	<u>282,149</u>	<u>1,618</u>	<u>283,767</u>	<u>234,060</u>	<u>49,707</u>

(Continued)

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2012

<u>Districtwide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Guidance:					
Salaries of other professional staff	\$ 620,200	\$ (86,121)	\$ 534,079	\$ 516,358	\$ 17,721
Salaries of secretarial and clerical assistants	33,377		33,377	32,998	379
Purchased professional - educational services	1,455	40	1,495	1,195	300
Purchased prof. and tech. services	9,000	3,950	12,950	3,946	9,004
Other purchased services (400-500 series)	1,041		1,041	934	107
Supplies and materials	7,747	(40)	7,707	2,410	5,297
Other objects	345		345	345	
Total Undist. Expend. - Guidance	673,165	(82,171)	590,994	558,186	32,808
Undist. Expend. - Improvement of Inst. Services:					
Salaries of supervisor of instruction	16,839		16,839	10,524	6,315
Other salaries	15,375	13,498	28,873	15,107	13,766
Salaries of facilitators, math & literacy coaches	776,714	36,141	812,855	743,320	69,535
Purchased professional - educational services	5,000		5,000		5,000
Supplies and materials	14,400		14,400	3,169	11,231
Total Undist. Expend. - Improvement of Inst. Serv.	828,328	49,639	877,967	772,120	105,847
Undist. Expend. - Edu. Media Serv./Sch. Library:					
Salaries	232,209		232,209	223,912	8,297
Salaries of technology coordinators	200,156	(86,958)	113,198	81,083	32,115
Purchased professional and technical services	96,710	718	97,428	92,179	5,249
Other purchased services (400-500 series)	19,900	(218)	19,682	18,155	1,527
Supplies and materials	81,380	(1,350)	80,030	70,115	9,915
Other objects	3,310		3,310	2,959	351
Total Undist. Expend. - Edu. Media Serv./Sch. Library	633,665	(87,808)	545,857	488,403	57,454
Undistributed Expend. - Instruc. Staff Training Serv.:					
Purchased professional - educational services	10,700	(1,208)	9,492	2,514	6,978
Other purchased services (400-500 series)	1,000	1,208	2,208	2,158	50
Supplies and materials	1,600		1,600		1,600
Total Undist. Expend.-Instruc. Staff Training Serv.	13,300		13,300	4,672	8,628
Undist. Expend. - School Administration:					
Salaries of principals/assistant principals	823,706	(109,172)	714,534	685,969	28,565
Salaries of secretarial and clerical assistants	431,782	(1,887)	429,895	420,407	9,488
Other purchased services (400-500 series)	41,300	1,612	42,912	22,293	20,619
Supplies and materials	43,200	1,036	44,236	25,506	18,730
Other objects	17,275	4,200	21,475	17,786	3,689
Total Undist. Expend. - School Administration	1,357,263	(104,211)	1,253,052	1,171,961	81,091

(Continued)

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2012

<u>Districtwide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Security:					
Salaries	\$ 124,274	\$ (28,575)	\$ 95,699	\$ 68,491	\$ 27,208
Total Undist. Expend. - Security	<u>124,274</u>	<u>(28,575)</u>	<u>95,699</u>	<u>68,491</u>	<u>27,208</u>
Undist. Expend.- Student Transportation Services:					
Contr. Serv. (other than bet. home & sch.) - vendors	73,101	7,207	80,308	67,641	12,667
Total Undist. Expend. - Student Trans. Services	<u>73,101</u>	<u>7,207</u>	<u>80,308</u>	<u>67,641</u>	<u>12,667</u>
Unallocated Benefits:					
Health benefits	4,600,000		4,600,000	4,600,000	
Total Unallocated Benefits	<u>4,600,000</u>		<u>4,600,000</u>	<u>4,600,000</u>	
Total Undistributed Expenditures	<u>8,748,310</u>	<u>(262,259)</u>	<u>8,486,051</u>	<u>8,106,233</u>	<u>379,818</u>
Total General Current Expense	<u>23,262,360</u>	<u>(444,316)</u>	<u>22,818,044</u>	<u>21,517,288</u>	<u>1,300,756</u>
<u>Capital Outlay</u>					
Equipment					
Regular Program - Instruction:					
Grades 1-5	14,500	55,798	70,298	15,831	54,467
Grades 9-12	26,000	245	26,245	6,794	19,451
Special education - autism		11,200	11,200	4,647	6,553
Undis. expend.-support serv.-students reg.		24,000	24,000		24,000
Undis. expend.-support serv.-instructional staff		8,842	8,842	8,842	
Undis. expend.-support serv.-operation & maint.		2,175	2,175	2,175	
Total Equipment	<u>40,500</u>	<u>102,260</u>	<u>142,760</u>	<u>38,289</u>	<u>104,471</u>
Total Capital Outlay	<u>40,500</u>	<u>102,260</u>	<u>142,760</u>	<u>38,289</u>	<u>104,471</u>
Total School Based Expenditures	<u>23,302,860</u>	<u>(342,056)</u>	<u>22,960,804</u>	<u>21,555,577</u>	<u>1,405,227</u>
Other Financing Sources:					
Operating Transfer In	23,302,860	(342,056)	22,960,804	21,555,577	1,405,227
Total Other Financing Sources:	<u>23,302,860</u>	<u>(342,056)</u>	<u>22,960,804</u>	<u>21,555,577</u>	<u>1,405,227</u>
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures & Other Financing (Uses)					
Fund Balance - July 1, 2011	---	---	---	---	---
Fund Balance - June 30, 2012	---	---	---	---	---

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2012

<u>School: Junior/Senior High School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Regular Programs - Instruction					
Grades 6-8 - Salaries of teachers	\$ 1,332,718	\$ (145,000)	\$ 1,187,718	\$ 1,007,654	\$ 180,064
Grades 9-12 - Salaries of teachers	2,709,137	(2,117)	2,707,020	2,640,896	66,124
Regular Programs - Undistributed Instruction					
Purchased technical services	3,000		3,000		3,000
Other purchased services (400-500 series)	47,550	3,778	51,328	38,210	13,118
General supplies	187,211	219,294	406,505	372,811	33,694
Textbooks	15,000	15,000	30,000	28,752	1,248
Other objects	5,650		5,650	1,407	4,243
Total Regular Programs - Instruction	<u>4,300,266</u>	<u>90,955</u>	<u>4,391,221</u>	<u>4,089,730</u>	<u>301,491</u>
Special Education - Instruction					
Learning and/or Language Disabilities:					
Salaries of teachers	123,267	(23,000)	100,267	92,894	7,373
Other salaries for instruction	56,193	7,129	63,322	48,938	14,384
General supplies	1,000		1,000	559	441
Total Learning and/or Language Disabilities	<u>180,460</u>	<u>(15,871)</u>	<u>164,589</u>	<u>142,391</u>	<u>22,198</u>
Behavioral Disabilities:					
Salaries of teachers	133,310	6,000	139,310	139,310	
Other salaries for instruction	55,127	8,432	63,559	62,363	1,196
General supplies	2,000		2,000	1,809	191
Total Behavioral Disabilities	<u>190,437</u>	<u>14,432</u>	<u>204,869</u>	<u>203,482</u>	<u>1,387</u>
Multiple Disabilities:					
Salaries of teachers	196,096		196,096	168,973	27,123
Other salaries for instruction	83,828	(2,507)	81,321	78,721	2,600
General supplies	4,500		4,500	3,126	1,374
Total Multiple Disabilities	<u>284,424</u>	<u>(2,507)</u>	<u>281,917</u>	<u>250,820</u>	<u>31,097</u>
Resource Room/Resource Center:					
Salaries of teachers	740,409	(22,344)	718,065	717,221	844
Other salaries for instruction	136,888	(71,822)	65,066	56,022	9,044
Other purchased services (400-500 series)	2,000		2,000		2,000
General supplies	1,000	379	1,379	845	534
Total Resource Room/Resource Center	<u>880,297</u>	<u>(93,787)</u>	<u>786,510</u>	<u>774,088</u>	<u>12,422</u>
Total Special Education - Instruction	<u>1,535,618</u>	<u>(97,733)</u>	<u>1,437,885</u>	<u>1,370,781</u>	<u>67,104</u>

(Continued)

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2012

<u>School: Junior/Senior High School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Bilingual Education - Instruction:					
Salaries of teachers	\$ 59,638		\$ 59,638	\$ 59,494	144
Supplies and materials	250		250	70	180
Total Bilingual Education - Instruction	59,888		59,888	59,564	324
School Sponsored Cocurricular Actvts. - Inst.:					
Salaries	82,724	\$ 10,650	93,374	79,396	13,978
Purchased services (300-500 series)	6,000	605	6,605	5,576	1,029
Supplies and materials	14,708	6,230	20,938	16,169	4,769
Other objects	13,550		13,550	8,650	4,900
Total School Sponsored Cocurricular Actvts. - Inst.	116,982	17,485	134,467	109,791	24,676
School Sponsored Athletics - Instruction:					
Salaries	376,066	3,042	379,108	374,705	4,403
Purchased services (300-500 series)	61,500	(4,912)	56,588	52,244	4,344
Supplies and materials	93,000	8,694	101,694	97,734	3,960
Other objects	19,100	(1,815)	17,285	16,620	665
Total School Sponsored Athletics - Instruction	549,666	5,009	554,675	541,303	13,372
Total Instruction	6,562,420	15,716	6,578,136	6,171,169	406,967
Undistributed Expend. - Attend. & Social Work:					
Salaries of drop-out prevention officer	54,841	(17,390)	37,451	37,450	1
Purchased professional and technical services	65,000	(568)	64,432	62,885	1,547
Total Undistributed Expend. - Attend. & Social Work	119,841	(17,958)	101,883	100,335	1,548
Undistributed Expenditures - Health Services:					
Salaries	64,189	2,287	66,476	64,772	1,704
Other purchased services		88	88	88	
Supplies and materials	2,900	60	2,960	2,934	26
Other objects	500		500		500
Total Undistributed Expenditures - Health Services	67,589	2,435	70,024	67,794	2,230
Undist. Expend. - Guidance:					
Salaries of other professional staff	315,182	(950)	314,232	309,225	5,007
Salaries of secretarial and clerical assistants	33,377		33,377	32,998	379
Purchased professional - educational services	1,155	40	1,195	1,195	
Other purchased prof. and tech. services		3,950	3,950	3,946	4
Other purchased services (400-500 series)	1,041		1,041	934	107
Supplies and materials	3,747	(40)	3,707	2,330	1,377
Other objects	45		45	45	-
Total Undist. Expend. - Guidance	354,547	3,000	357,547	350,673	6,874

(Continued)

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2012

<u>School: Junior/Senior High School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Improvement of Inst. Services:					
Salaries of supervisor of instruction	\$ 16,839		\$ 16,839	\$ 10,524	\$ 6,315
Other salaries	5,125	\$ 3,498	8,623	4,525	4,098
Salaries of facilitators, math & literacy coaches	266,490	(5,563)	260,927	238,330	22,597
Supplies and materials	4,000		4,000	3,169	831
Total Undist. Expend. - Improvement of Inst. Serv.	292,454	(2,065)	290,389	256,548	33,841
Undist. Expend. - Edu. Media Serv./Sch. Library:					
Salaries	83,524		83,524	79,893	3,631
Salaries of technology coordinators	87,151	(36,293)	50,858	47,028	3,830
Purchased professional and technical services	40,150	718	40,868	40,219	649
Other purchased services (400-500 series)	11,900	(218)	11,682	11,441	241
Supplies and materials	41,580	(1,350)	40,230	35,328	4,902
Other objects	1,110		1,110	1,000	110
Total Undist. Expend. - Edu. Media Serv./Sch. Library	265,415	(37,143)	228,272	214,909	13,363
Undistributed Expend. - Instruc. Staff Training Serv.:					
Purchased professional and educational services	2,500	(1,208)	1,292	1,291	1
Other purchased services	1,000	1,208	2,208	2,158	50
Total Undist. Expend.-Instruc. Staff Training Serv.	3,500		3,500	3,449	51
Undist. Expend. - School Administration.:					
Salaries of principals/assistant principals	327,392	(93,000)	234,392	228,634	5,758
Salaries of secretarial and clerical assistants	187,690		187,690	185,566	2,124
Other purchased services (400-500 series)	16,000		16,000	4,580	11,420
Supplies and materials	22,000	(2,964)	19,036	11,845	7,191
Other objects	11,000	4,200	15,200	14,061	1,139
Total Undist. Expend. - School Administration	564,082	(91,764)	472,318	444,686	27,632
Undist. Expend. - Security:					
Salaries	29,121	(8,023)	21,098	20,902	196
Total Undist. Expend. - Security	29,121	(8,023)	21,098	20,902	196
Undist. Expend.- Student Transportation Services:					
Contr. Serv. (other than bet. home & sch.) - vendors	60,220	8,000	68,220	57,396	10,824
Total Undist. Expend. - Student Trans. Services	60,220	8,000	68,220	57,396	10,824
Unallocated Benefits:					
Health benefits	2,000,000		2,000,000	2,000,000	
Total Unallocated Benefits	2,000,000		2,000,000	2,000,000	
Total Undistributed Expenditures	3,756,769	(143,518)	3,613,251	3,516,692	96,559
Total General Current Expense	10,319,189	(127,802)	10,191,387	9,687,861	503,526

(Continued)

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2012

<u>School: Junior/Senior High School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>Capital Outlay</u>					
Equipment					
Regular Program - Instruction:					
Grades 9-12	\$ 26,000	\$ 245	\$ 26,245	\$ 6,794	\$ 19,451
Total Equipment	<u>26,000</u>	<u>245</u>	<u>26,245</u>	<u>6,794</u>	<u>19,451</u>
Total Capital Outlay	<u>26,000</u>	<u>245</u>	<u>26,245</u>	<u>6,794</u>	<u>19,451</u>
Total School Based Expenditures	<u>10,345,189</u>	<u>(127,557)</u>	<u>10,217,632</u>	<u>9,694,655</u>	<u>522,977</u>
Other Financing Sources:					
Operating Transfer In	10,345,189	(127,557)	10,217,632	9,694,655	522,977
Total Other Financing Sources:	<u>10,345,189</u>	<u>(127,557)</u>	<u>10,217,632</u>	<u>9,694,655</u>	<u>522,977</u>
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures & Other Financing (Uses)					
Fund Balance - July 1, 2011	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Fund Balance - June 30, 2012	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2012

School: Mary Ethel Costello	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Regular Programs - Instruction					
Grades 1-5 - Salaries of teachers	\$ 1,438,448	\$ (157,822)	\$ 1,280,626	\$ 1,152,111	\$ 128,515
Grades 6-8 - Salaries of teachers	580,847		580,847	541,319	39,528
Regular Programs - Undistributed Instruction					
Purchased professional - educational services	5,000		5,000	2,225	2,775
Other purchased services (400-500 series)	26,556	1,914	28,470	13,392	15,078
General supplies	61,600	140,006	201,606	197,068	4,538
Textbooks	10,000	31,756	41,756	41,755	1
Total Regular Programs - Instruction	<u>2,122,451</u>	<u>15,854</u>	<u>2,138,305</u>	<u>1,947,870</u>	<u>190,435</u>
Special Education - Instruction					
Learning and/or Language Disabilities:					
Salaries of teachers	135,816	4,194	140,010	140,010	
Other salaries for instruction	81,349	(22,775)	58,574	58,574	
General supplies	1,000		1,000	367	633
Total Learning and/or Language Disabilities	<u>218,165</u>	<u>(18,581)</u>	<u>199,584</u>	<u>198,951</u>	<u>633</u>
Behavioral Disabilities:					
Salaries of teachers	58,566		58,566	57,290	1,276
Other salaries for instruction	55,096	(16,781)	38,315	36,581	1,734
General supplies	700		700	274	426
Total Behavioral Disabilities	<u>114,362</u>	<u>(16,781)</u>	<u>97,581</u>	<u>94,145</u>	<u>3,436</u>
Multiple Disabilities:					
Salaries of teachers	64,803	(51,482)	13,321		13,321
Other salaries for instruction	53,417	(3,157)	50,260		50,260
Other purchased services		1,525	1,525		1,525
General supplies	500	150	650		650
Total Multiple Disabilities	<u>118,720</u>	<u>(52,964)</u>	<u>65,756</u>		<u>65,756</u>
Resource Room/Resource Center:					
Salaries of teachers	404,662	11,053	415,715	410,857	4,858
Other salaries for instruction	55,558	(7,670)	47,888	19,454	28,434
Total Resource Room/Resource Center	<u>460,220</u>	<u>3,383</u>	<u>463,603</u>	<u>430,311</u>	<u>33,292</u>
Autism:					
General supplies		9,500	9,500	7,040	2,460
Total Autism		<u>9,500</u>	<u>9,500</u>	<u>7,040</u>	<u>2,460</u>
Total Special Education - Instruction	<u>911,467</u>	<u>(75,443)</u>	<u>836,024</u>	<u>730,447</u>	<u>105,577</u>

(Continued)

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2012

School: Mary Ethel Costello	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Bilingual Education - Instruction:					
Salaries of teachers	\$ 25,824		\$ 25,824	\$ 24,685	\$ 1,139
Total Bilingual Education - Instruction	25,824		25,824	24,685	1,139
School Sponsored Cocurricular Actvts. - Inst.:					
Supplies and materials	1,500		1,500	1,112	388
Total School Sponsored Cocurricular Actvts. - Inst.	1,500		1,500	1,112	388
Total Instruction	3,061,242	\$ (59,589)	3,001,653	2,704,114	297,539
Undistributed Expend. - Attend. & Social Work:					
Supplies and materials	1,000		1,000	192	808
Total Undistributed Expend. - Attend. & Social Work	1,000		1,000	192	808
Undistributed Expenditures - Health Services:					
Salaries	99,985	(3,317)	96,668	55,235	41,433
Other purchased services (400-500 series)	300		300	189	111
Supplies and materials	2,800	2,500	5,300	4,960	340
Other objects	300		300	28	272
Total Undistributed Expenditures - Health Services	103,385	(817)	102,568	60,412	42,156
Undist. Expend. - Guidance:					
Salaries of other professional staff	84,447		84,447	80,343	4,104
Purchased professional - educational services	300		300		300
Other purchased prof. and technical services	9,000		9,000		9,000
Supplies and materials	4,000		4,000	80	3,920
Other objects	300		300	300	
Total Undist. Expend. - Guidance	98,047		98,047	80,723	17,324
Undist. Expend. - Improvement of Inst. Services:					
Other salaries	5,125	5,000	10,125	5,000	5,125
Salaries of facilitators, math & literacy coaches	251,528	41,704	293,232	257,018	36,214
Purchased professional - educational services	5,000		5,000		5,000
Supplies and materials	10,400		10,400		10,400
Total Undist. Expend. - Improvement of Inst. Serv.	272,053	46,704	318,757	262,018	56,739
Undist. Expend. - Edu. Media Serv./Sch. Library:					
Salaries	86,750		86,750	82,919	3,831
Salaries of technology coordinators	53,428	(28,000)	25,428		25,428
Purchased professional and technical services	25,780		25,780	25,780	
Other purchased services (400-500 series)	4,500		4,500	3,214	1,286
Supplies and materials	23,700		23,700	21,549	2,151
Other objects	1,200		1,200	998	202
Total Undist. Expend. - Edu. Media Serv./Sch. Library	195,358	(28,000)	167,358	134,460	32,898

(Continued)

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2012

School: Mary Ethel Costello	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expend. - Instruc. Staff Training Serv.:					
Purchased professional - educational services	\$ 6,000		\$ 6,000	\$ 566	\$ 5,434
Supplies and materials	1,600		1,600		1,600
Total Undist. Expend.-Instruc. Staff Training Serv.	<u>7,600</u>		<u>7,600</u>	<u>566</u>	<u>7,034</u>
Undist. Expend. - School Administration:					
Salaries of principals/assistant pincipals	247,736	\$ (17,000)	230,736	207,946	22,790
Salaries of secretarial and clerical assistants	72,027		72,027	64,724	7,303
Other purchased services (400-500 series)	18,000		18,000	9,818	8,182
Supplies and materials	15,000		15,000	6,232	8,768
Other objects	3,400		3,400	850	2,550
Total Undist. Expend. - School Administration	<u>356,163</u>	<u>(17,000)</u>	<u>339,163</u>	<u>289,570</u>	<u>49,593</u>
Undist. Expend. - Security:					
Salaries	29,121	(8,023)	21,098	20,902	196
Total Undist. Expend. - Security	<u>29,121</u>	<u>(8,023)</u>	<u>21,098</u>	<u>20,902</u>	<u>196</u>
Undist. Expend.- Student Transportation Services:					
Contr. Serv. (other than bet. home & sch.) - vendors	6,300		6,300	5,631	669
Total Undist. Expend. - Student Trans. Services	<u>6,300</u>		<u>6,300</u>	<u>5,631</u>	<u>669</u>
Unallocated Benefits:					
Health benefits	1,000,000		1,000,000	1,000,000	
Total Unallocated Benefits	<u>1,000,000</u>		<u>1,000,000</u>	<u>1,000,000</u>	
Total Undistributed Expenditures	<u>2,069,027</u>	<u>(7,136)</u>	<u>2,061,891</u>	<u>1,854,474</u>	<u>207,417</u>
Total General Current Expense	<u>5,130,269</u>	<u>(66,725)</u>	<u>5,063,544</u>	<u>4,558,588</u>	<u>504,956</u>
<u>Capital Outlay</u>					
Equipment					
Regular Program - Instruction:					
Grades 1-5	14,500	14,796	29,296	15,831	13,465
Autism		6,500	6,500		6,500
Total Equipment	<u>14,500</u>	<u>21,296</u>	<u>35,796</u>	<u>15,831</u>	<u>19,965</u>
Total Capital Outlay	<u>14,500</u>	<u>21,296</u>	<u>35,796</u>	<u>15,831</u>	<u>19,965</u>
Total School Based Expenditures	<u>5,144,769</u>	<u>(45,429)</u>	<u>5,099,340</u>	<u>4,574,419</u>	<u>524,921</u>
Other Financing Sources:					
Operating Transfer In	5,144,769	(45,429)	5,099,340	4,574,419	524,921
Total Other Financing Sources:	<u>5,144,769</u>	<u>(45,429)</u>	<u>5,099,340</u>	<u>4,574,419</u>	<u>524,921</u>
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures & Other Financing (Uses)					
Fund Balance - July 1, 2011	---	---	---	---	---
Fund Balance - June 30, 2012	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2012

<u>School: Cold Springs</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Regular Programs - Instruction:					
Preschool/Kindergarten - Salaries of teachers	\$ 415,372	\$ (42,851)	\$ 372,521	\$ 349,182	\$ 23,339
Grades 1-5 - Salaries of teachers	2,879,176	(229,034)	2,650,142	2,529,276	120,866
Regular Programs - Undistributed Instruction					
Other salaries for instruction	221,696	(77,995)	143,701	140,718	2,983
Purchased professional - educational services	3,475		3,475		3,475
Other purchased services (400-500 series)	48,875	714	49,589	29,460	20,129
General supplies	107,353	105,881	213,234	209,736	3,498
Textbooks	1,500	76,636	78,136	78,110	26
Other objects	11,235	(699)	10,536	9,337	1,199
Total Regular Programs - Instruction	<u>3,688,682</u>	<u>(167,348)</u>	<u>3,521,334</u>	<u>3,345,819</u>	<u>175,515</u>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of teachers	135,236	(9,213)	126,023	126,023	
Other salaries for instruction	54,483	18,937	73,420	73,420	
General supplies	1,000		1,000	292	708
Total Learning and/or Language Disabilities	<u>190,719</u>	<u>9,724</u>	<u>200,443</u>	<u>199,735</u>	<u>708</u>
Behavioral Disabilities:					
Salaries of teachers	63,329	(530)	62,799	62,695	104
Other salaries for instruction	56,040	(15,248)	40,792	38,347	2,445
Total Behavioral Disabilities	<u>119,369</u>	<u>(15,778)</u>	<u>103,591</u>	<u>101,042</u>	<u>2,549</u>
Multiple Disabilities:					
Salaries of teachers		1,254	1,254	1,254	
Other salaries for instruction		970	970	413	557
Total Multiple Disabilities		<u>2,224</u>	<u>2,224</u>	<u>1,667</u>	<u>557</u>
Resource Room/Resource Center:					
Salaries of teachers	496,216	(13,028)	483,188	481,449	1,739
Other salaries for instruction	84,466	(36,284)	48,182	19,832	28,350
General supplies	1,000	(1,000)			
Total Resource Room/Resource Center	<u>581,682</u>	<u>(50,312)</u>	<u>531,370</u>	<u>501,281</u>	<u>30,089</u>
Autism:					
Salaries of teachers	55,699	51,586	107,285	105,845	1,440
Other salaries for instruction	108,513	38,145	146,658	143,612	3,046
Purchased professional - educational services		1,529	1,529	1,529	
General supplies	500	5,800	6,300	6,097	203
Total Autism	<u>164,712</u>	<u>97,060</u>	<u>261,772</u>	<u>257,083</u>	<u>4,689</u>

(Continued)

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2012

<u>School: Cold Springs</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Preschool Disabilities - Full Time					
Salaries of teachers	\$ 62,700	\$ 1,935	\$ 64,635	\$ 63,660	\$ 975
Other salaries for instruction	56,200	(14,550)	41,650	40,800	850
Total Preschool Disabilities	<u>118,900</u>	<u>(12,615)</u>	<u>106,285</u>	<u>104,460</u>	<u>1,825</u>
Total Special Education - Instruction	<u>1,175,382</u>	<u>30,303</u>	<u>1,205,685</u>	<u>1,165,268</u>	<u>40,417</u>
Bilingual Education - Instruction:					
Salaries of teachers	25,824	(1,139)	24,685	24,685	
Supplies	500		500		500
Total Bilingual Education - Instruction	<u>26,324</u>	<u>(1,139)</u>	<u>25,185</u>	<u>24,685</u>	<u>500</u>
Total Instruction	<u>4,890,388</u>	<u>(138,184)</u>	<u>4,752,204</u>	<u>4,535,772</u>	<u>216,432</u>
Undistributed Expend. - Attend. & Social Work:					
Salaries	42,224		42,224	40,172	2,052
Total Undistributed Expend. - Attend. & Social Work	<u>42,224</u>		<u>42,224</u>	<u>40,172</u>	<u>2,052</u>
Undistributed Expend. - Health Services:					
Salaries	109,620	(956)	108,664	103,360	5,304
Other purchased services		81	81	81	
Supplies and materials	1,555	875	2,430	2,413	17
Total Undistributed Expend. - Health Services	<u>111,175</u>		<u>111,175</u>	<u>105,854</u>	<u>5,321</u>
Undist. Expend. - Guidance:					
Salaries of other professional staff	220,571	(85,171)	135,400	126,790	8,610
Total Undist. Expend. - Guidance	<u>220,571</u>	<u>(85,171)</u>	<u>135,400</u>	<u>126,790</u>	<u>8,610</u>
Undist. Expend. - Improvement of Inst. Serv.:					
Other salaries	5,125	5,000	10,125	5,582	4,543
Salaries of facilitators, math & literacy coaches	258,696		258,696	247,972	10,724
Total Undist. Expend. - Improvement of Inst. Serv.	<u>263,821</u>	<u>5,000</u>	<u>268,821</u>	<u>253,554</u>	<u>15,267</u>
Undist. Expend. - Edu. Media Serv./Sch. Library:					
Salaries	61,935		61,935	61,100	835
Salaries of technology coordinators	59,577	(22,665)	36,912	34,055	2,857
Purchased professional and technical services	30,780		30,780	26,180	4,600
Other purchased services (400-500 series)	3,500		3,500	3,500	
Supplies and materials	16,100		16,100	13,238	2,862
Other objects	1,000		1,000	961	39
Total Undist. Expend. - Edu. Media Serv./Sch. Library	<u>172,892</u>	<u>(22,665)</u>	<u>150,227</u>	<u>139,034</u>	<u>11,193</u>

(Continued)

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2012

<u>School: Cold Springs</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expend. - Instruct. Staff Training Serv.:					
Purchased professional - educ. services	\$ 2,200		\$ 2,200	\$ 657	\$ 1,543
Total Undist. Expend. - Instruct. Staff Training Serv.	<u>2,200</u>		<u>2,200</u>	<u>657</u>	<u>1,543</u>
Undist. Expend. - School Administration:					
Salaries of principals/assistant principals	248,578	\$ 828	249,406	249,389	17
Salaries of secretarial and clerical assistants	172,065	(1,887)	170,178	170,117	61
Other purchased services (400-500 series)	7,300	1,612	8,912	7,895	1,017
Supplies and materials	6,200	4,000	10,200	7,429	2,771
Other objects	2,875		2,875	2,875	
Total Undist. Expend. - School Administration	<u>437,018</u>	<u>4,553</u>	<u>441,571</u>	<u>437,705</u>	<u>3,866</u>
Undist. Expend. - Security:					
Salaries	66,032	(12,529)	53,503	26,687	26,816
Total Undist. Expend. - Security	<u>66,032</u>	<u>(12,529)</u>	<u>53,503</u>	<u>26,687</u>	<u>26,816</u>
Undist. Expend. - Student Transportation Services:					
Contr. Serv. (other than bet. home & sch.) - vendors	6,581	(793)	5,788	4,614	1,174
Total Undist. Expend. - Student Trans. Services	<u>6,581</u>	<u>(793)</u>	<u>5,788</u>	<u>4,614</u>	<u>1,174</u>
Unallocated Benefits:					
Health benefits	1,600,000		1,600,000	1,600,000	
Total Unallocated Benefits	<u>1,600,000</u>		<u>1,600,000</u>	<u>1,600,000</u>	
Total Undistributed Expenditures	<u>2,922,514</u>	<u>(111,605)</u>	<u>2,810,909</u>	<u>2,735,067</u>	<u>75,842</u>
Total General Current Expense	<u>7,812,902</u>	<u>(249,789)</u>	<u>7,563,113</u>	<u>7,270,839</u>	<u>292,274</u>
<u>Capital Outlay</u>					
Equipment					
Grades 1-5		41,002	41,002		41,002
Autism		4,700	4,700	4,647	53
Undis. expend.-support serv.- students - reg.		24,000	24,000		24,000
Undis. expend.-support serv.- instructional staff		8,842	8,842	8,842	
Undis. expend.-support serv.- operation & maint.		2,175	2,175	2,175	
Total Equipment		<u>80,719</u>	<u>80,719</u>	<u>15,664</u>	<u>65,055</u>
Total Capital Outlay		<u>80,719</u>	<u>80,719</u>	<u>15,664</u>	<u>65,055</u>
Total School Based Expenditures	<u>7,812,902</u>	<u>(169,070)</u>	<u>7,643,832</u>	<u>7,286,503</u>	<u>357,329</u>
Other Financing Sources:					
Operating Transfer In	7,812,902	(169,070)	7,643,832	7,286,503	357,329
Total Other Financing Sources:	<u>7,812,902</u>	<u>(169,070)</u>	<u>7,643,832</u>	<u>7,286,503</u>	<u>357,329</u>
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures & Other Financing (Uses)					
Fund Balance - July 1, 2011	---	---	---	---	---
Fund Balance - June 30, 2012	---	---	---	---	---

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Special Revenue Fund

GLOUCESTER CITY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	<u>Total Other Prog. (See E-1A)</u>	<u>Total Other Prog. (See E-1B)</u>	<u>Total Other Prog. (See E-1C)</u>	<u>Total</u>
REVENUES:				
State sources	\$ 3,152,417			\$ 3,152,417
Federal sources		\$ 1,244,037	\$ 1,123,599	2,367,636
Total Revenues	<u>3,152,417</u>	<u>1,244,037</u>	<u>1,123,599</u>	<u>5,520,053</u>
EXPENDITURES:				
Instruction:				
Salaries of teachers	1,104,112	98,928	509,337	1,712,377
Other salaries for instruction	559,296	20,650		579,946
Purchased professional and technical services		168,710		168,710
Purchased professional and educational services	143,177		75,219	218,396
Other purchased services	37,472	60,319		97,791
Tuition		623,212		623,212
General supplies	29,965	16,460	32,236	78,661
Textbooks	32,166		5,125	37,291
Other objects		3,819		3,819
Total instruction	<u>1,906,188</u>	<u>992,098</u>	<u>621,917</u>	<u>3,520,203</u>
Support services:				
Salaries of principals	98,757			98,757
Salaries of program directors		45,750	44,052	89,802
Salaries of other professional staff	249,040	32,760	44,560	326,360
Salaries of secretaries and clerical assistants	98,096	28,880		126,976
Other salaries for instruction	172,721	12,067	13,862	198,650
Personal services - employee benefits	772,286	35,804	95,604	903,694
Purchased professional and technical services	9,366		24,379	33,745
Purchased professional and educational services		82,420	196,793	279,213
Other purchased services	347	2,292	22,657	25,296
Contracted services - transportation		1,735		1,735
Travel		289		289
Class trips	3,681			3,681
Supplies and materials	6,683	4,543	59,775	71,001
Total support services	<u>1,410,977</u>	<u>246,540</u>	<u>501,682</u>	<u>2,159,199</u>
Facilities acquisition and const. serv.:				
Instructional equipment		5,399		5,399
Total Expenditures	<u>3,317,165</u>	<u>1,244,037</u>	<u>1,123,599</u>	<u>5,684,801</u>
Other Financing Sources (Uses):				
Transfer in from General Fund	164,748			164,748
Total Outflows	<u>3,152,417</u>	<u>1,244,037</u>	<u>1,123,599</u>	<u>5,520,053</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>

GLOUCESTER CITY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	<u>Nonpublic Comp. Ed.</u>	<u>Nonpublic Speech</u>	<u>Nonpublic Transport.</u>	<u>Nonpublic Exam/ Classification</u>	<u>Nonpublic Supplemental Instruction</u>	<u>Home Instruction</u>	<u>Nonpublic Textbooks</u>	<u>Nonpublic Nursing</u>	<u>Preschool Education Aid</u>	<u>Total</u>
REVENUES:										
State sources	\$ 81,487	\$ 474	\$ 3,811	\$ 37,833	\$ 19,572	\$ 10,345	\$ 31,842	\$ 46,081	\$ 2,920,972	\$ 3,152,417
Federal sources										
Total Revenues	81,487	474	3,811	37,833	19,572	10,345	31,842	46,081	2,920,972	3,152,417
EXPENDITURES:										
Instruction:										
Salaries of teachers								30,025	1,074,087	1,104,112
Other salaries for instruction									559,296	559,296
Purchased prof. - educ. services	81,487	474	3,811	37,833	19,572					143,177
Other purchased services						10,345		13,597	13,530	37,472
Textbooks							31,842	324		32,166
Supplies									29,965	29,965
Total instruction	81,487	474	3,811	37,833	19,572	10,345	31,842	43,946	1,676,878	1,906,188
Support services:										
Salaries - principals									98,757	98,757
Salaries - other prof. staff									249,040	249,040
Salaries of sec. and clerical ass'ts.									98,096	98,096
Other salaries of instruction									172,721	172,721
Personal services-employee benefits								2,135	770,151	772,286
Purchased prof. and tech. services									9,366	9,366
Other purchased services									347	347
Class trips									3,681	3,681
Supplies and materials									6,683	6,683
Total support services								2,135	1,408,842	1,410,977
Facilities acquisition and const. serv.:										
Instructional equipment										
Total facilities acq. and const. serv.										
Total Expenditures	81,487	474	3,811	37,833	19,572	10,345	31,842	46,081	3,085,720	3,317,165
Other Financing Sources (Uses):										
Transfer In from General Fund									164,748	164,748
Total Outflows	81,487	474	3,811	37,833	19,572	10,345	31,842	46,081	2,920,972	3,152,417
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>

GLOUCESTER CITY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	<u>IDEA Basic</u>	<u>IDEA Basic Carryover</u>	<u>IDEA Preschool</u>	<u>IDEA Preschool Carryover</u>	<u>21st Century</u>	<u>21st Century Carryover</u>	<u>Carl Perkins</u>	<u>Total</u>
REVENUES:								
State sources								
Federal sources	\$ 731,495	\$ 40,541	\$ 24,632	\$ 2,095	\$ 382,431	\$ 37,372	\$ 25,471	\$ 1,244,037
Total Revenues	731,495	40,541	24,632	2,095	382,431	37,372	25,471	1,244,037
EXPENDITURES:								
Instruction:								
Salaries of teachers					92,185	6,743		98,928
Other salaries for instruction					15,191	5,459		20,650
Purchased prof. - tech. services	162,535	2,345					3,830	168,710
Other purchased services					49,101	11,218		60,319
Tuition	558,705	37,780	24,632	2,095				623,212
General supplies	4,790				4,706	475	6,489	16,460
Other objects					1,905	384	1,530	3,819
Total instruction	726,030	40,125	24,632	2,095	163,088	24,279	11,849	992,098
Support services:								
Salaries of program directors					38,250	7,500		45,750
Salaries - other prof. staff					32,760			32,760
Salaries of sec. and clerical ass'ts.	4,583	416			23,881			28,880
Other salaries					6,236	983	4,848	12,067
Personal services-employee benefits	382				32,856	2,107	459	35,804
Purchased prof. educ. services	500				81,920			82,420
Other purchased services						401	1,891	2,292
Contracted services - transportation					710		1,025	1,735
Travel					126	163		289
Supplies and materials					2,604	1,939		4,543
Total support services	5,465	416			219,343	13,093	8,223	246,540
Facilities acquisition:								
Instructional equipment							5,399	5,399
Total Expenditures	731,495	40,541	24,632	2,095	382,431	37,372	25,471	1,244,037
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	---	---	---	---	---	---	---	---

GLOUCESTER CITY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	Title I	ARRA Title I	Title I Carryover	Title II A	Title II A Carryover	Title II D	Title III	Title III Immigrant	Total
REVENUES:									
State sources									
Federal sources	\$ 737,479	\$ 60,755	\$ 204,252	\$ 101,676	\$ 10,108	\$ 3,600	\$ 3,201	\$ 2,528	\$ 1,123,599
Total Revenues	737,479	60,755	204,252	101,676	10,108	3,600	3,201	2,528	1,123,599
EXPENDITURES:									
Instruction:									
Salaries of teachers	392,651	56,451		59,777	458				509,337
Purchased prof. educ. services	61,119		14,100						75,219
General supplies	22,010		7,413				2,813		32,236
Textbooks	5,125								5,125
Total instruction	480,905	56,451	21,513	59,777	458		2,813		621,917
Support services:									
Salaries of program directors	38,289			5,763					44,052
Other salaries for instruction	37,483		7,077						44,560
Other salaries		835	13,027						13,862
Personal services-employee benefits	65,729		19,324	10,551					95,604
Purchased prof. educ. services	80,943		91,169	23,213		1,080	388		196,793
Purchased prof. tech. services	22,003	2,376							24,379
Other purchased services	2,677		18,195		1,785				22,657
General supplies	9,450	1,093	33,947	2,372	7,865	2,520		2,528	59,775
Total support services	256,574	4,304	182,739	41,899	9,650	3,600	388	2,528	501,682
Facilities acquisition and const. serv.:									
Noninstructional equipment									
Total facilities acq. and const. serv.									
Total Expenditures	737,479	60,755	204,252	101,676	10,108	3,600	3,201	2,528	1,123,599
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	---	---	---	---	---	---	---	---	---

GLOUCESTER CITY SCHOOL DISTRICT
Special Revenue Fund
Statement of Preschool Education Aid
Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of teachers	\$ 1,074,087	\$ 1,074,087	
Other salaries for instruction	559,296	559,296	
Other purchased services	13,530	13,530	
General supplies	29,965	29,965	
	<u>1,676,878</u>	<u>1,676,878</u>	
Total instruction	1,676,878	1,676,878	
Support Services:			
Salaries of principals	98,757	98,757	
Salaries of other professional staff	249,040	249,040	
Salaries of sec. and clerical assistants	98,096	98,096	
Other salaries	172,721	172,721	
Personal services - employee benefits	770,151	770,151	
Purchased prof. and tech. services	9,366	9,366	
Other purchased services	347	347	
Class trips	3,681	3,681	
Supplies and materials	6,683	6,683	
	<u>1,408,842</u>	<u>1,408,842</u>	
Total support services	1,408,842	1,408,842	
Facilities acquisition:			
Instructional equipment			
Total Expenditures	<u>\$ 3,085,720</u>	<u>\$ 3,085,720</u>	<u>\$ -</u>

SUMMARY OF LOCATION TOTALS

Total revised 2011-2012 Preschool Education Aid allocation	\$ 2,920,972
Add: Actual ECPA Carryover (June 30, 2011)	
Add: Budgeted transfer from the General Fund 2011-2012	<u>164,748</u>
Total Preschool Education Aid Funds available for 2011-2012 budget	3,085,720
Less: 2011-2012 Budgeted Preschool Education Aid (including prior year budgeted carryover)	<u>(3,085,720)</u>
Available & unbudgeted Preschool Education Aid Funds as of June 30, 2012	
Add: June 30, 2012 Unexpended Preschool Education Aid	
2011-2012 Actual Carryover - Preschool Education Aid	<u>\$ -</u>
2011-2012 Preschool Education Aid Carryover Budgeted in 2012-2013	<u>\$ -</u>

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Capital Projects Fund

The District does not maintain a capital projects fund.

Proprietary Funds

GLOUCESTER CITY SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Net Assets
June 30, 2012

	<u>Food Service Fund</u>
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 270,190
Accounts receivable:	
State	599
Federal	33,061
Other	6,497
Inventories	<u>14,286</u>
Total Current Assets	<u>324,633</u>
Noncurrent Assets:	
Equipment	545,435
Less - accumulated depreciation	<u>(430,487)</u>
Total Noncurrent Assets	<u>114,948</u>
Total Assets	<u>439,581</u>
 LIABILITIES:	
Current Liabilities:	
Accounts payable	1,302
Total Current Liabilities	<u>1,302</u>
 NET ASSETS:	
Invested in capital assets	114,948
Unrestricted	<u>323,331</u>
Total Net Assets	<u>\$ 438,279</u>

GLOUCESTER CITY SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
For the Fiscal Year Ended June 30, 2012

	<u>Food Service Fund</u>
OPERATING REVENUES:	
Charges for Services:	
Daily sales reimbursable programs:	
School lunch	\$ 146,505
Breakfast program	26,684
Daily sales non-reimbursable programs	
Adult and a la carte sales	144,091
Special functions	12,322
Summer program	<u>17,503</u>
Total Operating Revenues	<u>347,105</u>
OPERATING EXPENSES:	
Salaries and fringe benefits	442,591
Management fee	49,304
Supplies and materials	44,602
Maintenance and repairs	19,446
Other costs	21,527
Depreciation	10,600
Cost of sales	<u>604,591</u>
Total Operating Expenses	<u>1,192,661</u>
Operating Income (Loss)	<u>(845,556)</u>
Non-Operating Revenues:	
State sources:	
State school lunch program	12,918
Federal sources:	
National school lunch program	526,412
National breakfast program	148,259
After school snack program	30,870
Fresh fruit and vegetable program	43,258
Food distribution program	<u>56,990</u>
Total Non-Operating Revenues	<u>818,707</u>
Income (Loss) before Contributions and Transfers	(26,849)
Loss on disposal of capital assets	<u>(19,186)</u>
Changes in Net Assets	(46,035)
Net Assets - July 1, 2011	<u>484,314</u>
Net Assets - June 30, 2012	<u>\$ 438,279</u>

GLOUCESTER CITY SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2012

	<u>Food Service Fund</u>
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 342,279
Cash payments to employees for services	(442,591)
Cash payments to suppliers for goods and services	<u>(736,774)</u>
Net cash provided by (used for) operating activities	<u>(837,086)</u>
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	12,319
Cash received from federal sources	772,728
Cash received from operating transfer in	<u> </u>
Net cash provided by noncapital financing activities	<u>785,047</u>
Cash Flows Used by Capital and Related Financing Activities:	
Purchase of equipment	<u>(15,683)</u>
Cash Flow Provided by Investing Activities:	
Interest on cash equivalents	<u> </u>
Net increase (decrease) in cash and cash equivalents	(67,722)
Cash and cash equivalents - July 1, 2011	<u>337,912</u>
Cash and cash equivalents - June 30, 2012	<u>\$ 270,190</u>
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for) Operating Activities:	
Operating income (loss)	\$ (845,556)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:	
Depreciation	10,600
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(4,826)
(Increase) decrease in inventories	4,246
Increase (decrease) in accounts payable	<u>(1,550)</u>
Net cash provided by (used for) operating activities	<u>\$ (837,086)</u>
Noncash Noncapital Financing Activities:	
During the year the District received \$56,990 of food commodities from the U.S. Department of Agriculture.	

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Fiduciary Funds

**GLOUCESTER CITY SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
June 30, 2012**

	<u>Trust Funds</u>			<u>Agency Funds</u>		<u>Totals</u>
	<u>Unemployment Compensation Insurance Trust</u>	<u>Flexible Benefits Trust</u>	<u>Scholarship Trust</u>	<u>Student Activity</u>	<u>Payroll</u>	
ASSETS:						
Cash and cash equivalents	\$ 1,048,027	\$ 32,471	\$ 67,181	\$ 65,563	\$ 3,493	\$ 1,216,735
Total Assets	<u>1,048,027</u>	<u>32,471</u>	<u>67,181</u>	<u>\$ 65,563</u>	<u>\$ 3,493</u>	<u>1,216,735</u>
LIABILITIES:						
Payroll deductions and withholdings					\$ 3,493	3,493
Due to student groups				<u>\$ 65,563</u>		<u>65,563</u>
Total Liabilities				<u>\$ 65,563</u>	<u>\$ 3,493</u>	<u>69,056</u>
NET ASSETS:						
Held in trust for payment of claims	1,048,027	32,471				1,080,498
Held in trust for scholarships			<u>67,181</u>			<u>67,181</u>
Total Net Assets	<u>\$ 1,048,027</u>	<u>\$ 32,471</u>	<u>\$ 67,181</u>			<u>\$ 1,147,679</u>

GLOUCESTER CITY SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended June 30, 2012

	<u>Flexible Benefits Trust Fund</u>	<u>Scholarship Trust Fund</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
ADDITIONS:				
Interest on investments	\$ 5	\$ 150	\$ 1,632	\$ 1,787
Donations	30,000	1,580		31,580
Contributions	<u>19,964</u>		<u>37,617</u>	<u>57,581</u>
Total Additions	<u>49,969</u>	<u>1,730</u>	<u>39,249</u>	<u>90,948</u>
DEDUCTIONS:				
Claims paid	17,228		63,862	81,090
Scholarships paid		<u>8,400</u>		<u>8,400</u>
Total Deductions	<u>17,228</u>	<u>8,400</u>	<u>63,862</u>	<u>89,490</u>
Change in Net Assets	32,741	(6,670)	(24,613)	1,458
Net Assets -- July 1, 2011	<u> </u>	<u>73,851</u>	<u>1,072,640</u>	<u>1,146,491</u>
Net Assets -- June 30, 2012	<u>\$ 32,741</u>	<u>\$ 67,181</u>	<u>\$ 1,048,027</u>	<u>\$ 1,147,949</u>

GLOUCESTER CITY SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2012

	<u>Balance June 30, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Transfers</u>	<u>Balance June 30, 2012</u>
Mary Ethel Costello School	\$ 5,863	\$ 11,084	\$ 9,364		\$ 7,583
High School					
Allen M. Hubbs Award		500	500		
Art Club	21				21
Band and Orchestra	6				6
Class of 2012		3,986	3,986		
Class of 2010	854				854
Class of 2011	516		338		178
David J. Martin Scholarship	458	500	500		458
Drama Club	1,244	210	1,187		267
First Congressional District		300	300		
General Fund	1,404	1,799	3,161		42
Gloucester Heights Fire Assoc.		500	500		
Honor Society	23	185			208
Inter-Act Club	2,341	200	1,000		1,541
Interest on account	50				50
James McNally	87				87
Jr. National Honor Society	24				24
Junior High Activities	5,166				5,166
Kasey Rebstock	97	124	100		121
Leo Club	1,281	550	500		1,331
Life Skills	5				5
Musical Account	8,122	7,927	5,821		10,228
Newspaper	72				72
Pep Club	2,467	1,714	2,227		1,954
Prom	1,673	24,589	21,339		4,923
SAT Prep Class	708	1,135	1,106		737
School Store		8,854	3,663		5,191
Senior Class Trip	(6,060)	61,023	59,781		(4,818)
Senior Fund Raiser	6,321	17,041	15,892		7,470
Sports Marketing	1,055	2,463	2,361		1,157
Student Council	1,177				1,177
Thomas Edward Veble III	180	20	200		
Yearbook	12,125	24,235	16,860		19,500
Zack Rodgers Scholarship	30				30
Total High School	<u>41,447</u>	<u>157,855</u>	<u>141,322</u>		<u>57,980</u>
Total All Schools	<u>\$ 47,310</u>	<u>\$ 168,939</u>	<u>\$ 150,686</u>	<u>\$ -</u>	<u>\$ 65,563</u>

GLOUCESTER CITY SCHOOL DISTRICT
Fiduciary Funds
Payrol Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
ASSETS:				
Cash and cash equivalents	<u>\$ 267,820</u>	<u>\$ 25,577,534</u>	<u>\$ 25,841,861</u>	<u>\$ 3,493</u>
Total Assets	<u>\$ 267,820</u>	<u>\$ 25,577,534</u>	<u>\$ 25,841,861</u>	<u>\$ 3,493</u>
LIABILITIES:				
Net payroll	\$ 100	\$ 15,613,167	\$ 15,613,166	\$ 101
Payroll deductions and withholdings	<u>267,720</u>	<u>9,964,367</u>	<u>10,228,695</u>	<u>3,392</u>
Total Liabilities	<u>\$ 267,820</u>	<u>\$ 25,577,534</u>	<u>\$ 25,841,861</u>	<u>\$ 3,493</u>

Long-Term Debt Schedules

**GLOUCESTER CITY SCHOOL DISTRICT
Statement of Serial Bonds
For the Fiscal Year Ended June 30, 2012**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2011</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2012</u>
			<u>Date</u>	<u>Amount</u>					
School Refunding Bonds of 2001	9/15/01	\$ 6,765,000				\$ 400,000		\$ 400,000	
School Refunding Bonds of 2005	6/15/05	6,110,000	8/15/12 - 15	\$ 395,000		5,450,000		375,000	\$ 5,075,000
			8/15/16 - 17	420,000					
			8/15/18 - 19	440,000					
			8/15/20 - 21	435,000					
			8/15/22	455,000					
			8/15/23	450,000					
School Refunding Bonds of 2011	2/15/10	5,835,000	8/15/11	455,000	2.00%	5,835,000		110,000	5,725,000
				465,000	2.00%				
				455,000	2.00%				
				465,000	2.00%				
				450,000	2.375%				
				435,000	2.750%				
				425,000	3.00%				
				440,000	3.50%				
				425,000	3.50%				
				440,000	3.75%				
				435,000	4.125%				
				425,000	4.125%				
				410,000	4.125%				
						<u>\$ 11,685,000</u>	<u>\$ -</u>	<u>\$ 885,000</u>	<u>\$ 10,800,000</u>

GLOUCESTER CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 629,322		\$ 629,322	\$ 629,322	
State sources:					
Debt service aid - Type II	<u>654,871</u>		<u>654,871</u>	<u>654,871</u>	
Total Revenues	<u>1,284,193</u>		<u>1,284,193</u>	<u>1,284,193</u>	
EXPENDITURES:					
Regular debt service:					
Interest	509,193	\$ (110,000)	399,193	369,482	29,711
Redemption of principal	<u>775,000</u>	<u>110,000</u>	<u>885,000</u>	<u>885,000</u>	
Total Expenditures	<u>1,284,193</u>		<u>1,284,193</u>	<u>1,254,482</u>	<u>29,711</u>
Excess (Deficiency) of revenues over (under) expenditures				29,711	29,711
Fund Balance - July 1, 2011	<u>8,984</u>		<u>8,984</u>	<u>8,984</u>	
Fund Balance - June 30, 2012	<u>\$ 8,984</u>	<u>\$ -</u>	<u>\$ 8,984</u>	<u>\$ 38,695</u>	<u>\$ 29,711</u>
Recapitulation of Excess (Deficiency) or revenues over (under) expenditures					
Budgeted Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,711</u>	<u>\$ 29,711</u>

Statistical Section

Gloucester City School District
Net Assets by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

J-1

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
Invested in capital assets, net of related debt	\$ (924,736)	\$ (1,067,719)	\$ (754,705)	\$ 32,763,928	\$ 31,880,265	\$ 31,173,049	\$ 31,067,690	\$ 30,767,308	\$ 29,918,102	\$ 29,556,280
Restricted for:										
Debt service				139,763	139,763				8,984	38,695
Other purposes	2,006,677	2,566,029	3,304,092	3,541,128	2,327,078	4,727,404	7,699,558	8,771,351	9,012,645	11,751,142
Unrestricted	(1,096,354)	(1,082,968)	(1,247,149)	(2,196,709)	(1,959,447)	(1,817,838)	(3,769,348)	(3,697,897)	(3,454,668)	(3,313,234)
Total governmental activities not assets	<u>\$ (14,413)</u>	<u>\$ 415,342</u>	<u>\$ 1,302,238</u>	<u>\$ 34,248,110</u>	<u>\$ 32,387,659</u>	<u>\$ 34,082,615</u>	<u>\$ 34,997,900</u>	<u>\$ 35,840,762</u>	<u>\$ 35,485,063</u>	<u>\$ 38,032,883</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 58,356	\$ 122,440	\$ 120,184	\$ 200,072	\$ 184,873	\$ 165,647	\$ 146,881	\$ 142,205	\$ 129,501	\$ 114,948
Unrestricted	(7,524)	21,524	22,157	83,192	148,520	204,795	232,677	286,220	355,263	323,331
Total business-type activities not assets	<u>\$ 50,832</u>	<u>\$ 143,964</u>	<u>\$ 142,341</u>	<u>\$ 283,264</u>	<u>\$ 333,393</u>	<u>\$ 370,442</u>	<u>\$ 379,558</u>	<u>\$ 428,425</u>	<u>\$ 484,764</u>	<u>\$ 438,279</u>
District-wide:										
Invested in capital assets, net of related debt	\$ (866,380)	\$ (945,279)	\$ (634,521)	\$ 32,964,000	\$ 32,065,138	\$ 31,338,696	\$ 31,214,571	\$ 30,909,513	\$ 30,047,603	\$ 29,671,228
Restricted:										
Debt service				139,763	139,763				8,984	38,695
Other purposes	2,006,677	2,566,029	3,304,092	3,541,128	2,327,078	4,727,404	7,699,558	8,771,351	9,012,645	11,751,142
Unrestricted	(1,103,878)	(1,061,444)	(1,224,992)	(2,113,517)	(1,810,927)	(1,613,043)	(3,536,671)	(3,411,677)	(3,099,405)	(2,989,903)
Total district not assets	<u>\$ 36,419</u>	<u>\$ 559,306</u>	<u>\$ 1,444,579</u>	<u>\$ 34,531,374</u>	<u>\$ 32,721,052</u>	<u>\$ 34,453,057</u>	<u>\$ 35,377,458</u>	<u>\$ 36,269,187</u>	<u>\$ 35,969,827</u>	<u>\$ 38,471,162</u>

Gloucester City School District
 Changes in Net Assets, Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 15,316,210	\$ 16,655,657	\$ 18,049,501	\$ 14,909,879	\$ 14,502,575	\$ 13,782,622	\$ 12,772,350	\$ 14,316,288	\$ 14,254,699	\$ 10,846,651
Special education	2,751,921	3,119,602	3,493,876	3,022,687	2,938,073	3,007,737	3,315,117	3,385,910	3,300,584	7,086,135
Other instruction	543,635	664,620	720,578	612,101	618,840	699,700	724,129	706,381	740,191	761,140
Support Services:										
Tuition	1,973,685	1,812,041	1,835,093	1,766,824	1,829,007	1,526,332	1,285,931	1,082,411	1,703,269	1,938,045
Student & Instruction related services	5,655,021	6,729,317	6,609,931	5,738,458	5,997,005	6,411,842	5,702,922	5,962,736	5,899,736	6,108,433
School administrative services	1,299,250	1,528,739	1,662,077	1,295,594	1,277,932	1,191,287	1,321,147	1,372,722	1,414,975	1,383,050
General and business administrative services	713,122	591,941	1,283,966	1,295,012	1,162,111	1,237,109	1,233,410	1,151,657	1,034,189	1,078,515
Plant operations and maintenance	2,856,557	2,943,058	3,361,123	3,308,431	4,125,283	4,008,373	3,991,713	4,794,785	3,490,285	4,188,600
Pupil transportation	655,462	709,293	851,513	966,942	1,069,041	983,653	897,593	945,914	897,120	1,066,666
Business and other support services	382,394	414,577								
Unallocated employee benefits				7,448,366	9,379,285	8,720,727	7,426,835	8,553,156	8,916,116	9,007,766
Special schools	413,578	382,381	434,084	350,027	353,114	164,228	162,394	166,877	148,787	145,754
Transfer to Charter Schools						28,727	31,977	41,001	51,919	104,120
Interest on long-term debt	859,611	826,736	885,393	755,750	666,813	628,538	590,313	557,974	712,610	388,799
Unallocated depreciation	121,967	229,743	206,859	367,234	338,958	336,348	321,711	311,183	411,192	305,539
Total governmental activities expenses	33,542,413	36,607,735	39,393,994	41,837,305	44,258,037	42,727,223	39,777,542	43,349,005	42,975,682	44,407,213
Business-type activities:										
Food service	854,518	931,466	993,233	1,016,813	981,828	1,013,548	1,077,816	1,125,448	1,037,696	1,192,661
Total business-type activities expense	854,518	931,466	993,233	1,016,813	981,828	1,013,548	1,077,816	1,125,448	1,037,696	1,192,661
Total district expenses	\$ 34,396,931	\$ 37,539,221	\$ 40,387,227	\$ 42,854,118	\$ 45,239,865	\$ 43,740,771	\$ 40,855,358	\$ 44,474,453	\$ 44,013,378	\$ 45,599,874
Program Revenues:										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 505,342	\$ 602,426	\$ 627,580	\$ 598,543	\$ 624,067	\$ 735,393	\$ 860,752	\$ 1,100,520	\$ 1,326,699	\$ 1,528,120
Operating grants and contributions	6,052,647	7,303,884	7,082,340	7,579,485	8,915,796	9,409,965	8,333,292	9,164,350	8,421,422	9,314,355
Total governmental activities program revenues	6,557,989	7,911,310	7,709,920	8,178,028	9,539,863	10,145,358	9,194,044	10,272,870	9,748,121	10,842,475

(Continued)

Gloucester City School District
 Changes in Net Assets, Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Business-type activities:										
Charges for services:										
Food service	\$ 402,067	\$ 457,256	\$ 431,965	\$ 463,008	\$ 430,945	\$ 402,992	\$ 415,326	\$ 376,663	\$ 359,073	\$ 347,105
Operating grants and contributions	481,929	484,473	559,645	579,112	600,812	647,605	671,606	783,766	733,612	618,707
Capital grants and contributions										
Total business-type activities program revenues	883,996	941,729	991,610	1,042,120	1,031,757	1,050,597	1,086,932	1,160,429	1,093,585	1,165,812
Total district program revenues	\$ 7,441,985	\$ 8,653,038	\$ 8,701,530	\$ 9,220,148	\$ 10,571,620	\$ 11,195,955	\$ 10,260,976	\$ 11,433,299	\$ 10,841,706	\$ 12,008,287
Net (Expense)/Revenue:										
Governmental activities	\$ (26,884,424)	\$ (28,696,425)	\$ (31,684,074)	\$ (33,659,277)	\$ (34,718,174)	\$ (32,581,865)	\$ (30,583,498)	\$ (33,076,135)	\$ (33,227,561)	\$ (33,564,738)
Business-type activities	26,478	10,243	(1,623)	25,307	50,129	37,049	9,116	34,931	55,889	(26,849)
Total district-wide net expense	\$ (26,954,945)	\$ (28,686,182)	\$ (31,685,697)	\$ (33,633,970)	\$ (34,668,045)	\$ (32,544,816)	\$ (30,574,382)	\$ (33,041,154)	\$ (33,171,672)	\$ (33,591,587)
General Revenues and Other Changes in Net Assets:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 2,858,502	\$ 2,858,502	\$ 2,858,502	\$ 2,858,502	\$ 2,858,502	\$ 2,858,502	\$ 2,976,018	\$ 3,095,058	\$ 3,216,860	\$ 3,283,237
Taxes levied for debt service	537,570	564,781	574,476	560,995	609,374	399,831	523,302	487,420	648,069	629,322
Unrestricted grants and contributions	21,378,524	25,588,728	28,973,415	28,481,196	29,078,558	30,686,424	27,838,203	30,145,563	29,069,758	31,803,533
Transportation fees	7,125	6,574	3,731	7,922	6,357	5,288	8,502	9,959		
State aid contribution towards fixed assets				34,280,327						
Miscellaneous income	85,674	288,217	179,500	401,158	304,932	327,776	152,758	210,247	111,568	427,473
Loss on disposal of assets		(180,622)	(18,654)					(29,250)	(174,413)	(31,007)
Transfers	(16,672)			15,049						
Total governmental activities	24,850,723	29,126,180	32,570,970	66,605,149	32,857,723	34,276,821	31,498,783	33,918,997	32,871,662	36,112,558
Business-type activities:										
State aid contribution towards fixed assets				115,616				13,866		
Loss on disposal of assets	16,672									(19,185)
Total business-type activities	16,672			115,616				13,866		(19,185)
Total district-wide	\$ 24,867,395	\$ 29,126,180	\$ 32,570,970	\$ 66,720,765	\$ 32,857,723	\$ 34,276,821	\$ 31,498,783	\$ 33,932,863	\$ 32,871,662	\$ 36,093,372
Change in Net Assets:										
Governmental activities	\$ (2,133,701)	\$ 429,755	\$ 886,896	\$ 32,945,872	\$ (1,860,451)	\$ 1,694,956	\$ 915,285	\$ 842,862	\$ (355,699)	\$ 2,547,820
Business-type activities	46,150	10,243	(1,623)	140,923	50,129	37,049	9,116	48,867	55,889	(48,935)
Total district-wide	\$ (2,087,551)	\$ 439,998	\$ 885,273	\$ 33,086,795	\$ (1,810,322)	\$ 1,732,005	\$ 924,401	\$ 891,729	\$ (299,810)	\$ 2,501,785

Gloucester City School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund:										
Restricted for:										
Future tuition payments	\$ 133,746						\$ 197,120	\$ 285,776	\$ 198,956	\$ 221,100
Excess surplus			\$ 905,254		\$ 264,829	\$ 2,015,489				
Maintenance reserve							900,000	1,512,500	2,900,000	3,100,000
Emergency reserve							250,000	639,000	783,000	788,000
Capital reserve							1,540,540	1,941,283	1,730,658	2,357,873
Assigned to:										
Year-end Encumbrances	797,686	1,081,061	1,048,177	330,230	562,249	931,081	516,517	446,085	476,540	829,777
Designated for subsequent year's budget	1,063,244	1,484,407	1,350,661	3,350,661	1,500,000	1,750,000	4,265,489	3,750,000	2,900,000	4,456,392
Unassigned	(454,477)	(310,165)	(256,484)	(951,976)	(760,732)	(741,218)	(2,276,084)	(2,326,651)	(2,103,861)	(2,267,129)
Total general fund	<u>\$ 1,540,199</u>	<u>\$ 2,255,303</u>	<u>\$ 3,047,608</u>	<u>\$2,728,915</u>	<u>\$ 1,566,346</u>	<u>\$ 3,955,352</u>	<u>\$ 5,393,582</u>	<u>\$ 6,247,993</u>	<u>\$ 6,885,293</u>	<u>\$ 9,484,013</u>
All Other Governmental Funds										
Unreserved, reported in:										
Special revenue fund	\$ (13,059)	\$ (15,294)	\$ (53,780)	\$ (90,503)	\$ (94,376)	\$ (28,835)	\$ (241,164)	\$ (92,915)	\$ (264,893)	
Debt service fund	12,562	561		139,763	139,763				8,984	38,695
Total all other governmental funds	<u>\$ (497)</u>	<u>\$ (14,733)</u>	<u>\$ (53,780)</u>	<u>\$ 49,260</u>	<u>\$ 45,387</u>	<u>\$ (28,835)</u>	<u>\$ (241,164)</u>	<u>\$ (92,915)</u>	<u>\$ (255,909)</u>	<u>\$ 38,695</u>

Gloucester City School District
 Changes in Fund Balances, Governmental Funds,
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Tax levy	\$ 3,396,072	\$ 3,423,283	\$ 3,432,978	\$ 3,419,497	\$ 3,467,876	\$ 3,257,333	\$ 3,499,320	\$ 3,582,478	\$ 3,864,929	\$ 3,912,559
Tuition charges	505,342	602,426	627,580	598,543	624,067	735,393	860,752	1,108,520	1,326,699	1,528,120
Transportation fees	7,125	6,574	3,731	7,922	6,357	5,288	8,502	9,959		
Interest earnings										
Miscellaneous	86,092	288,217	187,504	401,158	304,932	327,776	152,758	210,247	111,588	427,473
State sources	25,781,517	30,591,188	34,129,681	33,910,686	35,477,280	37,901,888	35,043,040	32,951,307	35,202,808	37,588,241
Federal sources	1,649,236	2,308,424	2,103,070	2,149,995	2,517,074	2,194,501	2,049,217	6,358,606	2,288,372	3,529,647
Total revenue	31,425,384	37,218,112	40,484,544	40,487,801	42,397,586	44,422,179	41,613,589	44,221,117	42,794,396	46,985,040
Expenditures										
Instruction										
Regular instruction	12,199,679	12,606,792	13,700,314	13,494,303	13,581,728	12,767,846	12,752,750	13,445,495	13,286,716	9,859,848
Special education instruction	2,211,778	2,390,129	2,652,142	3,022,687	2,938,073	3,007,737	3,315,117	3,385,910	3,300,584	7,086,135
Other instruction	473,763	560,358	599,380	612,101	618,840	699,700	724,129	708,381	740,191	761,140
Support Services:										
Tuition	1,973,685	1,812,041	1,835,093	1,766,824	1,829,007	1,526,332	1,285,931	1,082,411	1,703,269	1,938,045
Student & instruction related services	4,904,095	5,663,426	5,462,408	5,738,458	5,997,005	6,411,842	5,728,063	5,962,736	5,899,736	6,108,433
School administrative services	1,076,289	1,173,996	1,297,941	1,295,594	1,277,932	1,191,287	1,321,147	1,372,722	1,414,975	1,309,274
General and business admin. services	783,867	813,569	1,025,155	1,121,150	1,002,387	1,078,691	1,082,310	1,005,671	886,877	1,002,739
Plant operations and maintenance	2,423,624	2,497,762	2,880,972	3,308,431	3,442,825	3,842,918	3,991,713	4,135,811	3,375,321	3,923,102
Pupil transportation	655,462	709,293	851,513	966,942	1,069,041	983,653	897,593	945,914	897,120	1,066,666
Other support services	4,630,438	6,079,013	6,866,531	7,448,366	9,379,285	8,720,727	7,428,835	8,553,156	8,916,116	9,007,766
Special Schools	347,528	295,324	337,410	350,027	353,114	164,228	162,394	166,877	148,797	145,754
Transfer to Charter Schools						28,727	31,977	41,001	51,919	104,120
Capital outlay	420,846	473,805	785,053	311,924	716,036	337,427	359,674	1,195,810	380,101	525,212
Debt service:										
Principal	590,000	615,000	645,000	665,000	680,000	705,000	705,000	650,000	780,000	885,000
Interest and other charges	859,611	826,736	792,374	616,696	678,755	641,280	603,055	568,362	538,368	369,482
Total expenditures	33,550,665	36,517,244	39,731,286	40,718,503	43,564,028	42,107,395	40,387,688	43,218,457	42,320,090	44,092,716
Excess (Deficiency) of revenues over (under) expenditures	(2,125,281)	700,868	753,258	(230,702)	(1,166,442)	2,314,784	1,225,901	1,002,660	474,306	2,893,324
Other Financing sources (uses)										
Capital lease										
Transfers in	2,051,980	2,181,566	2,243,566	2,153,357	2,383,469	2,469,951	270,891	303,451	256,128	164,748
Transfers out	(2,068,652)	(2,181,566)	(2,243,566)	(2,138,308)	(2,383,469)	(2,469,951)	(270,891)	(303,451)	(256,128)	(164,748)
Total other financing sources (uses)	(16,672)	-	-	15,049	-	-	-	-	-	-
Net change in fund balances	\$ (2,141,953)	\$ 700,868	\$ 753,258	\$ (215,653)	\$ (1,166,442)	\$ 2,314,784	\$ 1,225,901	\$ 1,002,660	\$ 474,306	\$ 2,893,324
Debt service as a percentage of noncapital expenditures	4.38%	4.00%	3.69%	3.17%	3.17%	3.22%	3.27%	2.90%	3.14%	2.88%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Gloucester City School District
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Transportation Fees	Prior Year Refunds	Admission Fees	E-Rate	Rentals	Summer School	Miscellaneous	Total
2003	\$ 57,368	\$ 505,342	\$ 7,125	\$ 19,451	\$ 9,273					\$ 598,559
2004	31,490	602,426	6,574	225,817	22,845				8,065	897,217
2005	71,560	627,850	3,731	95,618	7,862				12,194	818,815
2006	151,388	598,543	7,922	182,215	10,060	\$ 57,495				1,007,623
2007	233,538	624,067	6,357	10,861	8,599	23,522			28,412	935,356
2008	183,136	735,393	5,288	47,125	10,001	39,447		\$ 14,455	33,612	1,068,457
2009	61,148	860,752	8,502	21,706	7,613	44,243		15,065	2,983	1,022,012
2010	42,429	1,108,520	9,959	5,426	11,169	120,975	\$ 5,715	13,595	10,938	1,328,726
2011	32,224	1,326,699		14,661	9,932		6,140	16,230	32,401	1,438,287
2012	21,015	1,528,120	22,609	367,138	14,068				2,643	1,955,593
	<u>\$ 885,296</u>	<u>\$ 8,517,712</u>	<u>\$ 78,067</u>	<u>\$ 990,018</u>	<u>\$ 111,422</u>	<u>\$ 285,682</u>	<u>\$ 11,855</u>	<u>\$ 59,345</u>	<u>\$ 131,248</u>	<u>\$11,070,645</u>

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Source: District records

**Gloucester City School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2003	\$ 6,522,500	\$ 256,065,400	\$ 75,739,400	\$ 13,342,000	\$ 4,569,600	\$ 356,238,900	\$ 5,800,413	\$ 362,039,313	\$ 100,298,300	\$ 0.926	\$ 373,993,597
2004	6,685,800	256,337,700	74,765,300	13,005,500	4,569,600	355,363,900	5,056,698	360,420,598	99,684,400	0.945	407,325,947
2005	6,503,300	255,242,100	75,066,000	13,005,500	4,658,200	354,475,100	4,711,153	359,186,253	102,064,700	0.943	412,056,524
2006	6,445,200	254,412,100	74,235,600	7,606,800	4,657,100	347,356,800	3,879,696	351,236,496	112,054,700	0.977	474,085,976
2007	8,568,400	255,443,700	73,618,500	7,091,700	4,653,100	349,375,400	3,291,449	352,666,849	108,770,100	0.920	561,817,706
2008	6,845,200	262,553,900	74,025,900	7,026,700	4,653,100	355,104,800	2,941,417	358,046,217	108,802,800	0.954	650,877,617
2009	6,075,200	266,275,400	73,764,900	7,044,400	2,953,100	356,113,000	2,220,549	358,333,549	110,751,000	0.977	653,078,363
2010	6,127,200	266,830,300	72,458,000	7,084,500	2,888,100	355,388,100	2,183,417	357,571,517	110,454,900	1.052	716,705,059
2011	5,961,800	267,015,700	72,664,800	6,247,500	2,888,100	354,777,900	2,197,817	356,975,717	108,746,700	1.083	727,015,452
2012	5,649,600	266,507,400	71,803,400	6,272,200	2,828,600	353,061,200	2,389,446	355,450,646	109,103,300	1.098	Not available

Source:
Municipal Tax Assessor

Note:
Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100 of assessed valuation.

**Gloucester City School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)**

J-7

Fiscal Year Ended June 30,	Gloucester City School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Rate
	Basic Rate	General Obligation Debt Service	Total Direct	City of Gloucester	Library	Camden County	
2003	\$ 0.778	\$ 0.148	\$ 0.926	\$ 1.491		\$ 0.933	\$ 3.350
2004	0.789	0.156	0.945	1.624		0.929	3.498
2005	0.784	0.159	0.943	1.801		0.888	3.632
2006	0.821	0.156	0.977	1.928		1.018	3.923
2007	0.800	0.120	0.920	2.156		1.049	4.125
2008	0.806	0.148	0.954	2.433		1.080	4.467
2009	0.836	0.140	0.976	2.635		1.130	4.741
2010	0.872	0.180	1.052	2.726		1.226	5.004
2011	0.893	0.190	1.083	2.715	\$ 0.063	1.363	5.224
2012	0.908	0.190	1.098	2.720	0.057	1.269	5.144

Source: Municipal Tax Collector

**Gloucester City School District
Principal Property Tax Payers,
Current Year and Nine Years Ago**

129

Taxpayer	2012		Taxpayer	2003	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
GMT Realty LLC	\$ 22,743,700	6.40%	Gloucester Terminal	\$ 24,107,400	6.66%
BKEP Materials LLC	6,013,000	1.69%	Semimaterials, LP	6,013,000	1.66%
Bell Atlantic	2,389,446	0.67%	Bell Atlantic	601,045	0.17%
John Jeffrey Corporation	2,056,200	0.58%	Amspec Chemical Corp.	5,338,700	1.47%
PSE&G	1,629,200	0.46%	John Jeffrey Corporation	2,625,000	0.73%
DNE Imports, Inc	1,598,100	0.45%	Individual Taxpayer #1	2,006,200	0.55%
GAF Building Materials Corp	1,325,100	0.37%	Individual Taxpayer #2	1,967,700	0.54%
Holt c/o Passaic Properties LLC	1,303,700	0.37%	Jai Amba Gloucester, LLC	1,820,500	0.50%
JAI Swaminarayan Gloucester LLC	1,300,100	0.37%	PSE&G	1,804,800	0.50%
Crescent Mobile Home Park, LLC	1,275,300	0.36%	Steven Bloom	1,774,000	0.49%
Total	\$ 41,633,846	11.71%		\$ 48,058,345	13.27%

Source: Municipal Tax Assessor

**Gloucester City School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

J-9

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Calendar Year</u>	<u>Collected within the Fiscal Year of the Levy ^a</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2003	\$ 3,396,072	\$ 3,396,072	100.00%	-
2004	3,423,283	3,423,283	100.00%	-
2005	3,432,978	3,432,978	100.00%	-
2006	3,419,497	3,419,497	100.00%	-
2007	3,467,876	3,467,876	100.00%	-
2008	3,257,333	3,257,333	100.00%	-
2009	3,499,320	3,499,320	100.00%	-
2010	3,582,478	3,582,478	100.00%	-
2011	3,864,929	3,864,929	100.00%	-
2012	3,912,559	3,912,559	100.00%	-

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

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

Gloucester City School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

J-10

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Percentage of Personal Income ^b	Per Capita ^c
	General Obligation Bonda ^a	Capital Leases	Capital Leases	Total District		
2003	\$ 16,700,000	\$ -	\$ -	\$ 16,700,000	4.49%	\$ 1,461
2004	16,085,000	-	-	16,085,000	4.18%	1,413
2005	15,625,000	-	-	15,625,000	3.86%	1,350
2006	14,960,000	-	-	14,960,000	3.57%	1,294
2007	14,280,000	-	-	14,280,000	3.21%	1,241
2008	13,575,000	-	-	13,575,000	2.93%	1,181
2009	12,870,000	-	-	12,870,000	2.65%	1,114
2010	12,220,000	-	-	12,220,000	2.56%	1,059
2011	11,685,000	-	-	11,685,000	2.39%	1,020
2012	10,800,000	-	-	10,800,000	Unavailable	944

Sources:

- a District Records
- b Personal Income has been estimated based upon the municipal population and per capita personal income.
- c Per Capita Personal Income Data provided by the NJ Dept. of Labor and Workforce.

Gloucester City School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands, except per capita)

J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable ^b	Per Capita ^c
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding ^a		
2003	\$ 16,700,000	\$ -	\$ 16,700,000	4.61%	\$ 1,461
2004	16,085,000	-	16,085,000	4.46%	1,413
2005	15,625,000	-	15,625,000	4.35%	1,350
2006	14,960,000	-	14,960,000	4.26%	1,294
2007	14,280,000	-	14,280,000	4.05%	1,241
2008	13,575,000	-	13,575,000	3.79%	1,181
2009	12,870,000	-	12,870,000	3.59%	1,114
2010	12,220,000	-	12,220,000	3.42%	1,059
2011	11,685,000	-	11,685,000	3.27%	1,020
2012	10,800,000	-	10,800,000	3.04%	944

Sources:

- a District Records
- b Net Assessed Valuation provided by Anstract of Ratables, County Board of Taxation
- c Per Capita Personal Inome Data provided by the NJ Dept. of Labor and Workforce.

Gloucester City School District
Ratios of Overlapping Governmental Activities Debt
As of December 31, 2010

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
City of Gloucester	\$ 9,977,585 (1)	100.000%	\$ 9,977,585
Camden County General Obligation Debt	211,014,203 (1)	1.153% (2)	2,432,503
Subtotal, overlapping debt			<u>12,410,088</u>
City of Gloucester School District Direct Debt			<u>10,800,000</u>
Total direct and overlapping debt			<u><u>\$ 23,210,088</u></u>

Sources:

- (1) Entity's Audit Report
- (2) The County percentage is based upon a calculation reflecting the City's share of the 2011 Equalized Valuation. The source for this computation was the 2011 County Abstract of Ratables, provided by the County Board of Taxation.

Legal Debt Margin Calculation for Fiscal Year 2012

	Equalized valuation basis (1)
2011	\$ 609,898,401
2010	679,648,308
2009	668,756,808
	<u>\$ 1,958,303,517</u>
Average equalized valuation of taxable property	<u>\$ 652,767,839</u>
Debt limit (4% of average equalized valuation) (2)	26,110,714
Net bonded school debt (3)	<u>10,800,000</u>
Legal debt margin	<u>\$ 15,310,714</u>

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	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 14,123,754	\$ 14,654,926	\$ 15,246,741	\$ 16,523,973	\$ 18,328,411	\$ 21,138,115	\$ 23,782,730	\$ 25,676,858	\$ 26,647,227	\$ 26,110,714
Total net debt applicable to limit (3)	<u>16,700,000</u>	<u>16,085,000</u>	<u>15,625,000</u>	<u>14,960,000</u>	<u>14,280,000</u>	<u>13,575,000</u>	<u>12,870,000</u>	<u>12,220,000</u>	<u>11,685,000</u>	<u>10,800,000</u>
Legal debt margin	<u>\$ (2,576,246)</u>	<u>\$ (1,430,074)</u>	<u>\$ (378,259)</u>	<u>\$ 1,563,973</u>	<u>\$ 4,046,411</u>	<u>\$ 7,563,115</u>	<u>\$ 10,912,730</u>	<u>\$ 13,456,858</u>	<u>\$ 14,962,227</u>	<u>\$ 15,310,714</u>
Total net debt applicable to the limit as a percentage of debt limit	118.24%	109.76%	102.48%	90.54%	77.92%	64.22%	54.11%	47.59%	43.85%	41.36%

Sources:

- (1) Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 8 district.
- (3) District Records

**Gloucester City School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2002	11,430	\$ 371,852,190	\$ 32,533	5.9%
2003	11,382	384,392,904	33,772	6.1%
2004	11,572	404,499,260	34,955	5.5%
2005	11,558	419,543,842	36,299	8.1%
2006	11,506	444,948,526	38,671	8.6%
2007	11,492	462,667,920	40,260	7.9%
2008	11,553	485,133,576	41,992	10.3%
2009	11,534	477,576,804	41,406	15.8%
2010	11,455	489,357,600	42,720	16.6%
2011	11,445	e	e	16.3%

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development
- ^b Personal income has been established based upon the municipal population and per capita personal income presented.
- ^c Per Capita personal income provided by the NJ Dept. of Labor and Workforce Development.
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development
- ^e Information not available

**Gloucester City School District
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years**

J-16

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Function/Program										
Instruction										
Regular	170	183	178	168	178	177	176	176	176	176
Special education	73	74	78	81	81	83	84	83	83	83
Other special education	6	7	7	7	7	7	7	7	7	7
Other instruction	42	41	40	42	42	42	42	42	42	42
Nonpublic school programs	8	8	7	4	5	5	5	5	2	2
Adult/continuing education programs	20	17	17	17	17	17	17	17	17	17
Support Services:										
Student & instruction related services	30	32	33	34	34	34	34	33	33	33
General administration	3	3	3	3	3	3	3	3	3	3
School administrative services	8	9	8	8	8	8	8	8	8	7
Other administrative services	12	15	15	13	14	14	14	14	14	14
Central services	6	6	6	6	6	6	6	6	6	6
Plant operations and maintenance	44	44	44	44	44	44	44	44	44	44
Pupil transportation	3	2	5	2	2	2	2	2	2	2
Other support services	21	23	24	22	23	23	23	23	23	23
Total	<u>446</u>	<u>464</u>	<u>465</u>	<u>451</u>	<u>464</u>	<u>465</u>	<u>465</u>	<u>463</u>	<u>460</u>	<u>459</u>

Source:
District Personnel Records

Gloucester City School District
 Operating Statistics,
 Last Ten Fiscal Years

J-17

Fiscal Year	Resident Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Junior/Senior High School				
2002	2,137	\$ 31,680,208	\$ 14,824.62	8.54%	266	1:10	1:10	2,169.0	2,027.4	3.90%	93.47%
2004	1,918	34,601,703	18,040.51	21.69%	268	1:10	1:10	2,099.2	1,983.8	-3.22%	94.50%
2005	1,928	37,508,859	19,454.80	7.84%	282	1:09	1:10	2,087.5	1,971.0	-0.56%	94.42%
2006	1,934	39,124,883	20,230.03	3.98%	261	1:12	1:17	2,127.8	2,006.6	1.93%	94.30%
2007	1,863	41,489,237	22,270.12	10.08%	257	1:11	1:09	2,096.5	1,986.7	-1.47%	94.76%
2008	1,884	40,423,688	21,456.31	-3.65%	249	1:10	1:09	2,115.1	2,005.4	0.89%	94.81%
2009	1,836	38,719,959	21,089.30	-1.71%	249	1:11	1:10	2,080.4	1,961.5	-1.64%	94.26%
2010	1,825	40,804,285	22,358.51	6.02%	246	1:11	1:10	2,137.3	1,992.1	2.74%	93.21%
2011	1,754	40,621,621	23,159.42	3.58%	246	1:11	1:10	2,034.6	1,912.0	-4.81%	93.97%
2012	1,733	42,313,022	24,416.05	5.43%	246	1:11	1:10	2,076.7	1,953.9	2.07%	94.09%

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Sources: District records

Note: Enrollment based on annual October district count.

- 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).

**Gloucester City School District
School Building Information
Last Ten Fiscal Years**

J-18

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>District Building</u>										
<u>Cold Springs School (1995)</u>										
Square Feet	117,000	117,000	117,000	117,000	117,000	117,000	117,000	117,000	117,000	117,000
Functional Capacity (students)	635	635	635	635	635	635	635	635	635	635
Enrollment	624	597	633	636	567	618	569	560	569	544
<u>Cold Springs School Early Childhood Center(2005)</u>										
Square Feet	-	-	44,294	44,294	44,294	44,294	44,294	44,294	44,294	44,294
Functional Capacity (students)	-	-	242	242	242	242	242	242	242	242
Enrollment ^a	-	-	227	237	253	238	261	246	269	280
<u>Mary Ethel Costello School (1921)</u>										
Square Feet	74,336	74,336	74,336	74,336	74,336	74,336	77,336	77,336	77,336	77,336
Functional Capacity (students)	354	354	354	354	354	354	354	354	354	354
Enrollment	454	449	420	409	329	359	398	381	381	381
<u>Jr./Sr. High School (orig building - 1960; additions - 2006)</u>										
Square Feet	147,868	147,868	147,868	172,243	172,243	172,243	172,243	172,243	172,243	172,243
Functional Capacity (students)	726	726	726	726	726	726	826	826	826	826
Enrollment	872	875	880	897	874	863	891	811	837	946
<u>Highland Park Adult/Alternative School (approx 1940)</u>										
Square Feet	13,367	13,367	13,367	13,367	13,367	13,367	13,367	13,367	13,367	13,367
Functional Capacity (students)	112	112	112	112	112	112	112	112	112	112
Enrollment	119	111	112	104	125	125	124	149	136	

Number of Schools at June 30, 2012

- Elementary = 3
- Senior High School = 1
- Adult/Alternative School=1
- Other = 1

Source: District Facilities Office

Gloucester City School District
 Schedule of Required Maintenance
 Last Ten Fiscal Years

J-19

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total
* School Facilities											
Mary Ethello Costello School	\$ 25,081	\$ 6,294	\$ 41,790	\$ 64,285	\$ 76,536	\$ 126,465	\$ 143,921	\$ 88,521	\$ 56,650	\$ 151,689	\$ 781,232
Cold Springs School	30,094	21,135	44,384	97,584	40,652	216,916	220,285	185,058	146,242	209,726	1,212,076
High/Junior School	47,634	18,436	34,971	25,846	95,203	381,815	382,502	247,538	175,871	374,289	1,784,105
Highland Park	4,668	5,794	3,098	3,081	5,464	24,089	20,709	6,265	6,299	2,219	81,686
Total School Facilities	<u>\$ 102,809</u>	<u>\$ 51,659</u>	<u>\$ 124,243</u>	<u>\$ 190,796</u>	<u>\$ 217,855</u>	<u>\$ 749,285</u>	<u>\$ 767,417</u>	<u>\$ 527,382</u>	<u>\$ 385,062</u>	<u>\$ 737,923</u>	<u>\$ 3,859,099</u>

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

Source: District records

Gloucester City School District
 Insurance Schedule
 June 30, 2012

J-20

	<u>Coverage</u>	<u>Self-insured Retention</u>	<u>Deductible</u>
School Package Policy (1)			
Building and Contents (All Locations)			
Limits of liability per occurrence	\$ 500,000,000		\$ 5,000
School Leaders Error and Omissions	6,000,000		10,000
Electronic Data Processing	250,000		1,000
General liability	6,000,000		
Automobile liability	6,000,000		
Workers' compensation	Statutory		
Boiler and machinery	100,000,000		5,000
Faithful performance	25,000		500
Educators legal liability	2,000,000		2,500
Surety Bonds (1)			
Treasurer	325,000		1,000
Board Secretary	300,000		1,000

(1) New Jersey School Boards Association Insurance Group

Source: District records

Single Audit Section

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

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-Member of-
American Institute of CPAs
New Jersey Society of CPAs

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

The Honorable President and Members
of the Board of Education
Gloucester City School District
County of Camden
Gloucester City, New Jersey

Compliance

We have audited Gloucester City School District (School District), in the County of Camden, State of New Jersey's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2012. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *OMB Circular A-133 Audits of State, Local Governments, and Non-Profit Organizations*; audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and State of New Jersey Circular 04-04-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the 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 School District's compliance with those requirements.

In our opinion, the Gloucester City School District, in the County of Camden, State of New Jersey complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB and which are described in the accompanying Schedule of Findings and Questioned Costs as items #2012-1 and #2012-2.

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Internal Control Over Compliance

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

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

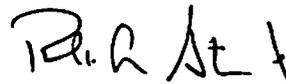
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did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

The Gloucester City School District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit School District's response and, accordingly, we express no opinion on the response.

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

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert A. Stewart
Public School Accountant

Marlton, New Jersey
August 17, 2012

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GLOUCESTER CITY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year ended June 30, 2012

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2011			Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2012		
					(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education														
Passed-through State Department of Education:														
General Fund:														
Education Jobs Fund Fiscal Year 2011	84.410A	N/A	\$ 1,039,669	7/1/10-6/30/12					\$ 1,039,669	\$ (1,039,668)				
Special Revenue Fund:														
Title I:														
Fiscal Year 2011	84.010	NCLB177011	\$ 941,328	8/1/10 - 8/31/11	\$ (574,169)	\$ 386,902		411,519	(204,252)					
Fiscal Year 2012	84.010	NCLB177012	1,018,531	9/1/11 - 8/31/12				487,469	(737,478)		\$ (551,062)	\$ 281,052		
Fiscal Year 2010	84.010	NCLB177010	919,863	9/1/09 - 8/31/10	(219,823)			219,823						
ARRA	84.389	ARRA177010	397,254	9/1/09 - 8/31/11	(89,928)	60,755		89,928	(60,755)					
Title I - SIA:														
Fiscal Year 2010	84.010	NCLB177010	32,024	9/1/09 - 8/31/10	(32,024)			32,024						
Title II A:														
Fiscal Year 2012	84.387	NCLB177012	101,911	9/1/11 - 8/31/12			\$ 300	71,503	(101,678)		(30,108)	235		
Fiscal Year 2011	84.387	NCLB177011	117,833	9/1/10 - 8/31/11	(59,888)	14,371	(293)	55,918	(10,108)					
Title II D:														
Fiscal Year 2010	84.318	NCLB177010	9,118	9/1/09 - 8/31/10	(9,265)			9,265						
Fiscal Year 2011	84.318	NCLB177011	3,600	9/1/10 - 8/31/11	(3,600)	3,600			(3,600)					
Title III:														
Fiscal Year 2012	84.385A	NCLB177012	10,099	9/1/11 - 8/31/12				2,404	(3,201)		(7,695)	8,898		
Title III - Immigrant:														
Fiscal Year 2012	84.385A	NCLB177012	2,687	9/1/11 - 8/31/12					(2,528)		(2,687)	139		
Title IV:														
Fiscal Year 2010	84.188A	NCLB177010	13,619	9/1/09 - 8/31/10	(13,619)			13,619						
Fiscal Year 2009	84.188A	NCLB177009	15,181	9/1/08 - 8/31/09	(1,055)			1,055						
I D.E.A. Part B - Basic:														
Fiscal Year 2012	84.027	FT177012	802,074	9/1/11 - 8/31/12				723,933	(731,495)		(78,141)	70,579		
Fiscal Year 2010	84.027	FT177010	672,231	9/1/09 - 8/31/10	(22,095)			22,095						
Fiscal Year 2011	84.027	FT177011	782,273	9/1/10 - 8/31/11	(191,870)	156,000		78,411	(40,541)					
ARRA	84.391	ARRA177010	684,055	9/1/09 - 8/31/11	(3,849)			3,849						
I D.E.A. Part B - Preschool:														
Fiscal Year 2011	84.173	PSH177011	25,745	9/1/10 - 8/31/11	(10,200)	4,252	\$ 1,333	8,043	(2,095)	\$ (1,333)				
Fiscal Year 2012	84.173	PSH177012	28,208	9/1/11 - 8/31/12				28,208	(24,632)			1,574		
ARRA	84.392	ARRA177010	24,851	9/1/09 - 8/31/11	(253)			253						
21st Century:														
Fiscal Year 2011	84.287C	11-EK16-H05	404,133	9/1/10 - 8/31/11	(185,752)	82,142		140,982	(37,972)					
Fiscal Year 2012	84.287C	12-EK16-H05	404,133	9/1/11 - 8/31/12				361,288	(382,431)		(42,865)	21,702		
Carl Perkins:														
Fiscal Year 2011	84.048A	PERK-1770-11	29,181	9/1/10 - 8/31/11	(28,020)			28,020						
Fiscal Year 2012	84.048A	PERK-1770-12	26,133	9/1/11 - 8/31/12				16,254	(25,471)		(9,839)	682		
Fiscal Year 2009	84.048A	PERK-1770-09	17,004	9/1/08 - 8/31/09							(69)			
Total U.S. Department of Education					(1,445,430)	688,022	1,402	7	3,825,170	(3,407,305)	(1,402)	(722,377)	382,841	
U.S. Department of Agriculture														
Passed-through State Department of Education:														
Food Distribution Program:														
Fiscal Year 2012	10.550	N/A	\$ 56,990	7/1/11 - 6/30/12				56,990	(56,990)					
National School Lunch Program Fiscal Year 2012	10.555	N/A	528,412	7/1/11 - 6/30/12				501,685	(528,412)		\$ (24,747)			
After School Snack Program Fiscal Year 2012	10.554	N/A	30,870	7/1/11 - 6/30/12				30,410	(30,870)		(460)			
School Breakfast Program: Fiscal Year 2012	10.553	N/A	148,259	7/1/11 - 6/30/12				140,405	(148,259)		(7,854)			
Fresh Fruit and Vegetable Program: Fiscal Year 2012	10.582	N/A	43,258	7/1/11 - 6/30/12				43,258	(43,258)					
Total U.S. Department of Agriculture								772,728	(805,789)		(33,061)			
U.S. Department of Health and Human Services														
Passed-through State Department of Human Services:														
Medicaid Assistance Program:														
Fiscal Year 2011	93.778	N/A	111,484	7/1/10 - 6/30/11	(48,817)			48,817						
Fiscal Year 2012	93.778	N/A	122,342	7/1/11 - 6/30/12				87,314	(122,342)		(35,028)			
Total U.S. Department of Health and Human Services					(48,817)			138,131	(122,342)		(35,028)			
Total Federal Awards					\$ (1,494,247)	\$ 688,022	\$ 1,402	\$ 7	\$ 4,734,020	\$ (4,335,436)	\$ (1,402)	\$ (790,466)	\$ 382,841	\$ -

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

GLOUCESTER CITY SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year ended June 30, 2012

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2011			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2012		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor				(Accounts Receivable)	Deferred Revenue	Due to Grantor
State Department of Education												
General Fund												
Equalization Aid	12-495-034-5120-078	\$ 18,534,355	7/1/11- 6/30/12				\$ 15,581,648	\$ (18,534,355)		\$ (2,952,707)		
Equalization Aid	11-495-034-5120-078	19,458,872	7/1/10- 6/30/11	\$ (2,760,351)			2,760,351					
Categorical Special Aid	12-495-034-5120-089	931,684	7/1/11- 6/30/12				931,684	(931,684)				
Transportation Aid	12-495-034-5120-014	228,565	7/1/11- 6/30/12				228,565	(228,565)				
Security Aid	12-495-034-5120-084	579,622	7/1/11- 6/30/12				579,622	(579,622)				
Adjustment Aid	12-495-034-5120-085	10,144,035	7/1/11- 6/30/12				10,144,035	(10,144,035)				
Extraordinary Special Education Costs Aid	12-495-034-5120-044	392,488	7/1/11- 6/30/12					(392,488)		(392,488)		
Extraordinary Special Education Costs Aid	11-495-034-5120-044	251,558	7/1/10- 6/30/11	(251,558)			251,558					
Anti-Bullying Aid	Not available	23,129	7/1/11- 6/30/12				23,129	(23,129)				
On-behalf TPAF Pension Contribution	12-495-034-5095-001	1,578,002	7/1/11- 6/30/12				1,578,002	(1,578,002)				
Reimbursed TPAF Social Security Contr.	11-495-034-5095-002	1,189,174	7/1/10- 6/30/11	(202)			202					
Reimbursed TPAF Social Security Contr.	12-495-034-5095-002	1,273,045	7/1/11- 6/30/12				1,272,941	(1,273,045)		(104)		
Total General Fund				(3,012,111)			33,351,737	(33,684,825)		(3,345,299)		
Special Revenue Fund:												
NJ Nonpublic Aid:												
Textbook Aid	11-100-034-5120-064	52,009	7/1/10- 6/30/11			\$ 3,068			\$ (3,068)			
Textbook Aid	12-100-034-5120-064	41,402	7/1/11- 6/30/12				41,402	(31,842)			\$ 9,560	
Nursing Aid	12-100-034-5120-070	59,137	7/1/11- 6/30/12				59,137	(46,081)				13,056
Auxiliary Services:												
Compensatory Education	12-100-034-5120-067	217,250	7/1/11- 6/30/12				217,250	(81,487)				135,763
Compensatory Education	11-100-034-5120-067	230,416	7/1/10- 6/30/11			44,194			(44,194)			
Transportation	11-100-034-5120-067	12,524	7/1/10- 6/30/11			6,430			(6,430)			
Transportation	12-100-034-5120-067	13,589	7/1/11- 6/30/12				13,589	(3,811)				9,778
English as a Second Language	11-100-034-5120-067	854	7/1/10- 6/30/11			854			(854)			
Home Instruction	11-100-034-5120-067	851	7/1/10- 6/30/11	(851)			851					
Home Instruction	12-100-034-5120-067	10,645	7/1/11- 6/30/12					(10,345)		(10,345)		
Handicapped Services:												
Supplemental Instruction	12-100-034-5120-066	31,568	7/1/11- 6/30/12				31,568	(19,572)				11,996
Supplemental Instruction	11-100-034-5120-066	38,216	7/1/10- 6/30/11			11,835			(11,835)			
Examination & Classification	12-100-034-5120-066	61,341	7/1/11- 6/30/12				61,341	(37,833)				23,508
Examination & Classification	11-100-034-5120-066	41,936	7/1/10- 6/30/11			5,905			(5,905)			
Corrective Speech	11-100-034-5120-066	39,116	7/1/10- 6/30/11			21,020			(21,020)			
Corrective Speech	12-100-034-5120-066	30,014	7/1/11- 6/30/12				30,014	(474)				29,540
Preschool Education Aid	12-495-034-5120-086	2,920,972	7/1/11- 6/30/12				2,628,875	(2,920,972)		(292,097)		
Preschool Education Aid	11-495-034-5120-086	2,883,841	7/1/10- 6/30/11	(288,384)			288,384					
Total Special Revenue Fund				(288,235)		93,106	3,372,411	(3,152,417)		(83,106)	(302,442)	233,201
Debt Service Fund:												
Debt Service Aid Type II	12-495-034-5120-017	654,871	7/1/11- 6/30/12				654,871	(654,871)				
Total Department of Education				(3,301,346)		93,106	37,379,019	(37,492,213)	(83,106)	(3,647,741)		233,201
State Department of Agriculture												
National School Lunch Program (State Share) Fiscal Year 2012	12-100-010-3350-023	12,918	7/1/11- 6/30/12				12,319	(12,918)		(599)		
Total Department of Agriculture							12,319	(12,918)		(599)		
Total State Financial Assistance				\$ (3,301,346)	\$ -	\$ 93,106	\$ 37,391,338	\$ (37,505,131)	\$ (83,106)	\$ (3,648,340)	\$ -	\$ 233,201

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The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an Integral part of this schedule.

**Gloucester City School District
Notes to Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2012**

I. GENERAL

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

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state 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 bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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 the 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 state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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 state aid payment 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 (\$192,356) for the general fund and \$288,384 for the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 1,162,011	\$ 33,492,569	\$ 34,654,580
Special Revenue	2,367,636	3,440,801	5,808,437
Debt Service		654,871	654,871
Food Service	<u>805,789</u>	<u>12,918</u>	<u>818,707</u>
Total	<u>\$ 4,335,436</u>	<u>\$ 37,601,159</u>	<u>\$ 41,936,595</u>

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

**Gloucester City School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2012
(Continued)**

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2012. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

6. MAJOR PROGRAMS

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

7. ADJUSTMENTS

Amounts reported in the column entitled "Adjustments" represent the following:

	Federal
Prior Year Adjustments	\$ 7
	\$ 7

**GLOUCESTER CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Section 1 – Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: UNQUALIFIED

Internal control over financial reporting:

Material weaknesses identified? yes X no

Significant deficiencies identified that are not considered to be a material weakness? yes X none reported

Noncompliance material to general purpose financial statements noted? yes X no

Federal Awards

Internal Control over major programs:

Material weaknesses identified? yes X no

Significant deficiencies identified that are not considered to be a material weakness? yes X none reported

Type of auditor's report on compliance for major programs: UNQUALIFIED

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>I.D.E.A. - Basic</u>
<u>84.389</u>	<u>ARRA - NCLB - Title I</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>84.410</u>	<u>NCLB - Title I</u>
<u>84.410A</u>	<u>Education Jobs Fund</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? yes X no

**GLOUCESTER CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Section 1 – Summary of Auditor's Results (Continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$1,125,154

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

Material weaknesses identified? yes X no

Significant deficiencies identified that are not considered to be a material weakness? yes X none reported

Type of auditor's report on compliance for major programs: UNQUALIFIED

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04? X yes no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>12-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>12-495-034-5095-002</u>	<u>TPAF Rimbursed Social Security</u>
<u>12-495-034-5120-085</u>	<u>Adjustment Aid</u>
<u>12-100-010-3350-023</u>	<u>National School Lunch Program (State Share)</u>
<u>12-495-034-5120-086</u>	<u>Preschool Education Aid</u>
<u>12-495-034-5120-017</u>	<u>Debt Service Aid</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

**GLOUCESTER SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Section 2 -- Schedule of Financial Statement Findings

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

None

**GLOUCESTER CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

***Section 3 -- Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs***

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

FEDERAL AWARDS

Finding #2012-1

Information on the federal program:

No Child Left Behind - Title I, C.F.D.A. No. 84.010A

Criteria or specific requirement:

Federal regulations pursuant to OMB Circular A-87 and New Jersey Department of Education regulations require that all costs charged to a program be documented, supported and incurred within the grant period of availability.

Condition:

Purchase orders were charged to the 2010/2011 Title I grant after the period of availability had ended.

Questioned Costs:

Purchase orders were inappropriately charged to the 2010/2011 Title I grant after the period of availability had ended resulting in questioned costs totaling \$34,208.65.

Context:

The final grant expenditure report is not compared to the financial accounting records prior to submittal.

Effect:

The amount expended in the final Title I 2010/2011 close-out report was overstated.

Cause:

Oversight on part of the grant coordinator and the business administrator.

Recommendation:

The School District should compare the final close-out reports to the financial accounting records prior to submittal.

Management's response:

Management agrees with the above finding and will address the matter as part of their corrective action plan.

**GLOUCESTER CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**Section 3 -- Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs
(Continued)**

STATE AWARDS

Finding #2012-2

Information on the state program:

Preschool Education Aid – State Grant No. 495-034-5120-086
Debt Service Aid – State Grant No. 495-034-5120-017

Criteria or specific requirement:

N.J.A.C. 6A:23-2.2(f) requires the adoption of a chart of accounts and the proper charging of expenses in compliance with the chart of accounts.

Condition:

Our examination of current year expenditures revealed immaterial instances of improper charging of budget line accounts.

Questioned Costs:

None.

Context:

Our test of expenditures disclosed six purchase orders that were charged to the incorrect budget line account within the Preschool Education Program and that one principal payment on debt was charged to interest.

Effect:

Improper charges may result in budget line accounts being overexpended.

Cause:

Unknown

Recommendation:

That all School District expenditures be charged to the proper budget line accounts pursuant to N.J.A.C. 6A:23-2.2(f).

Management's response:

Management agrees with the above finding and will address the matter as part of their corrective action plan.

**GLOUCESTER CITY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENED JUNE 30, 2012**

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

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings.

FEDERAL AWARDS

Finding #2011-1

Condition:

The final close out report for the IDEA Part B, Basic 2009-2010 program did not agree to the school district's accounting records.

Current Status:

This condition has not been corrected as reported in Finding #2012-1.

STATE AWARDS

There were no prior year audit findings.