

**BOARD OF EDUCATION
OF THE
GLOUCESTER TOWNSHIP SCHOOL DISTRICT
BLACKWOOD, NEW JERSEY**



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

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INTRODUCTORY SECTION



Gloucester Township Public Schools

John Bilodeau
Interim Superintendent of Schools

Administrative Offices
17 Erial Road • Blackwood, NJ 08012 • 856-227-1400

December 3, 2012

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

Dear Board Members:

The comprehensive annual financial report of the Gloucester Township School District for the fiscal year ended June 30, 2012 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the School District. 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 of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. 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.

REPORTING ENTITY AND ITS SERVICES:

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

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, as well as special education for handicapped youngsters. The District completed the 2011-2012 fiscal year with an average daily enrollment of 7,025.3 students, which is 315 students less than the previous year's enrollment. The following details the changes in the 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>
2011-12	7,025.3	(4.29%)
2010-11	7,340.3	(1.20%)
2009-10	7,428.9	(1.41%)
2008-09	7,535.3	(1.13%)
2007-08	7,621.2	(1.70%)
2006-07	7,753.2	(1.15%)
2005-06	7,843.7	(0.98%)
2004-05	7,921.2	(0.76%)
2003-04	7,981.7	(0.44%)
2002-03	8,016.8	(0.14%)

ECONOMIC CONDITION AND OUTLOOK:

Similar to most New Jersey communities, Gloucester Township's general economic condition has been adversely impacted by the current global recession. Accordingly nominal private-sector growth has resulted in recent years.

INTERNAL ACCOUNTING CONTROLS:

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

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

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

BUDGETARY CONTROLS:

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

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

ACCOUNTING SYSTEM AND REPORTS:

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

CASH MANAGEMENT:

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

RISK MANAGEMENT:

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

BUSINESS OPERATIONS:

The Gloucester Township School District is unique in that it actively finds ways to reduce administrative costs through joint purchasing, shared services and cooperative pricing agreements with neighboring school districts and municipalities.

The School District acts as lead agency for the purchase of Waste Removal and commodities for the regional high school district and the municipality. The District also participates in a statewide consortium for the purchase of electricity, natural gas, and telephone services.

In addition, the District continues to realize savings for the taxpayers by acting as lead agency for the joint purchasing system that has been in existence for the past fifteen years. This jointure provides purchasing services for the elementary school district, the regional high school district, the local municipality, and other surrounding school districts.

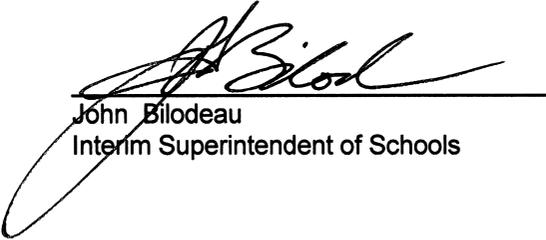
INDEPENDENT AUDIT:

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.

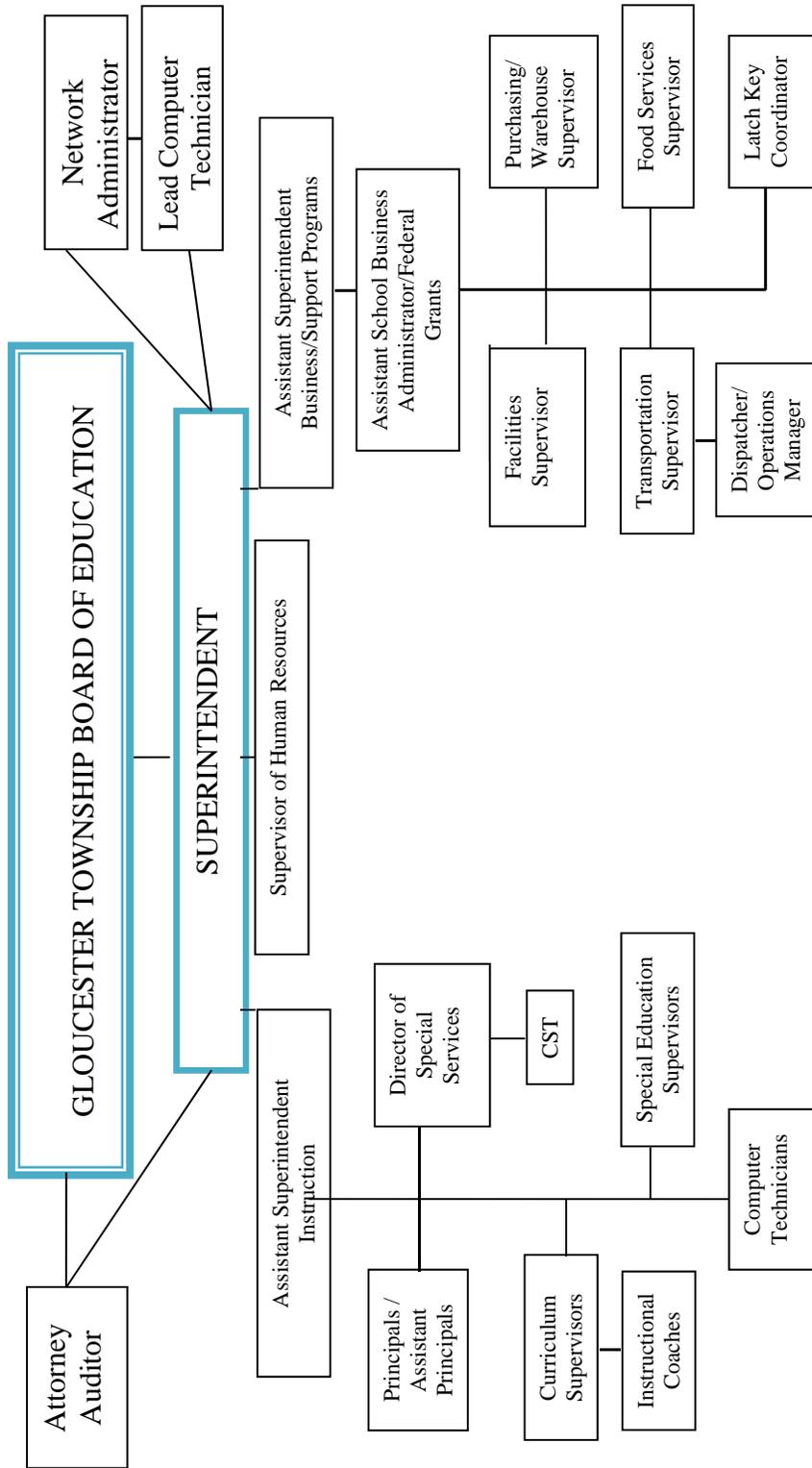
The Auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the Gloucester Township Board of Education for providing an outstanding educational program that includes fiscal responsibility and accountability to the citizens and taxpayers of Gloucester Township. The preparation of this report could not have been accomplished without the assistance and information provided by an outstanding administrative team.



John Bilodeau
Interim Superintendent of Schools



June 2012

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT
COUNTY OF CAMDEN
STATE OF NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2012**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Linda K. Gilch, President	2013
Ellen Reese, Vice President	2013
Raymond J. Carr	2012
William G. Collins	2013
Marianne Coyle	2014
William Fontanez	2012
Joseph F. Gunn	2014
Andrew R. Lalli	2014
Felicia Reid	2012
 <u>Other Officials</u>	
Thomas D. Seddon, Superintendent	
John Bilodeau, Board Secretary/ Asst. Superintendent for Business	

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT
COUNTY OF CAMDEN
STATE OF NEW JERSEY**

CONSULTANTS AND ADVISORS

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORY

Columbia Bank
19-01 Route 208
Fair Lawn, NJ 07410

INSURANCE ADVISOR/BROKER

The Dalton Agency
T/A Brown & Brown
206 W. High Street
Glassboro, NJ 08028

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

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 Township 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 as listed in the table of contents. These financial statements are the responsibility of the Gloucester Township School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we 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 the 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 previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Gloucester Township 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 November 30, 2012 on our consideration of the Gloucester Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gloucester Township School District's financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gloucester Township School District's basic financial statements. The introductory section and statistical section listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Todd R. Saler

Todd R. Saler
Certified Public Accountant
Public School Accountant No. CS 02195

Voorhees, New Jersey
November 30, 2012

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

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

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 Township 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 November 30, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Todd R. Saler

Todd R. Saler
Certified Public Accountant
Public School Accountant No. CS 02195

Voorhees, New Jersey
November 30, 2012

REQUIRED SUPPLEMENTARY INFORMATION
PART I

Gloucester Township School District

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2012

This section of the Gloucester Township School District annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2012. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

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

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2011-12 fiscal year include the following:

- Net Assets for Governmental and Business-Type activities were \$44,965,982 and \$1,424,804 respectively.
- Net Assets for both activities increased by \$5,867,767 from July 1, 2011 to June 30, 2012.
- The General Fund, fund balance as of June 30, 2012 was \$15,705,049, an increase of \$4,431,875 when compared with the beginning balance of \$11,273,174 as of July 1, 2011.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

**Gloucester Township School District
Gloucester Township, New Jersey**

**Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2012**

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Table A-1 summarizes the major features of the Gloucester Township School District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Table A-1

MAJOR FEATURES OF THE DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

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

District-wide Statements

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

**Gloucester Township School District
Gloucester Township, New Jersey**

**Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2012**

District-wide Statements (Cont'd)

The two district-wide statements report the Gloucester Township School District's net assets and how they have changed. Net assets – the difference between the district's assets and liabilities – are a measure of the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether the financial position is improving or deteriorating, respectively.
- To assess the overall health of the district you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the district's activities are shown in two categories:

- *Governmental activities*- Most of the District's basic services are included here, such as regular and special education, transportation, administration, and maintenance. Aid from the State of New Jersey and from the Federal government along with local property taxes finances most of these activities.
- *Business-type activities*-The District charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Fund and Latchkey Program Fund are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds – focusing on the most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The District has three kinds of funds:

- **Governmental funds** - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- **Proprietary funds** - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
- **Fiduciary funds** – The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

**Gloucester Township School District
Gloucester Township, New Jersey**

**Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2012**

FINANCIAL ANALYSIS OF THE GLOUCESTER TOWNSHIP SCHOOL DISTRICT AS A WHOLE

Net Assets. The District's net assets for **governmental and business-type activities** were \$44,965,983 and \$1,424,804, respectively, as of June 30, 2012. (See Table A-2)

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	\$ 18,357,875	\$ 14,841,925	\$ 1,517,797	\$ 1,612,692	\$ 19,875,672	\$ 16,454,617
Capital Assets	52,267,282	53,060,750	181,693	164,736	52,448,975	53,225,486
Total Assets	70,625,157	67,902,675	1,699,490	1,777,428	72,324,647	69,680,103
Long-term Liabilities	20,456,199	24,034,303	126,650	120,650	20,582,849	24,154,953
Other Liabilities	5,202,976	4,935,154	148,036	66,977	5,351,012	5,002,131
Total Liabilities	25,659,175	28,969,457	274,686	187,627	25,933,861	29,157,084
Net Assets						
Invested in capital assets, net of related debt	29,088,160	26,644,828	181,693	164,736	29,269,853	26,809,564
Restricted	13,483,866	10,424,564			13,483,866	10,424,564
Unrestricted	2,393,957	1,863,826	1,243,111	1,425,065	3,637,068	3,288,891
Total Net Assets	\$ 44,965,983	\$ 38,933,218	\$ 1,424,804	\$ 1,589,801	\$ 46,390,787	\$ 40,523,019

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

- Program revenues were \$18,707,823.
 - ✓ Operating Grants & Contributions--\$14,326,001.
 - ✓ Charges for Services--\$4,381,822.
- General revenues, Special Items, Extraordinary Items and Transfers amounted to \$96,342,710.
- Net Expenditures were \$90,474,942.
- Total District revenues and beginning assets are adjusted by net adjusted expenditures resulting in a calculation of net assets of \$46,390,786 as of June 30, 2012.
- Revenues (\$96,342,710) + Beginning assets (\$40,523,019) – Net expenditures (\$90,474,942) = Net Assets of \$46,390,787.

**Gloucester Township School District
Gloucester Township, New Jersey**

**Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2012**

Change in Net Assets. Net assets for governmental and business-type activities increased by \$5,867,768 during the period from July 1, 2011 to June 30, 2012. (See Table A-3)

Table A-3			
Gloucester Township School District's Changes in Net Assets			
	2012	2011	Increase/ Decrease
Revenues			
Program revenues:			
Charges for services	\$ 4,381,823	\$ 4,476,677	\$ (94,854)
Operating Grants and Contributions	14,326,001	12,537,543	1,788,458
General revenues			
Property taxes	43,036,028	42,724,666	311,362
State and Federal Aid	52,639,922	50,209,897	2,430,025
Other	666,760	941,777	(275,017)
Total revenues	<u>115,050,534</u>	<u>110,890,560</u>	<u>4,159,974</u>
Expenses			
Governmental Activities:			
Instruction:			
Regular	35,280,362	33,720,137	1,560,225
Special Education	9,238,521	8,724,619	513,902
Other Instruction	2,042,166	2,139,988	(97,822)
Non-Public School Programs	1,157	1,364	(207)
Community Service Programs	6,000	6,000	-
Support Services:			
Tuition	4,002,479	3,434,399	568,080
Student & Instruction Related Services	8,718,777	8,343,288	375,489
School Administrative Services	3,193,051	3,202,290	(9,239)
General and Business Administrative Services	3,156,096	3,229,557	(73,461)
Plant Operations and Maintenance	6,371,859	6,606,280	(234,421)
Pupil Transportation	7,868,327	7,738,205	130,122
Unallocated Benefits	22,759,680	20,275,643	2,484,037
Transfer to Charter Schools	1,088,627	45,965	1,042,662
Interest on Long-term Debt	1,146,507	1,315,649	(169,142)
Amortization of Bond Issuance Costs	38,067	25,612	12,455
Total Expenses--Governmental Activities	<u>104,911,675</u>	<u>98,808,996</u>	<u>6,102,679</u>
Business-Type Activities:			
Food Service	2,869,290	2,854,773	14,517
Latchkey	1,401,800	1,341,495	60,305
Total Expenses--Business-Type Activities	<u>4,271,091</u>	<u>4,196,268</u>	<u>74,823</u>
Total Expenses	<u>109,182,766</u>	<u>103,005,264</u>	<u>6,177,501</u>
Net Increase/(Decrease) in Net Assets	<u>5,867,768</u>	<u>7,885,296</u>	<u>(2,017,528)</u>
Net Assets July 1	<u>40,523,019</u>	<u>32,637,723</u>	<u>7,885,296</u>
Net Assets June 30	<u>\$ 46,390,787</u>	<u>\$ 40,523,019</u>	<u>\$ 5,867,768</u>

**Gloucester Township School District
Gloucester Township, New Jersey**

**Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2012**

Total revenues for the District were \$115,050,534. Government funding of \$66,965,923 was the source of 58.2% of the district's revenues. This includes the State of New Jersey and Federal sources.

Property taxes of \$43,036,028 provided 37.4% of revenues, slightly down from 38.5% in 2011.

Other miscellaneous revenues of \$666,760 represent 0.6% of the district revenues. Miscellaneous revenues were primarily provided from interest, rentals, homeless tuition and refunds.

Total revenues exceeded expenses for governmental and business-type activities, increasing net assets by \$5,867,767 from the beginning balance as of July 1, 2011.

The District's expenses for government activities are predominantly related to instruction and support services. Instruction together with tuition totaled \$50,570,684 (48.2%) of total expenditures. Student support services including transportation, exclusive of administration, totaled \$16,587,103 (15.8%) of total expenditures. (See Table A-4)

Table A-4		
Gloucester Township School District's Net Cost of Governmental Activities		
For the Year Ended June 30, 2012		
Governmental Activities:	Total Cost of Services	Net Cost of Services
Instruction:		
Regular	\$ 35,280,362	\$31,074,835.75
Special Education	9,238,521	9,238,521
Other Instruction	2,042,166	2,042,166
Non-Public School Programs	1,157	1,157
Community Service Programs	6,000	6,000
Support Services:		
Tuition	4,002,479	4,002,479
Student & Instruction Related Services	8,718,777	8,134,078
School Administrative Services	3,193,051	3,193,051
General and Business Administrative Services	3,156,096	3,156,096
Plant Operations and Maintenance	6,371,859	6,371,859
Pupil Transportation	7,868,327	6,262,988
Unallocated Benefits	22,759,680	14,878,375
Transfer to Charter Schools	1,088,627	1,088,627
Interest on Long-term Debt	1,146,507	808,320
Amortization of Bond Issuance Costs	38,067	38,067
Total Governmental Activities	\$ 104,911,675	\$ 90,296,619

**Gloucester Township School District
Gloucester Township, New Jersey**

**Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2012**

Activity Descriptions

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

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

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

School Administrative and General and Business Administrative services include expenses associated with establishing and administering policy for the District including financial supervision.

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

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

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

Interest on long-term debt and amortization of bond issuance costs involve the transactions associated with the payment of interest and other related charges to the debt of the District.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The financial performance of the Gloucester Township School District as a whole is also reflected in the governmental funds which are accounted for using the modified accrual basis of accounting. As the District completed the year, its governmental funds reported a combined fund balance of \$17,150,930. At the end of the 2010-11 school year, the fund balance was \$13,503,840.

All governmental funds had total revenues of \$109,330,388, total expenditures of \$102,427,859 and net other financing uses of \$3,255,439.

GENERAL FUND BUDGETING HIGHLIGHTS

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

The General Fund includes the primary operations of the District in providing educational services to students from Kindergarten through Grade 8 including pupil transportation activities and capital outlay projects.

**Gloucester Township School District
Gloucester Township, New Jersey**

**Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2012**

The following schedule (Table A-5) presents a summary of General Fund Revenues. The summary reflects the dollar and percent increase (decrease) from the prior year.

Table A-5				
Gloucester Township School District Summary of General Fund Revenues				
	<u>Year Ended June 30, 2012</u>	<u>Year Ended June 30, 2011</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Local sources:				
Local tax levy	\$40,435,550.00	\$ 39,936,815	\$ 498,735	1.2%
Miscellaneous	<u>634,520</u>	<u>909,041</u>	<u>(274,521)</u>	<u>-30.2%</u>
Total - Local Sources	<u>41,070,070</u>	<u>40,845,856</u>	<u>224,214</u>	<u>0.5%</u>
State Sources	57,283,675	54,884,655	2,399,020	4.4%
Federal Sources	<u>1,902,611</u>	<u>171,225</u>	<u>1,731,386</u>	<u>1011.2%</u>
Total - Govt Sources	<u>59,186,285</u>	<u>55,055,880</u>	<u>4,130,405</u>	<u>7.5%</u>
Total Revenues	<u>\$ 100,256,355</u>	<u>\$ 95,901,736</u>	<u>\$ 4,354,619</u>	<u>4.5%</u>

The primary source of funding for the district is received from State sources which accounted for 57.1% of total revenues. Local property taxes accounted for 40.3% of total revenues.

Total General Fund revenue increased by \$4,354,619, or 4.5% from the previous year.

**Gloucester Township School District
Gloucester Township, New Jersey**

**Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2012**

The following schedule (Table A-6) presents a summary of General Fund expenditures. The summary reflects the dollar and percent increases (decreases) from the prior year.

Table A-6				
Gloucester Township School District				
Summary of General Fund Expenditures				
	Year Ended June 30, 2012	Year Ended June 30, 2011	Amount of Increase/ (Decrease)	Percent Increase/ (Decrease)
Current:				
Regular Instruction	\$ 29,873,536	\$ 28,695,105	\$ 1,178,431	4.1%
Special Education Instruction	9,238,521	8,724,619	513,902	5.9%
Other Instruction	2,009,438	2,109,297	(99,859)	-4.7%
Community Service Programs/Operations	6,000	6,000	-	-
Support Services and Undistributed Costs:				
Tuition	4,002,479	3,434,398	568,081	16.5%
Student & Instruction Related Services	8,126,416	7,673,847	452,569	5.9%
School Administrative Services	3,156,084	3,169,321	(13,237)	-0.4%
Other Administrative Services	3,021,415	3,134,785	(113,370)	-3.6%
Plant Operations and Maintenance	6,046,479	6,336,519	(290,040)	-4.6%
Pupil Transportation	6,142,744	5,767,394	375,350	6.5%
Unallocated Employee Benefits	14,779,375	13,782,075	997,300	7.2%
Transfer to Charter Schools	1,088,627	45,965	1,042,662	2268.4%
Transfer to Enterprise Funds		100,000	(100,000)	-100.0%
On-Behalf Payments (Non-Budget)	7,881,305	6,448,040	1,433,265	22.2%
Capital Outlay	675,896	393,305	282,591	71.9%
Total Expenditures	<u>\$ 96,048,315</u>	<u>\$ 89,820,670</u>	<u>\$ 6,227,645</u>	<u>6.9%</u>

Total General Fund expenditures increased \$6,227,645, or 6.9% from the previous year. This increase was largely due to the non-reoccurrence of one-time federal funding as well as contractual labor increases to both regular and special needs programs. In addition, during the 2011-2012 school year, there was a material increase in students attending private schools for the disabled (e.g. tuition) along with their associated related services expenditures. Lastly the district experienced increased costs in both health benefit premium rates and costs associated with capital outlay projects.

The Gloucester Township Board of Education values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during the school year. The amounts of budgeted fund balance designated to support the subsequent year's budgets were \$5,276,893 for the 2012-13 school year and \$1,623,991 for the 2011-12 school year. These fund balances serve a two-fold purpose; (a) they are designated to assist the District in moderating local tax rate impacts from one fiscal year to the next; and (b) they finance capital improvements to the district's physical plant. By illustration, \$2,000,000 was budgeted during the 2012-2013 school year budget for capital expenditures.

Gloucester Township Public Schools has been proactive in its establishment and use of restricted reserve funds to satisfy capital projects as well as emergent issues as the need arises.

During the course of fiscal year 2012 the District modified the General Fund Budget as needed to ensure no line item was projected to be over-expended.

**Gloucester Township School District
Gloucester Township, New Jersey**

**Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2012**

DEBT SERVICE FUND

The current year obligations for payment of debt service principal and interest amounted to \$4,290,596, of which \$2,600,478 in funding was provided by the local tax levy and \$1,444,085 was received as state aid.

FOOD SERVICE FUND

The Food Service Fund had net assets of \$536,341 as of June 30, 2012. This reflects a decrease of \$79,191 from June 30, 2011.

LATCH KEY FUND

The Latchkey Fund had net assets of \$888,463 as of June 30, 2012. This reflects a decrease of \$85,806 from June 30, 2011.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

At the end of 2012, the district had capital assets with a book value of \$52,448,975. This consists of a broad range of capital assets, including land, school buildings, school buses, computer and audio-visual equipment, and administrative offices. Total depreciation expense for the year was \$2,208,162. (See Table A-7)

Table A-7						
Gloucester Township School District's Capital Assets						
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$902,513.48	\$ 902,513			\$ 902,513	\$ 902,513
Construction in Progress	1,820,951	4,128,155			1,820,951	4,128,155
Land Improvements	2,587,447	2,168,767			2,587,447	2,168,767
Buildings and Improvements	71,738,244	69,181,636			71,738,244	69,181,636
Equipment	11,003,709	10,291,524	\$ 1,428,113	\$ 1,378,495	12,431,822	11,670,019
Total Capital Assets	88,052,864	86,672,595	1,428,113	1,378,495	89,480,978	88,051,090
Less:						
Accumulated Depreciation	(35,785,582)	(33,611,845)	(1,246,420)	(1,213,759)	(37,032,002)	(34,825,604)
Net Capital Assets	\$ 52,267,282	\$ 53,060,750	\$ 181,693	\$ 164,736	\$ 52,448,975	\$ 53,225,486

**Gloucester Township School District
Gloucester Township, New Jersey**

**Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2012**

Long-term Obligations

At year-end, the District had \$23,372,579 in general obligation bonds outstanding, a decrease of \$3,204,789 from last year. (See Table A-8)

The District had a liability of \$1,238,616 for compensated absences. This liability represents the District's contractual obligation to compensate employees for accumulated unused sick leave entitlements upon retirement.

Table A-8				
Gloucester Township School District				
Long Term Debt Schedule				
	Balance at <u>June 30, 2012</u>	Balance at <u>June 30, 2011</u>	Increase/ <u>(Decrease)</u>	% <u>Change</u>
Governmental Activities:				
General Obligation Bonds Payable	\$ 23,372,579	\$ 26,577,368	\$ (3,204,789)	-12.1%
Obligations Under Capital Leases	98,471	193,162	(94,691)	-49.0%
Compensated Absences	<u>1,097,841</u>	<u>998,841</u>	<u>99,000</u>	<u>9.9%</u>
	24,568,891	27,769,371	(3,200,480)	-11.5%
Business-type Activities:				
Compensated Absences	<u>140,775</u>	<u>120,650</u>	<u>20,125</u>	<u>16.7%</u>
Total	<u>\$ 24,709,666</u>	<u>\$ 27,890,021</u>	<u>\$ (3,180,355)</u>	<u>-11.4%</u>

THE FUTURE OUTLOOK

The Gloucester Township School District presently maintains a sound financial condition. The State of New Jersey has recently changed many laws regarding the annual approval of local school budgets. The initial year for these legislative enactments was for the 2012-2013 school year. Local school districts which approve a budget at an increase of no more than 102% of the previous year's local tax levy are exempt from a public vote on the school budget. Gloucester Township developed a budget below the two-percent cap for 2012-2013.

The over-reliance on property taxes to support the schools in Gloucester Township is a concern faced by the Board of Education and Administration each year. Recent budgets have been benefited from the infusion of millions of dollars of unreserved fund balance which were a direct result of a Board of Education which has been committed to financial excellence for many years. The Board of Education's system for financial planning, budgeting and internal controls are well regarded. The Board of Education is committed to continuing its sound fiscal management to meet the challenges of the future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact John Bilodeau, Interim Superintendent at:

Gloucester Township School District, 17 Erial Road, Blackwood, New Jersey 08012

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

GLOUCESTER TOWNSHIP SCHOOL DISTRICT

Statement of Net Assets

June 30, 2012

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 6,718,053.70	\$ 1,443,618.16	\$ 8,161,671.86
Receivables, net (Note 4)	2,711,357.99	41,932.61	2,753,290.60
Interfund Accounts Receivable	140,235.84		140,235.84
Inventory (Note 6)		32,246.26	32,246.26
Deferred Charges:			
Debt Issuance Costs (Net of Amortization)	200,825.27		200,825.27
Restricted Assets:			
Restricted Cash and Cash Equivalents	3,151,825.83		3,151,825.83
Capital Reserve Account - Cash	5,435,577.15		5,435,577.15
Capital Assets, net (Note 5)	<u>52,267,282.07</u>	<u>181,693.18</u>	<u>52,448,975.25</u>
Total Assets	<u>70,625,157.85</u>	<u>1,699,490.21</u>	<u>72,324,648.06</u>
LIABILITIES:			
Accounts Payable	555,147.52	1,713.48	556,861.00
Internal Balances	(3,349.76)	3,349.76	
Payable to Federal Government	13,801.02		13,801.02
Payable to State Government	86,994.12		86,994.12
Estimated Worker's Compensation Claims Payable	299,064.00	5,881.50	304,945.50
Deferred Revenue	22,654.83	122,965.91	145,620.74
Accrued Interest Payable	407,900.23		407,900.23
Noncurrent Liabilities (Note 7):			
Due within One Year	3,820,764.98	14,125.00	3,834,889.98
Due beyond One Year	<u>20,456,198.55</u>	<u>126,650.00</u>	<u>20,582,848.55</u>
Total Liabilities	<u>25,659,175.49</u>	<u>274,685.65</u>	<u>25,933,861.14</u>
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	29,088,159.79	181,693.18	29,269,852.97
Restricted for:			
Debt Service	1,014,012.20		1,014,012.20
Capital Projects	5,660,370.72		5,660,370.72
Other Purposes	6,809,482.25		6,809,482.25
Unrestricted (Deficit)	<u>2,393,957.40</u>	<u>1,243,111.38</u>	<u>3,637,068.78</u>
Total Net Assets	<u>\$ 44,965,982.36</u>	<u>\$ 1,424,804.56</u>	<u>\$ 46,390,786.92</u>

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

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

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 35,280,361.74		\$ 4,205,525.99		\$ (31,074,835.75)		\$ (31,074,835.75)
Special Education	9,238,520.67				(9,238,520.67)		(9,238,520.67)
Other Special Instruction	286,669.75				(286,669.75)		(286,669.75)
Other Instruction	1,755,496.27				(1,755,496.27)		(1,755,496.27)
Nonpublic School Programs	1,157.05				(1,157.05)		(1,157.05)
Community Services Programs / Operations	6,000.00				(6,000.00)		(6,000.00)
Support Services:							
Tuition	4,002,478.88				(4,002,478.88)		(4,002,478.88)
Student and Instruction Related Services	8,718,776.52		584,698.54		(8,134,077.98)		(8,134,077.98)
School Administrative Services	3,193,050.98				(3,193,050.98)		(3,193,050.98)
General and Business Administrative Services	3,156,095.51				(3,156,095.51)		(3,156,095.51)
Plant Operations and Maintenance	6,371,859.48				(6,371,859.48)		(6,371,859.48)
Pupil Transportation	7,868,326.94	\$ 1,605,338.70			(6,262,988.24)		(6,262,988.24)
Unallocated Benefits	22,759,680.12		7,881,305.38		(14,878,374.74)		(14,878,374.74)
Transfer to Charter School	1,088,627.00				(1,088,627.00)		(1,088,627.00)
Interest on Long-Term Debt	1,146,506.97		338,187.44		(808,319.54)		(808,319.54)
Amortization of Bond Issuance Costs	38,066.95				(38,066.95)		(38,066.95)
Total Governmental Activities	104,911,674.83	1,605,338.70	13,009,717.35	-	(90,296,618.79)	-	(90,296,618.79)
Business-Type Activities:							
Food Service	2,869,290.44	1,469,814.44	1,316,283.43			\$ (83,192.57)	(83,192.57)
Latchkey	1,401,800.40	1,306,669.47				(95,130.93)	(95,130.93)
Total Business-Type Activities	4,271,090.84	2,776,483.91	1,316,283.43	-	-	(178,323.50)	(178,323.50)
Total Primary Government	\$ 109,182,765.67	\$ 4,381,822.61	\$ 14,326,000.78	\$ -	(90,296,618.79)	(178,323.50)	(90,474,942.29)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, net					40,435,550.00		40,435,550.00
Taxes Levied for Debt Service					2,600,478.00		2,600,478.00
Federal and State Aid not Restricted					52,639,922.06		52,639,922.06
Investment Earnings					144,416.71	13,326.92	157,743.63
Miscellaneous Income					514,106.85		514,106.85
Special Items:							
Gain/(Loss) on Disposal of Capital Assets					(331.95)		(331.95)
Canceled Accounts Payable					392.00		392.00
Canceled Accounts Receivable					(5,150.82)		(5,150.82)
Total General Revenues, Special Items, Extraordinary Items and Transfers					96,329,382.85	13,326.92	96,342,709.77
Change in Net Assets					6,032,764.08	(164,996.58)	5,867,767.50
Net Assets -- July 1					38,933,218.28	1,589,801.14	40,523,019.42
Net Assets -- June 30					\$ 44,965,982.36	\$ 1,424,804.56	\$ 46,390,786.92

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

FUND FINANCIAL STATEMENTS

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS:					
Cash and Cash Equivalents	\$ 8,204,246.82		\$ 1,664,176.32		\$ 9,868,423.14
Interfund Accounts Receivable	1,879,119.00			\$ 275,000.00	2,154,119.00
Receivables from Other Governments	841,291.54	\$ 1,496,999.00	217,856.45		2,556,146.99
Restricted Cash and Cash Equivalents	<u>5,435,577.15</u>				<u>5,435,577.15</u>
Total Assets	<u>\$ 16,360,234.51</u>	<u>\$ 1,496,999.00</u>	<u>\$ 1,882,032.77</u>	<u>\$ 275,000.00</u>	<u>\$ 20,014,266.28</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 371,994.45	\$ 160,974.84			\$ 532,969.29
Interfund Accounts Payable		1,212,574.19	\$ 503,985.76	\$ 207,166.28	1,923,726.23
Estimated Worker's Compensation Claims Payable	283,190.50				283,190.50
Payable to State Government		86,994.12			86,994.12
Payable to Federal Government		13,801.02			13,801.02
Deferred Revenue		<u>22,654.83</u>			<u>22,654.83</u>
Total Liabilities	<u>655,184.95</u>	<u>1,496,999.00</u>	<u>503,985.76</u>	<u>207,166.28</u>	<u>2,863,335.99</u>
Fund Balances:					
Restricted:					
Capital Projects			23,968.30		23,968.30
Debt Service			1,354,078.71	67,833.72	1,421,912.43
Capital Reserve Account	5,435,577.15				5,435,577.15
Maintenance Reserve Account	1,175,918.21				1,175,918.21
Emergency Reserve Account	311,731.30				311,731.30
Tuition	230,000.00				230,000.00
Tuition--Designated for Subsequent Year's Expenditures	134,000.00				134,000.00
Excess Surplus--Current Year	769,714.74				769,714.74
Excess Surplus--Designated for Subsequent Year's Expenditures	<u>4,188,118.00</u>				<u>4,188,118.00</u>

(Continued)

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
LIABILITIES AND FUND BALANCES (CONTINUED):					
Fund Balances (Continued):					
Assigned:					
Other Purposes	\$ 256,167.35				\$ 256,167.35
Designated for Subsequent Year's Expenditures	954,775.00				954,775.00
Unassigned	2,249,047.81				2,249,047.81
Total Fund Balances	15,705,049.56	-	\$ 1,378,047.01	\$ 67,833.72	17,150,930.29
Total Liabilities and Fund Balances	\$ 16,360,234.51	\$ 1,496,999.00	\$ 1,882,032.77	\$ 275,000.00	
Amounts reported for <i>governmental activities</i> in the statement of net assets (A-1) are different because:					
The Internal Service Fund is used to account for the financing of student transportation services to the district and other school districts. Student transportation services are governmental activities. This amount is the unrestricted net assets in the Internal Service Fund.					31,808.49
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. Unamortized Bond Issuance Costs					200,825.27
Interest on long-term debt in the statement of activities is accrued, regardless of when due.					(407,900.23)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$88,052,864.33, and the accumulated depreciation is \$35,785,582.26.					52,267,282.07
Long-term liabilities, including bonds and capital leases payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.					(24,276,963.53)
Net assets of governmental activities					\$ 44,965,982.36

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

GLOUCESTER TOWNSHIP 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 Tax Levy	\$ 40,435,550.00			\$ 2,600,478.00	\$ 43,036,028.00
Miscellaneous	634,519.80		\$ 10,200.49		644,720.29
State Sources	57,283,674.61	\$ 377,888.00	229,044.70	1,444,085.00	59,334,692.31
Federal Sources	1,902,610.57	4,412,336.53			6,314,947.10
	<u>100,256,354.98</u>	<u>4,790,224.53</u>	<u>239,245.19</u>	<u>4,044,563.00</u>	<u>109,330,387.70</u>
Total Revenues					
EXPENDITURES:					
Current:					
Regular Instruction	29,873,536.35	4,205,525.99			34,079,062.34
Special Education Instruction	9,238,520.67				9,238,520.67
Other Special Instruction	253,941.82				253,941.82
Other Instruction	1,755,496.27				1,755,496.27
Community Service Programs/Operations	6,000.00				6,000.00
Support Services and Undistributed Costs:					
Tuition	4,002,478.88				4,002,478.88
Student and Instruction Related Services	8,126,415.75	584,698.54			8,711,114.29
School Administrative Services	3,156,083.85				3,156,083.85
Other Administrative Services	3,021,414.63				3,021,414.63
Plant Operations and Maintenance	6,046,479.17				6,046,479.17
Pupil Transportation	2,892,063.85				2,892,063.85
Unallocated Benefits	22,660,680.12				22,660,680.12
Transfer to Charter School	1,088,627.00				1,088,627.00
Debt Service:					
Principal				3,285,789.47	3,285,789.47
Interest and Other Charges				1,004,806.19	1,004,806.19
Capital Outlay	675,896.38		549,403.62		1,225,300.00
	<u>92,797,634.74</u>	<u>4,790,224.53</u>	<u>549,403.62</u>	<u>4,290,595.66</u>	<u>102,427,858.55</u>
Total Expenditures					

(Continued)

GLOUCESTER TOWNSHIP 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
Excess (Deficiency) of Revenues over Expenditures	\$ 7,458,720.24	-	\$ (310,158.43)	\$ (246,032.66)	\$ 6,902,529.15
OTHER FINANCING SOURCES (USES):					
Proceeds of Refunding Bonds				4,175,000.00	4,175,000.00
Premium on Refunding Bonds				171,550.50	171,550.50
Payment to Refunded Bond Escrow Account				(4,265,026.22)	(4,265,026.22)
Costs of Issuance--Refunding Bonds				(81,524.28)	(81,524.28)
Canceled Accounts Receivable	(5,150.82)				(5,150.82)
Canceled Accounts Payable			392.00		392.00
Operating Transfers In	228,985.76			285,200.49	514,186.25
Operating Transfers Out	(3,250,680.09)		(514,186.25)		(3,764,866.34)
Total Other Financing Sources and Uses	(3,026,845.15)	-	(513,794.25)	285,200.49	(3,255,438.91)
Net Change in Fund Balances	4,431,875.09	-	(823,952.68)	39,167.83	3,647,090.24
Fund Balance -- July 1	11,273,174.47	-	2,201,999.69	28,665.89	13,503,840.05
Fund Balance -- June 30	\$ 15,705,049.56	\$ -	\$ 1,378,047.01	\$ 67,833.72	\$ 17,150,930.29

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

GLOUCESTER TOWNSHIP 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		\$ 3,647,090.24
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$ (1,795,372.47)	
Capital Outlays (Exclusive of SDA Debt Service Aid Assessment)	<u>1,186,032.00</u>	
		(609,340.47)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
		3,285,789.47
<p>The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. Also, 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 in the treatment of long-term debt and related items.</p>		
		(131,549.57)
<p>The Internal Service Fund is used by management to charge the costs of providing student transportation services to the district and other school districts. This amount is the change in net assets for the Internal Service fund, exclusive of any gain/(loss) on disposal of Internal Service Fund capital assets.</p>		
		(58,653.23)
<p>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.</p>		
		(1,240.40)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., disposals and donations) is to decrease net assets.</p>		
		(331.95)
<p>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). This amount is the net effect of the difference in treatment of compensated absences.</p>		
		<u>(99,000.00)</u>
Change in Net Assets of Governmental Activities		<u>\$ 6,032,764.08</u>

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

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

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	Latchkey	Totals	
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 414,869.06	\$ 1,028,749.10	\$ 1,443,618.16	\$ 1,456.39
Accounts Receivable:				
State	872.37		872.37	
Federal	37,775.04		37,775.04	
Other Governments				155,211.00
Other	3,285.20		3,285.20	
Inventories	32,246.26		32,246.26	
Total Current Assets	489,047.93	1,028,749.10	1,517,797.03	156,667.39
Noncurrent Assets:				
Furniture, Machinery and Equipment	1,324,593.08	103,520.33	1,428,113.41	6,394,214.86
Less Accumulated Depreciation	(1,165,376.89)	(81,043.34)	(1,246,420.23)	(4,707,333.27)
Total Noncurrent Assets	159,216.19	22,476.99	181,693.18	1,686,881.59
Total Assets	648,264.12	1,051,226.09	1,699,490.21	1,843,548.98
LIABILITIES :				
Current Liabilities:				
Accounts Payable	110.75	1,602.73	1,713.48	22,178.23
Interfund Accounts Payable	690.15	2,659.61	3,349.76	86,807.17
Compensated Absences Payable	14,125.00		14,125.00	
Estimated Worker's Compensation Claims Payable		5,881.50	5,881.50	15,873.50
Capital Leases Payable				98,470.51
Deferred Revenue	22,296.81	100,669.10	122,965.91	
Total Current Liabilities	37,222.71	110,812.94	148,035.65	223,329.41
Noncurrent Liabilities:				
Compensated Absences Payable	74,700.00	51,950.00	126,650.00	-
Total Noncurrent Liabilities	74,700.00	51,950.00	126,650.00	-
Total Liabilities	111,922.71	162,762.94	274,685.65	223,329.41
NET ASSETS:				
Invested in Capital Assets Net of				
Related Debt	159,216.19	22,476.99	181,693.18	1,588,411.08
Unrestricted	377,125.22	865,986.16	1,243,111.38	31,808.49
Total Net Assets	\$ 536,341.41	\$ 888,463.15	\$ 1,424,804.56	\$ 1,620,219.57

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

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

	Business-Type Activities - Enterprise Fund			Governmental Activities - Internal Service Fund
	Food Service	Latchkey	Total Enterprise	
OPERATING REVENUES:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 895,494.55		\$ 895,494.55	
Daily Sales - Non-Reimbursable Programs	498,324.21		498,324.21	
Special Functions	59,909.87		59,909.87	
Community Service Activities		\$1,306,669.47	1,306,669.47	
Transportation Fees from LEA				\$3,250,680.09
Transportation Fees from Other LEA's Within the State				1,605,338.70
Miscellaneous	16,085.81		16,085.81	13,803.27
Total Operating Revenues	<u>1,469,814.44</u>	<u>1,306,669.47</u>	<u>2,776,483.91</u>	<u>4,869,822.06</u>
OPERATING EXPENSES:				
Salaries	880,880.53	634,098.91	1,514,979.44	1,870,643.65
Employee Benefits	782,759.02	485,876.97	1,268,635.99	1,367,581.07
Purchased Professional Services	35,444.25	9,300.00	44,744.25	25,945.02
Cleaning, Repair and Maintenance Services	62,634.10		62,634.10	45,958.36
Other Purchased Services:				
Contracted Services (Between Home and School)				296,907.05
Contracted Services (Other Than Between Home and School)				172,283.07
Insurance				130,636.00
Purchased Property Services		175,000.00	175,000.00	
Other Purchased Services	1,097.60	7,171.50	8,269.10	
Communications/Telephone		13,494.60	13,494.60	
Travel	1,161.08		1,161.08	
General Supplies	56,269.71	57,545.05	113,814.76	4,422.84
Transportation Supplies				144,266.97
Gasoline				479,892.06
Depreciation	23,399.95	9,260.80	32,660.75	380,128.66
Cost of Sales	1,025,535.45		1,025,535.45	
Miscellaneous Expense	108.75	10,052.57	10,161.32	2,100.80
Total Operating Expenses	<u>2,869,290.44</u>	<u>1,401,800.40</u>	<u>4,271,090.84</u>	<u>4,920,765.55</u>
Operating Income (Loss)	<u>(1,399,476.00)</u>	<u>(95,130.93)</u>	<u>(1,494,606.93)</u>	<u>(50,943.49)</u>
NONOPERATING REVENUES (EXPENSES):				
State Sources:				
State School Lunch Program	29,167.95		29,167.95	
Federal Sources:				
National School Lunch Program	948,609.12		948,609.12	
National School Breakfast Program	227,595.22		227,595.22	
After School Snack Program	8,361.79		8,361.79	
Special Milk Program	10,043.12		10,043.12	
Food Distribution Program	92,506.23		92,506.23	
Interest on Capital Leases				(7,709.74)
Interest and Investment Revenue	4,001.97	9,324.95	13,326.92	
Total Nonoperating Revenues (Expenses)	<u>1,320,285.40</u>	<u>9,324.95</u>	<u>1,329,610.35</u>	<u>(7,709.74)</u>
Income (Loss) before Contributions and Transfers	(79,190.60)	(85,805.98)	(164,996.58)	(58,653.23)
Operating Transfers In (Out) - General Fund	-	-	-	-
Change in Net Assets	(79,190.60)	(85,805.98)	(164,996.58)	(58,653.23)
Total Net Assets -- July 1	615,532.01	974,269.13	1,589,801.14	1,678,872.80
Total Net Assets -- June 30	<u>\$ 536,341.41</u>	<u>\$ 888,463.15</u>	<u>\$1,424,804.56</u>	<u>\$1,620,219.57</u>

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

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

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	Latchkey	Total Enterprise	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers	\$ 1,469,569.05	\$ 1,290,734.57	\$ 2,760,303.62	\$ 5,588,877.06
Payments to Employees	(880,880.53)	(634,098.91)	(1,514,979.44)	(1,870,643.65)
Payments for Employee Benefits	(782,038.00)	(478,535.63)	(1,260,573.63)	(1,344,533.31)
Payments to Suppliers	(1,190,817.32)	(278,603.02)	(1,469,420.34)	(1,231,080.88)
Net Cash Provided by (used for) Operating Activities	<u>(1,384,166.80)</u>	<u>(100,502.99)</u>	<u>(1,484,669.79)</u>	<u>1,142,619.22</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
State Sources	29,710.44		29,710.44	
Federal Sources	1,249,340.44		1,249,340.44	
Interfunds Receivable	100,000.00		100,000.00	(842,429.02)
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,379,050.88</u>	<u>-</u>	<u>1,379,050.88</u>	<u>(842,429.02)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchases of Capital Assets	(45,118.00)	(4,500.00)	(49,618.00)	(196,333.00)
Principal Paid on Capital Leases				(94,691.07)
Interest Paid on Capital Leases				(7,709.74)
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(45,118.00)</u>	<u>(4,500.00)</u>	<u>(49,618.00)</u>	<u>(298,733.81)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and Dividends	4,001.97	9,324.95	13,326.92	-
Net Cash Provided by (used for) Investing Activities	<u>4,001.97</u>	<u>9,324.95</u>	<u>13,326.92</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(46,231.95)	(95,678.04)	(141,909.99)	1,456.39
Balances -- July 1	461,101.01	1,124,427.14	1,585,528.15	-
Balances -- June 30	<u>\$ 414,869.06</u>	<u>\$ 1,028,749.10</u>	<u>\$ 1,443,618.16</u>	<u>\$ 1,456.39</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ (1,399,476.00)	\$ (95,130.93)	\$ (1,494,606.93)	\$ (50,943.49)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:				
Depreciation and Net Amortization	23,399.95	9,260.80	32,660.75	380,128.66
(Increase) Decrease in Inventories	(8,593.72)		(8,593.72)	
(Increase) Decrease in Interfund Accounts Receivable	2,067.53		2,067.53	
Increase (Decrease) in Accounts Payable	(549.07)	(5,605.27)	(6,154.34)	7,571.88
Increase (Decrease) in Accrued Salaries Benefits	4,875.00	15,250.00	20,125.00	
(Increase) Decrease in Accounts Receivable, net	(1,188.57)		(1,188.57)	719,055.00
Increase (Decrease) in Deferred Revenue	(547.94)	(15,934.90)	(16,482.84)	
Increase (Decrease) in Interfund Accounts Payable	(4,153.98)	(8,342.69)	(12,496.67)	86,807.17
Total Adjustments	<u>15,309.20</u>	<u>(5,372.06)</u>	<u>9,937.14</u>	<u>1,193,562.71</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,384,166.80)</u>	<u>\$ (100,502.99)</u>	<u>\$ (1,484,669.79)</u>	<u>\$ 1,142,619.22</u>

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

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

	<u>Trust Funds</u>	<u>Agency Funds</u>	
	<u>Unemployment Compensation</u>	<u>Student Activity</u>	<u>Payroll</u>
ASSETS:			
Cash and Cash Equivalents	\$ 1,290,767.75	\$ 178,573.49	\$ 426,425.90
Intrafund Accounts Receivable	<u>27,147.27</u>		
Total Assets	<u>1,317,915.02</u>	<u>178,573.49</u>	<u>426,425.90</u>
LIABILITIES:			
Accounts Payable	37,908.97		
Interfund Accounts Payable			140,235.84
Intrafund Accounts Payable			<u>27,147.27</u>
Payable to Student Groups		178,573.49	
Payroll Deductions and Withholdings			<u>259,042.79</u>
Total Liabilities	<u>37,908.97</u>	<u>\$ 178,573.49</u>	<u>\$ 426,425.90</u>
NET ASSETS:			
Held in Trust for Unemployment Claims and Other Purposes	<u>1,280,006.05</u>		
Total Net Assets	<u>\$ 1,280,006.05</u>		

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

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

	Unemployment Compensation <u>Trust</u>
ADDITIONS:	
Contributions:	
Employee Salary Deductions	\$ 93,936.01
Investment Earnings:	
Interest	<u>10,726.77</u>
Total Additions	<u>104,662.78</u>
DEDUCTIONS:	
Unemployment Claims	<u>166,267.42</u>
Total Deductions	<u>166,267.42</u>
Change in Net Assets	(61,604.64)
Net Assets -- July 1	<u>1,341,610.69</u>
Net Assets -- June 30	<u><u>\$ 1,280,006.05</u></u>

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

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2012

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Reporting Entity – The Gloucester Township School District (hereafter referred to as the “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 is comprised of nine members elected to three year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to educate students in grades K-8 at the District's eight elementary and three middle schools. The School District had an approximate enrollment at June 30, 2012 of 7,048.

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

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

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

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

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

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

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

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

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

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

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

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenue 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 for 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.

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

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 found in the private sector.

Enterprise Funds - The enterprise funds are used to account for operations

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

The School District's enterprise funds are:

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

Latchkey Fund - This fund accounts for financial activity related to providing day care services for School District students before and after school and during the summer.

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

Internal Service Fund - The Internal Service Fund has been established to account for the financing of transportation services provided by the Gloucester Township School District for use by the Black Horse Pike Regional School District, as well as for the Gloucester Township School District itself. Services are provided on a cost-reimbursement basis.

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

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 three fiduciary funds: an unemployment compensation trust fund, a student activity fund and a payroll fund. The following is a description of the fiduciary funds of the District.

Trust Funds - The unemployment compensation trust fund is accounted for using the economic resources measurement focus. The unemployment compensation trust fund is used to account for contributions and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims.

Agency Funds - The student activity and payroll agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Measurement Focus

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

For the 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 district-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation, with brief explanations to better identify the relationship between the district-wide statements and the statements for governmental funds.

Like the district-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. District-wide financial statements are prepared using the accrual basis of accounting.

For fund financial statements, all governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds, like the district-wide financial statements, use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and the presentation of expenses versus expenditures.

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

Recognition of Revenue - Revenue resulting from exchange transactions, which are defined as transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. For the governmental fund financial statements, which are prepared on the modified accrual basis, however, such revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 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 moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

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 financial statements is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

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

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of the 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.

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

Budgets / Budgetary Control (Cont'd) - The accounting records of the special revenue fund are maintained on the budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, 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 the 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 on 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 institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

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

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

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2012 and 2011 were based on rates established by the receiving 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 method.

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

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

Prepaid Expenses - Prepaid expenses recorded on the district-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 financial statements, 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 costs 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 district-wide financial statements, 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 district-wide statement of net assets, but are not reported in the governmental fund financial statements. Capital assets utilized by the proprietary funds, however, are reported both in the business-type activities column of the district-wide statement of net assets and the proprietary fund statement of net assets.

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

Capital Assets (Cont'd) - 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 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

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

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

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

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

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

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" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

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

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

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

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

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

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

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, tuition fees for the latchkey program and transportation fees for the internal service fund. Non-operating revenues principally consist of federal and state subsidies and interest income earned on various interest-bearing accounts.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. Non-operating expenses principally include expenses attributable to interest paid on capital leases.

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

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

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, athletic and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule below.

As of June 30, 2012, the School District's bank balances of \$20,789,569.48 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 928,879.76
Collateralized by securities held by the pledging financial institution	250,000.00
Collateralized by securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name	<u>19,610,689.72</u>
Total	<u>\$ 20,789,569.48</u>

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was originally established by the School District by inclusion of \$1,000.00 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A: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.

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

Balance July 1, 2011			\$ 5,174,826.46
Increased by:			
Transfer from Capital Projects Fund:			
Local Share of Unexpended Project Balance	\$	228,985.76	
Interest Earnings		<u>31,764.93</u>	
			<u>260,750.69</u>
Balance June 30, 2012			<u>\$ 5,435,577.15</u>

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

Note 4: ACCOUNTS RECEIVABLE

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Funds	Total
Intergovernmental	\$ 841,291.54	\$ 1,496,999.00	\$ 217,856.45	\$ 193,858.41	\$ 2,750,005.40
Other				3,285.20	3,285.20
Total	<u>\$ 841,291.54</u>	<u>\$ 1,496,999.00</u>	<u>\$ 217,856.45</u>	<u>\$ 197,143.61</u>	<u>\$ 2,753,290.60</u>

Note 5: CAPITAL ASSETS

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

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
Governmental Activities:				
Land	\$ 902,513.48			\$ 902,513.48
Construction in Progress	4,128,155.38	\$ 249,403.62	\$ (2,556,608.04)	1,820,950.96
Total Capital Assets not being Depreciated	5,030,668.86	249,403.62	(2,556,608.04)	2,723,464.44
Land Improvements	2,168,766.62	418,680.15		2,587,446.77
Buildings and Improvements	69,181,636.38		2,556,608.04	71,738,244.42
Equipment	10,291,523.97	714,281.23	(2,096.50)	11,003,708.70
Totals at Historical Cost	<u>86,672,595.83</u>	<u>1,382,365.00</u>	<u>2,554,511.54</u>	<u>88,052,864.33</u>
Less Accumulated Depreciation:				
Land Improvements	(2,456,686.26)	(125,355.74)		(2,582,042.00)
Buildings and Improvements	(24,037,450.30)	(1,427,310.21)		(25,464,760.51)
Equipment	(7,117,709.12)	(622,835.18)	1,764.55	(7,738,779.75)
Total Accumulated Depreciation	<u>(33,611,845.68)</u>	<u>(2,175,501.13) *</u>	<u>1,764.55</u>	<u>(35,785,582.26)</u>
Governmental Activities Capital Assets, Net	<u>\$ 53,060,750.15</u>	<u>\$ (793,136.13)</u>	<u>\$ (331.95)</u>	<u>\$ 52,267,282.07</u>
Business-Type Activities:				
Equipment	\$ 1,378,495.41	\$ 49,618.00		\$ 1,428,113.41
Less Accumulated Depreciation	(1,213,759.48)	(32,660.75)		(1,246,420.23)
Business-Type Activities Capital Assets, Net	<u>\$ 164,735.93</u>	<u>\$ 16,957.25</u>	<u>\$ -</u>	<u>\$ 181,693.18</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction Regular Programs	\$1,201,299.40
Instruction Special Programs	32,727.93
Instruction Nonpublic School Programs	1,157.05
Support Services Students	7,662.23
Support Services General Administration	57,869.56
Support Services School Administration	36,967.13
Support Services Plant Operations and Maintenance	325,380.31
Support Services Pupil Transportation	435,626.20
Support Services Business and Other Support Services	76,811.32
Total Depreciation Expense	<u>\$ 2,175,501.13</u>

Note 6: INVENTORY

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

Food	\$ 24,119.36
Supplies	8,126.90
	<u>32,246.26</u>
	<u>\$ 32,246.26</u>

Note 7: LONG-TERM OBLIGATIONS

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

	<u>Principal Outstanding July 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2012</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 26,577,368.48	\$ 4,175,000.00	\$(7,379,789.47)	\$ 23,372,579.01	\$ 3,540,789.47
Obligations under Capital Lease	193,161.58		(94,691.07)	98,470.51	98,470.51
Compensated Absences	998,841.25	226,075.00	(127,075.00)	1,097,841.25	181,505.00
Premium on Bonds	435,136.83	171,550.50	(133,326.14)	473,361.19	
Deferred Amount on Refunding	<u>(789,744.53)</u>	<u>(189,070.68)</u>	<u>213,526.78</u>	<u>(765,288.43)</u>	
Governmental Activity Long-term Liabilities	<u>\$ 27,414,763.61</u>	<u>\$ 4,383,554.82</u>	<u>\$ (7,521,354.90)</u>	<u>\$ 24,276,963.53</u>	<u>\$ 3,820,764.98</u>
Business-Type Activities:					
Compensated Absences	<u>\$ 120,650.00</u>	<u>\$ 20,125.00</u>	<u>\$ -</u>	<u>\$ 140,775.00</u>	<u>\$ 14,125.00</u>

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

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	\$ 3,540,789.47	\$ 825,737.76	\$ 4,366,527.23
2014	2,900,789.54	691,550.92	3,592,340.46
2015	2,985,000.00	577,732.50	3,562,732.50
2016	3,130,000.00	464,863.76	3,594,863.76
2017	3,215,000.00	350,720.01	3,565,720.01
2018-2022	<u>7,601,000.00</u>	<u>661,200.02</u>	<u>8,262,200.02</u>
	<u>\$ 23,372,579.01</u>	<u>\$ 3,571,804.97</u>	<u>\$ 26,944,383.98</u>

Bonds Authorized but not Issued - As of June 30, 2012, the School District had no authorizations to issue additional bonded debt.

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

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

Capital Leases Payable - The School District is leasing four school buses totaling \$98,470.51 under capital leases. The capital lease is for a term of three years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2012.

Fiscal Year Ending June 30,	Principal	Interest	Total
2013	\$ 98,470.51	\$ 3,930.30	\$ 102,400.81

Note 8: OPERATING LEASES

During fiscal year ended June 30, 2012, the School District had operating lease agreements in effect for copy machines. Rental payments under operating leases were \$95,152.80.

Note 9: PENSION PLANS

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

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

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

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

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

Note 9: PENSION PLANS (CONT'D)

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2012	\$ 467,634.00	\$ 785,694.00	\$ 1,253,328.00	\$ 1,253,328.00
2011	481,184.00	640,563.00	1,121,747.00	1,121,747.00
2010	430,192.00	419,746.00	849,938.00	849,938.00

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund 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 Division 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. In addition to the employee contributions, the School District's contribution amounts 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.

The School District's contributions, equal to the required contribution for each fiscal year, was as follows:

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2012	\$ 20,523.35	-	\$ 20,523.35	\$ 20,523.35
2011	16,232.05	-	16,232.05	16,232.05
2010	2,816.80	-	2,816.80	2,816.80

Note 10: POST-RETIREMENT BENEFITS

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

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

Note 11: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2012, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement costs were \$1,470,443.00 and \$2,955,973.00, respectively.

Note 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; injuries to employees; and natural disasters.

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

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

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2012	-	\$ 93,936.01	\$ 166,267.42	\$ 1,280,006.05
2011	-	91,239.18	407,278.64	1,341,610.69
2010	\$ 1,000,000.00	101,035.72	159,407.54	1,638,131.46

Note 12: RISK MANAGEMENT (CONT'D)

Self-Insurance Plan - The School District has adopted a plan of self-insurance for workers' compensation insurance claims up to \$400,000.00 per any one accident. Claims greater than this amount are covered by an excess workers' compensation insurance policy. The records of the Administrator of the plan indicate \$304,945.50 of pending claims which have been recorded and are included in accounts payable as of June 30, 2012. Any additional funds required for claims in excess of these pending claims will be paid and charged to the 2012-2013 or future budgets.

Note 13: DEFERRED COMPENSATION

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

Retirement Annuity Consultants, Inc.
Syracusa Benefits Program
Lincoln Investment Planning, Inc.
Supplemental Variable Annuity System
Metlife
Equitable Life Assurance Society

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2012 the liability for compensated absences in the governmental activities and proprietary fund types was \$1,097,841.25 and \$140,775.00, respectively.

Note 15: INTERFUND BALANCES AND TRANSFERS

The following interfund balances were recorded on the various balance sheets as June 30, 2012:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 1,879,119.00	
Special Revenue		\$ 1,212,574.19
Capital Projects		503,985.76
Debt Service	275,000.00	207,166.28
Proprietary		90,156.93
Fiduciary		140,235.84
	<u>\$ 2,154,119.00</u>	<u>\$ 2,154,119.00</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds and from cancelation of unexpended capital projects balances. During the fiscal year 2013, the District expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 16: CAPITAL DEBT REFUNDING

On September 1, 2011, the School District issued \$4,175,000.00 in general obligation refunding bonds with a variable interest rate of 2.0% to 3.0% to advance refund \$4,094,000.00 of outstanding callable 2002 series bonds with a variable interest rate of 4.2% to 4.4%. The net proceeds of \$4,265,026.22 (after payment of issuance costs) were used to purchase U.S. Treasury Bills. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2002 series bonds.

The School District advance refunded the 2002 series bonds to reduce its total debt service payments over the next seven years by \$216,202.46 and to obtain an economic gain (difference between the present values of the debt service payments of the old and new debt) of \$207,508.47.

Note 17: FUND BALANCES**RESTRICTED**

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

General Fund -

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The current year excess fund balance at June 30, 2012 is \$5,457,793.74 presented on the budgetary basis of accounting (Exhibit C-1). Additionally, \$4,188,118.00 of excess fund balance generated during 2010-2011 has been restricted and designated for utilization in the 2012-2013 budget.

Note 17: FUND BALANCES (CONT'D)**RESTRICTED (CONT'D)****General Fund (Cont'd) -**

For Capital Reserve Account - As of June 30, 2012, the balance in the capital reserve account is \$5,435,577.15. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Maintenance Reserve Account - As of June 30, 2012, the balance in the maintenance reserve account is \$1,175,918.21. 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).

For Emergency Reserve - As of June 30, 2012, the balance in the emergency reserve is \$311,731.30. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1).

For Tuition - In accordance with N.J.A.C. 6A:23A-3.1(f)(8), the School District has restricted fund balance in the amount of \$364,000.00 in a legal reserve for tuition adjustments. This reserve represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated tuition cost of the respective contract year. As of June 30, 2012, \$134,000.00 and \$230,000.00 have been reserved for the contract years 2010-2011 and 2011-2012, respectively, and the \$134,000.00 has been designated for utilization in the 2012-2013 budget.

Capital Projects Fund - As of June 30, 2011, the Capital Projects Fund balance amount of \$1,398,678.19, presented on the budgetary basis of accounting (Exhibit F-1), is restricted as follows:

Restricted for Debt Service Expenditures	\$ 1,354,078.71
Restricted for Capital Project Expenditures:	
Designated for Subsequent Year's Expenditures	44,599.48
	<u> </u>
	<u>\$ 1,398,678.19</u>

Debt Service Fund - As of June 30, 2012, \$67,833.72 of debt service fund balance is restricted for future debt service expenditures, of which \$14,885.00 has been designated for utilization in the 2012-2013 budget..

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

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

General Fund -

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2013 \$954,775.00 of general fund balance at June 30, 2012.

Other Purposes - As of June 30, 2012, the School District has \$256,167.35 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

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

General Fund - As of June 30, 2012, \$2,249,047.81 of general fund balance, presented on the budgetary basis of accounting (Exhibit C-1), is unassigned.

Note 18: LITIGATION

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

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 40,435,550.00		\$ 40,435,550.00	\$ 40,435,550.00	
Unrestricted Miscellaneous	270,000.00		270,000.00	634,519.80	\$ 364,519.80
Total - Local Sources	40,705,550.00	-	40,705,550.00	41,070,069.80	364,519.80
State Sources:					
Equalization Aid	44,298,165.00	\$ 683,751.00	44,981,916.00	44,981,916.00	
Transportation Aid					
Categorical Special Education Aid	3,666,087.00		3,666,087.00	3,666,087.00	
Security Aid		271,024.00	271,024.00	271,024.00	
Other State Aids				6,292.00	6,292.00
Tuition Reimbursements for Homeless Students				149,091.61	149,091.61
Extraordinary Special Education Costs Aid				442,630.00	442,630.00
Nonpublic School Transportation Aid				43,077.62	43,077.62
Reimbursed TPAF Social Security Contributions (non-budgeted)				3,454,889.38	3,454,889.38
On-behalf TPAF Pension Contributions (non-budgeted)				4,426,416.00	4,426,416.00
Total - State Sources	47,964,252.00	954,775.00	48,919,027.00	57,441,423.61	8,522,396.61
Federal Sources:					
Special Education Medicaid Initiative	111,521.00		111,521.00	186,653.57	75,132.57
Education Jobs Fund	1,715,957.00		1,715,957.00	1,715,957.00	
Total - Federal Sources	1,827,478.00	-	1,827,478.00	1,902,610.57	75,132.57
Total Revenues	90,497,280.00	954,775.00	91,452,055.00	100,414,103.98	8,962,048.98
EXPENDITURES:					
GENERAL CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool/Kindergarten	1,382,200.00	(60,000.00)	1,322,200.00	1,291,211.75	30,988.25
Grades 1 - 5	16,367,740.00	(520,000.00)	15,847,740.00	15,465,535.20	382,204.80
Grades 6 - 8	10,857,845.00	(342,500.00)	10,515,345.00	10,355,106.79	160,238.21
Regular Programs - Home Instruction:					
Salaries of Teachers	20,000.00	18,500.00	38,500.00	38,197.50	302.50
Purchased Professional Educational Services	12,000.00	12,000.00	24,000.00	21,895.95	2,104.05
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	946,179.00	300,000.00	1,246,179.00	1,209,767.57	36,411.43
Purchased Professional - Educational Services	34,000.00		34,000.00	33,747.00	253.00
Purchased Technical Services	10,000.00		10,000.00	9,679.00	321.00
Travel	7,500.00	300.00	7,800.00	2,300.48	5,499.52
General Supplies	1,385,618.00	81,335.10	1,466,953.10	1,319,568.61	147,384.49
Textbooks	121,385.00	(6,415.73)	114,969.27	104,950.97	10,018.30
Other Objects	33,000.00		33,000.00	21,575.53	11,424.47
Total Regular Programs	31,177,467.00	(516,780.63)	30,660,686.37	29,873,536.35	787,150.02

(Continued)

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Behavioral Disabilities:					
Salaries of Teachers	\$ 231,955.00	\$ 5,000.00	\$ 236,955.00	\$ 231,360.00	\$ 5,595.00
Other Salaries for Instruction	34,285.00		34,285.00	34,285.00	
General Supplies	3,000.00		3,000.00	2,519.41	480.59
Other Objects	2,000.00		2,000.00	1,050.21	949.79
Total - Behavioral Disabilities	271,240.00	5,000.00	276,240.00	269,214.62	7,025.38
Multiple Disabilities:					
Salaries of Teachers	841,140.00		841,140.00	835,135.00	6,005.00
Other Salaries for Instruction	195,025.00	(10,000.00)	185,025.00	183,513.27	1,511.73
General Supplies	35,000.00	(12,000.00)	23,000.00	22,204.42	795.58
Textbooks	2,000.00		2,000.00	2,000.00	2,000.00
Other Objects	4,000.00		4,000.00	2,075.17	1,924.83
Total - Multiple Disabilities	1,077,165.00	(22,000.00)	1,055,165.00	1,042,927.86	12,237.14
Resource Room/Center					
Salaries of Teachers	5,860,660.00	(74,000.00)	5,786,660.00	5,766,506.51	20,153.49
Other Salaries for Instruction	273,562.00	(10,000.00)	263,562.00	256,400.40	7,161.60
General Supplies	80,500.00	(26,900.00)	53,600.00	52,935.26	664.74
Textbooks	10,000.00	(4,000.00)	6,000.00	3,335.99	2,664.01
Total - Resource Room/Center	6,224,722.00	(114,900.00)	6,109,822.00	6,079,178.16	30,643.84
Autism					
Salaries of Teachers	421,170.00	4,000.00	425,170.00	424,355.00	815.00
Other Salaries for Instruction	700,570.00	33,000.00	733,570.00	722,252.72	11,317.28
General Supplies	22,000.00	10,000.00	32,000.00	29,575.83	2,424.17
Other Objects	1,000.00	500.00	1,500.00	1,405.40	94.60
Total - Autism	1,144,740.00	47,500.00	1,192,240.00	1,177,588.95	14,651.05
Preschool Disabilities - Part-time:					
Salaries of Teachers	388,605.00	(2,000.00)	386,605.00	378,497.00	8,108.00
Other Salaries for Instruction	179,110.00	7,000.00	186,110.00	185,679.46	430.54
General Supplies	9,600.00	(2,600.00)	7,000.00	6,981.62	18.38
Other Objects	2,400.00		2,400.00	945.35	1,454.65
Total - Preschool Disabilities - Part-Time	579,715.00	2,400.00	582,115.00	572,103.43	10,011.57

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
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 GENERAL FUND
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Special Education (Cont'd):					
Home Instruction					
Salaries of Teachers	\$ 40,000.00	\$ 38,000.00	\$ 78,000.00	\$ 73,242.85	\$ 4,757.15
Purchased Professional - Educational Services	10,000.00	17,000.00	27,000.00	24,264.80	2,735.20
Total - Home Instruction	<u>50,000.00</u>	<u>55,000.00</u>	<u>105,000.00</u>	<u>97,507.65</u>	<u>7,492.35</u>
Total - Special Education	<u>9,347,582.00</u>	<u>(27,000.00)</u>	<u>9,320,582.00</u>	<u>9,238,520.67</u>	<u>82,061.33</u>
Bilingual Education:					
Salaries of Teachers	275,000.00	(10,000.00)	265,000.00	248,965.00	16,035.00
General Supplies	6,000.00		6,000.00	4,976.82	1,023.18
Textbooks	500.00	(500.00)			
Other Objects		500.00	500.00		500.00
Total - Bilingual Education	<u>281,500.00</u>	<u>(10,000.00)</u>	<u>271,500.00</u>	<u>253,941.82</u>	<u>17,558.18</u>
School Sponsored Cocurricular Activities - Instruction:					
Salaries	<u>328,145.00</u>	<u>-</u>	<u>328,145.00</u>	<u>254,596.22</u>	<u>73,548.78</u>
School Sponsored Athletics - Instruction:					
Salaries	222,055.00		222,055.00	205,022.00	17,033.00
Other Purchased Services	39,000.00		39,000.00	29,310.00	9,690.00
General Supplies	39,000.00	1,485.26	40,485.26	26,866.71	13,618.55
Total - School-Sponsored Athletics - Instruction	<u>300,055.00</u>	<u>1,485.26</u>	<u>301,540.26</u>	<u>261,198.71</u>	<u>40,341.55</u>
Other Supplemental/At-Risk Programs - Instruction:					
Salaries of Reading Specialists	<u>1,325,000.00</u>	<u>2,000.00</u>	<u>1,327,000.00</u>	<u>1,239,701.34</u>	<u>87,298.66</u>
Total - Instruction	<u>42,759,749.00</u>	<u>(550,295.37)</u>	<u>42,209,453.63</u>	<u>41,121,495.11</u>	<u>1,087,958.52</u>

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Community Service Programs/Operations:					
General Supplies	\$ 6,000.00	-	\$ 6,000.00	\$ 6,000.00	-
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs within the State - Regular	150,582.00	\$ 66,891.00	217,473.00	188,169.61	\$ 29,303.39
Tuition to Other LEAs within the State - Special	170,000.00	8,907.60	178,907.60	66,452.40	112,455.20
Tuition to CSSD & Regional Day Schools	858,611.00	1,560,000.00	2,418,611.00	2,309,173.99	109,437.01
Tuition to Private School for the Disabled - within the State	2,100,000.00	(517,957.21)	1,582,042.79	1,384,931.88	197,110.91
Tuition - State Facilities	35,250.00		35,250.00	4,500.00	30,750.00
Tuition - Other	50,000.00		50,000.00	49,251.00	749.00
Total Undistributed Expenditures - Instruction	3,364,443.00	1,117,841.39	4,482,284.39	4,002,478.88	479,805.51
Undistributed Expenditures - Attendance and Social Work Services:					
Other Salaries	48,662.00	1,100.00	49,762.00	48,340.99	1,421.01
General Supplies	1,500.00		1,500.00		1,500.00
Total Undistributed Expenditures - Attendance and Social Work	50,162.00	1,100.00	51,262.00	48,340.99	2,921.01
Undistributed Expenditures - Health Services:					
Salaries	972,481.00	(5,000.00)	967,481.00	939,173.30	28,307.70
Purchased Professional and Technical Services	450,000.00	67,405.00	517,405.00	475,988.43	41,416.57
General Supplies	5,000.00		5,000.00	4,006.20	993.80
Total Undistributed Expenditures - Health Services	1,427,481.00	62,405.00	1,489,886.00	1,419,167.93	70,718.07
Undistributed Expenditures - Other Support Services Students - Related Services:					
Salaries	1,447,680.00	4,900.00	1,452,580.00	1,430,322.13	22,257.87
Purchased Professional Educational Services	22,000.00	20,000.00	42,000.00	39,505.77	2,494.23
General Supplies	7,000.00		7,000.00	6,289.61	710.39
Total Undistributed Expenditures - Other Support Services Students - Rel. Serv.	1,476,680.00	24,900.00	1,501,580.00	1,476,117.51	25,462.49
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	1,511,520.00		1,511,520.00	1,495,357.00	16,163.00
Salaries of Secretarial and Clerical Assistants	64,355.00		64,355.00	64,355.00	
Other Purchased Professional and Technical Services	17,500.00		17,500.00	17,500.00	
General Supplies	17,500.00		17,500.00	11,477.40	6,022.60
Total Undistributed Expenditures - Guidance	1,610,875.00	-	1,610,875.00	1,588,689.40	22,185.60

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
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 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenses - Child Study Teams:					
Salaries of Other Professional Staff	\$ 1,523,101.00	\$ 10,000.00	\$ 1,533,101.00	\$ 1,481,923.70	\$ 51,177.30
Other Purchased Professional and Technical Services	40,000.00	(10,000.00)	30,000.00	8,373.20	21,626.80
Miscellaneous Purchased Services	27,500.00	(10,000.00)	17,500.00	11,808.17	5,691.83
General Supplies	55,000.00	(10,000.00)	45,000.00	34,759.14	10,240.86
Total Undistributed Expenditures - Child Study Teams	1,645,601.00	(20,000.00)	1,625,601.00	1,536,864.21	88,736.79
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Other Professional Staff	496,912.00	37,000.00	533,912.00	527,104.43	6,807.57
Salaries of Secretarial and Clerical Assistants	103,256.00	21,000.00	124,256.00	122,270.74	1,985.26
Salaries of Facilitators, Math and Literacy Coaches	380,925.00	23,000.00	403,925.00	389,120.50	14,804.50
General Supplies	2,800.00		2,800.00	2,694.19	105.81
Other Objects	1,900.00		1,900.00	200.00	1,700.00
Total Undistributed Expenditures - Improvement of Instruction Services	985,793.00	81,000.00	1,066,793.00	1,041,389.86	25,403.14
Undistributed Expenditures - Educational Media/Library:					
Salaries of Other Professional Staff	928,422.00	(11,000.00)	917,422.00	878,445.50	38,976.50
General Supplies	77,010.00		77,010.00	69,911.76	7,098.24
Total Undistributed Expenditures - Educational Media/Library	1,005,432.00	(11,000.00)	994,432.00	948,357.26	46,074.74
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional Education Services	2,200.00	65,178.00	67,378.00	65,277.00	2,101.00
Travel	5,700.00		5,700.00	966.59	4,733.41
Miscellaneous Purchased Services	10,000.00	(8,000.00)	2,000.00	1,245.00	755.00
Total Undistributed Expenditures - Instructional Staff Training Services	17,900.00	57,178.00	75,078.00	67,488.59	7,589.41
Undistributed Expenditures - Support Services General Administration:					
Salaries	258,966.00		258,966.00	224,874.00	34,092.00
Legal Services	200,000.00		200,000.00	191,858.46	8,141.54
Audit Fees	85,000.00		85,000.00	85,000.00	
Architectural/Engineering Services	70,000.00	111,334.50	181,334.50	142,270.99	39,063.51
Miscellaneous Purchased Services	91,000.00		91,000.00	86,234.47	4,765.53
Communications/Telephone	210,000.00		210,000.00	175,656.56	34,343.44
Travel	1,000.00		1,000.00	984.58	15.42
BOE Other Purchased Services	16,000.00		16,000.00	7,922.66	8,077.34
General Supplies	6,500.00		6,500.00	833.55	5,666.45
Miscellaneous Expenditures	29,000.00	(15,000.00)	14,000.00	9,358.02	4,641.98
BOE Membership Dues and Fees	27,000.00		27,000.00	26,900.66	99.34
Total Undistributed Expenditures - Support Services General Administration	994,466.00	96,334.50	1,090,800.50	951,893.95	138,906.55

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
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 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures - Support Services School Administration:					
Salaries of Principals/Assistant Principals	\$ 2,376,890.00	\$ (80,000.00)	\$ 2,296,890.00	\$ 2,267,219.03	\$ 29,670.97
Salaries of Other Professional Staff	142,150.00		142,150.00	137,329.92	4,820.08
Salaries of Secretarial and Clerical Assistants	766,620.00		766,620.00	733,285.77	33,334.23
Other Purchased Services	17,500.00		17,500.00	15,400.23	2,099.77
Travel	7,500.00		7,500.00	2,848.90	4,651.10
Miscellaneous Expenditures					
Total Undistributed Expenditures - Support Services School Administration	3,310,660.00	(80,000.00)	3,230,660.00	3,156,083.85	74,576.15
Undistributed Expenditures - Central Services					
Salaries	996,160.00	(110,794.00)	885,366.00	828,410.79	56,955.21
Purchased Professional Services	50,000.00	(22,000.00)	28,000.00	19,250.00	8,750.00
Miscellaneous Purchased Services	188,253.00	22,000.00	210,253.00	181,397.00	28,856.00
General Supplies	44,800.00	472.86	45,272.86	30,501.90	14,770.96
Miscellaneous Expenditures	8,500.00		8,500.00	5,544.88	2,955.12
Total Undistributed Expenditures - Central Services	1,287,713.00	(110,321.14)	1,177,391.86	1,065,104.57	112,287.29
Undistributed Expenditures - Admin. Info. Technology					
Salaries	509,169.00	(28,268.75)	480,900.25	401,272.62	79,627.63
Purchased Technical Services	161,385.00	20,794.00	182,179.00	145,964.27	36,214.73
Cleaning Repair and Maintenance	10,500.00		10,500.00	447.25	10,052.75
Other Purchased Services	312,545.00	62,000.00	374,545.00	373,652.80	892.20
Travel	8,000.00		8,000.00	5,552.78	2,447.22
General Supplies	44,015.00	33,511.39	77,526.39	77,526.39	
Total Undistributed Expenditures - Admin. Info. Technology	1,045,614.00	88,036.64	1,133,650.64	1,004,416.11	129,234.53
Undistributed Expenditures - Required Maint. for School Facilities:					
Other Salaries	310,000.00	(11,000.00)	299,000.00	258,382.80	40,617.20
Cleaning, Repair & Maintenance Services	120,000.00	33,797.80	153,797.80	144,223.89	9,573.91
General Supplies	80,000.00	2,549.87	82,549.87	52,709.88	29,839.99
Other Objects	15,000.00	682.86	15,682.86	8,935.68	6,747.18
Total Undistributed Expenditures - Required Maint. for School Facilities	525,000.00	26,030.53	551,030.53	464,252.25	86,778.28

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
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	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures - Custodial Services:					
Salaries	\$ 2,166,223.00	\$ 32,000.00	\$ 2,198,223.00	\$ 2,171,301.99	\$ 26,921.01
Purchased Professional and Technical Services	140,000.00	34,362.78	174,362.78	165,404.40	8,958.38
Cleaning, Repair & Maintenance Services	260,000.00	(100,000.00)	160,000.00	124,742.33	35,257.67
Rental of Land and Building Other Than Lease Purchase	8,000.00		8,000.00		8,000.00
Other Purchased Property Services	320,000.00	15,000.00	335,000.00	308,870.22	26,129.78
Insurance	300,000.00	(15,000.00)	285,000.00	214,574.00	70,426.00
Travel	5,000.00		5,000.00		5,000.00
General Supplies	17,750.00	53,815.54	71,565.54	24,667.85	46,897.69
General Supplies - Custodial	185,300.00	1,495.00	186,795.00	146,479.66	40,315.34
General Supplies - Building Materials	96,000.00	42,696.00	138,696.00	118,310.22	20,385.78
Energy (Electricity)	1,632,000.00		1,632,000.00	1,318,265.75	313,734.25
Energy (Natural Gas)	975,899.00	(66,500.00)	909,399.00	385,368.52	524,030.48
Other Objects	25,000.00	1,689.90	26,689.90	11,718.39	14,971.51
Total - Undistributed Expenditures - Custodial Services	6,131,172.00	(440.78)	6,130,731.22	4,989,703.33	1,141,027.89
Undistributed Expenditures - Care and Upkeep of Grounds:					
Salaries	240,150.00	(53,000.00)	187,150.00	164,870.99	22,279.01
Cleaning, Repair & Maintenance Services	15,000.00		15,000.00	6,765.60	8,234.40
General Supplies	37,000.00		37,000.00	32,569.07	4,430.93
Other Objects	66,678.00	(25,740.00)	40,938.00		40,938.00
Total Undistributed Expenditures - Care and Upkeep of Grounds	358,828.00	(78,740.00)	280,088.00	204,205.66	75,882.34
Undistributed Expenditures - Security:					
Salaries	215,395.00	5,000.00	220,395.00	220,026.28	368.72
Purchased Professional and Technical Services	42,000.00	4,655.00	46,655.00	41,760.00	4,895.00
Cleaning, Repair & Maintenance Services	152,000.00		152,000.00	118,870.36	33,129.64
General Supplies	6,000.00	2,294.61	8,294.61	7,661.29	633.32
Total Undistributed Expenditures - Security	415,395.00	11,949.61	427,344.61	388,317.93	39,026.68

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
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	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation (Between Home & School) - Regular	\$ 140,000.00	\$ (75,000.00)	\$ 65,000.00	\$ 55,513.00	\$ 9,487.00
Salaries for Pupil Transportation (Between Home & School) - Special Education	575,000.00	(5,000.00)	570,000.00	524,217.73	45,782.27
Salaries for Pupil Transportation (Between Home & School) - Nonpublic	35,000.00	5,000.00	40,000.00	32,961.95	7,038.05
Group Insurance	243,000.00		243,000.00	229,050.98	13,949.02
Social Security Contributions	60,435.00		60,435.00	23,796.77	36,638.23
Other Retirement Contributions - PERS	40,000.00		40,000.00		40,000.00
Other Employee Benefits	4,500.00		4,500.00	451.38	4,048.62
Contracted Services (Between Home & School) - Vendors	390,000.00	(11,000.00)	379,000.00	340,465.68	38,534.32
Contracted Services (Other Than Between Home & School) - Vendors	60,000.00	11,000.00	71,000.00	70,841.30	158.70
Contracted Services (Spec. Ed. Students) - Vendors	25,000.00	25,000.00	50,000.00	34,804.00	15,196.00
Contracted Services (Special Ed. Students) - ESC/CTSA	1,250,000.00	50,000.00	1,300,000.00	1,294,211.12	5,788.88
Contracted Services - Aid in Lieu Payments - Nonpublic	200,000.00		200,000.00	159,041.16	40,958.84
Miscellaneous Purchased Services - Transportation	77,000.00		77,000.00	1,225.00	75,775.00
Transportation Supplies	171,564.00		171,564.00	125,447.48	46,116.52
Miscellaneous Expenditures	1,000.00		1,000.00	36.30	963.70
Total Undistributed Expenditures - Student Transportation Services	3,272,499.00	-	3,272,499.00	2,892,063.85	380,435.15
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	930,444.00		930,444.00	813,795.26	116,648.74
Other Retirement Contributions - PERS	975,000.00		975,000.00	929,287.33	45,712.67
Workmen's Compensation	470,000.00	30,500.00	500,500.00	485,152.46	15,347.54
Health Benefits	12,640,539.00	(529,768.00)	12,110,771.00	11,892,608.66	218,162.34
Tuition Reimbursement	158,000.00		158,000.00	3,258.36	154,741.64
Other Employee Benefits	677,216.00	60,000.00	737,216.00	655,272.67	81,943.33
Total Unallocated Benefits - Employee Benefits	15,851,199.00	(439,268.00)	15,411,931.00	14,779,374.74	632,556.26
Undistributed Expenditures - Transfer to Charter Schools	1,256,851.00	(120,075.20)	1,136,775.80	1,088,627.00	48,148.80
Undistributed Expenditures- Non-budgeted:					
On-behalf TPAF Pension Contributions	-	-	-	4,426,416.00	(4,426,416.00)
Undistributed Expenditures - Non-budgeted					
Reimbursed TPAF Social Security Contributions	-	-	-	3,454,889.38	(3,454,889.38)
Total Undistributed Expenses	46,033,764.00	706,930.55	46,740,694.55	50,994,243.25	(4,253,548.70)
Total Current Expense	88,799,513.00	156,635.18	88,956,148.18	92,121,738.36	(3,165,590.18)

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
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 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
CAPITAL OUTLAY:					
Equipment:					
Grades 6-8		\$ 2,599.95	\$ 2,599.95	\$ 2,599.95	
Resource Room/Resource Center		15,400.05	15,400.05	11,717.65	\$ 3,682.40
Undistributed Expenditures:					
Central Services		20,000.00	20,000.00	7,051.33	12,948.67
Admin. Info. Technology		83,952.00	83,952.00	74,723.93	9,228.07
Operation and Maintenance of Plant Services		21,500.00	21,500.00		21,500.00
Care and Upkeep of Grounds		128,589.48	128,589.48	101,515.84	27,073.64
Total - Equipment	-	272,041.48	272,041.48	197,608.70	74,432.78
Facilities Acquisition and Construction Services:					
Construction Services		476,850.00	476,850.00	439,019.68	37,830.32
Other Objects		39,268.00	39,268.00	39,268.00	
Total - Facilities Acquisition and Construction Services	-	516,118.00	516,118.00	478,287.68	37,830.32
Total Capital Outlay	-	788,159.48	788,159.48	675,896.38	112,263.10
Total Expenditures	\$ 88,799,513.00	944,794.66	89,744,307.66	92,797,634.74	(3,053,327.08)
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,697,767.00	9,980.34	1,707,747.34	7,616,469.24	5,908,721.90
Other Financing Sources (Uses):					
Transfers from Capital Reserve - Capital Projects Transfer				228,985.76	228,985.76
Canceled Accounts Receivable				(5,150.82)	(5,150.82)
Transfers to Internal Service Fund - Board Contribution	(3,321,758.00)		(3,321,758.00)	(3,250,680.09)	71,077.91
Total - Other Financing Sources (Uses)	(3,321,758.00)	-	(3,321,758.00)	(3,026,845.15)	294,912.85
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,623,991.00)	9,980.34	(1,614,010.66)	4,589,624.09	6,203,634.75
Fund Balances, July 1	15,803,504.47	-	15,803,504.47	15,803,504.47	-
Fund Balances, June 30	\$ 14,179,513.47	\$ 9,980.34	\$ 14,189,493.81	\$ 20,393,128.56	\$ 6,203,634.75

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Recapitulation:					
Restricted:					
Capital Reserve				\$ 5,435,577.15	
Maintenance Reserve				1,175,918.21	
Emergency Reserve				311,731.30	
Reserve for Tuition:					
2010-11--Designated for Subsequent Year's Expenditures				134,000.00	
2011-12				230,000.00	
Excess Surplus--Current Year				5,457,793.74	
Excess Surplus--Prior Year--Designated for Subsequent Year's Expenditures				4,188,118.00	
Assigned:					
Year-End Encumbrances				256,167.35	
Designated for Subsequent Year's Expenditures				954,775.00	
Unassigned				<u>2,249,047.81</u>	
				20,393,128.56	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments Not Recognized on GAAP Basis				<u>(4,688,079.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 15,705,049.56</u>	

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule - Education Jobs Fund
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Federal Sources:					
Education Jobs Fund	\$ 1,715,957.00	-	\$ 1,715,957.00	\$ 1,715,957.00	-
Total - Federal Sources	1,715,957.00	-	1,715,957.00	1,715,957.00	-
Total Revenues	1,715,957.00	-	1,715,957.00	1,715,957.00	-
EXPENDITURES:					
GENERAL CURRENT EXPENSE:					
Unallocated Benefits - Employee Benefits:					
Health Benefits	1,715,957.00	-	1,715,957.00	1,715,957.00	-
Total Unallocated Benefits - Employee Benefits	1,715,957.00	-	1,715,957.00	1,715,957.00	-
Total Current Expense	1,715,957.00	-	1,715,957.00	1,715,957.00	-
Total Expenditures	1,715,957.00	-	1,715,957.00	1,715,957.00	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	-	-	-
Fund Balances, July 1	-	-	-	-	-
Fund Balances, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

GLOUCESTER TOWNSHIP 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 Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
State Sources:					
Nonpublic Aid	\$ 396,000.00	\$ 53,909.00	\$ 449,909.00	\$ 364,768.88	\$ (85,140.12)
Municipal Drug Alliance		10,500.00	10,500.00	13,250.00	2,750.00
Total - State Sources	<u>396,000.00</u>	<u>64,409.00</u>	<u>460,409.00</u>	<u>378,018.88</u>	<u>(82,390.12)</u>
Federal Sources:					
N.C.L.B.:					
Title I	810,489.00	296,136.00	1,106,625.00	996,107.67	(110,517.33)
Title I - ARRA		134,190.06	134,190.06	134,159.07	(30.99)
Title II - Part A	203,150.00	5,406.00	208,556.00	207,717.07	(838.93)
Title II - Part D		2,066.00	2,066.00		(2,066.00)
Title III	18,000.00	12,574.00	30,574.00	20,223.18	(10,350.82)
Title IV		12,631.00	12,631.00	12,586.77	(44.23)
I.D.E.I.A. Part B:					
Basic	2,700,000.00	472,783.00	3,172,783.00	2,952,727.63	(220,055.37)
Basic - ARRA		5,895.50	5,895.50		(5,895.50)
Preschool		125,121.00	125,121.00	71,658.00	(53,463.00)
Preschool - ARRA		869.00	869.00		(869.00)
Total - Federal Sources	<u>3,731,639.00</u>	<u>1,067,671.56</u>	<u>4,799,310.56</u>	<u>4,395,179.39</u>	<u>(404,131.17)</u>
Total Revenues	<u>4,127,639.00</u>	<u>1,132,080.56</u>	<u>5,259,719.56</u>	<u>4,773,198.27</u>	<u>(486,521.29)</u>

(Continued)

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 SPECIAL REVENUE FUND
 For the Fiscal Year Ended June 30, 2012

EXPENDITURES:	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Instruction:					
Salaries of Teachers	\$ 703,150.00	\$ 111,055.00	\$ 814,205.00	\$ 794,489.00	\$ 19,716.00
Purchased Professional Educational Services	262,000.00	59,276.00	321,276.00	267,245.36	54,030.64
Purchased Professional and Technical Services		30,095.00	30,095.00	23,041.80	7,053.20
Tuition	2,700,000.00	372,699.00	3,072,699.00	2,917,562.66	155,136.34
General Supplies	18,000.00	199,835.06	217,835.06	168,535.86	49,299.20
Textbooks	37,000.00	(6,303.00)	30,697.00	25,182.85	5,514.15
Other Objects		2,500.00	2,500.00	1,669.20	830.80
Total Instruction	<u>3,720,150.00</u>	<u>769,157.06</u>	<u>4,489,307.06</u>	<u>4,197,726.73</u>	<u>291,580.33</u>
Support Services:					
Personal Services-Salaries	44,000.00	(7,670.00)	36,330.00	36,262.20	67.80
Personal Services-Employee Benefits		241,324.00	241,324.00	238,733.16	2,590.84
Purchased Professional Educational Services	53,000.00	225,127.00	278,127.00	169,321.50	108,805.50
Purchased Professional and Technical Services		175,307.50	175,307.50	110,497.87	64,809.63
Miscellaneous Purchased Services	310,489.00	(304,089.00)	6,400.00	3,045.81	3,354.19
General Supplies		32,924.00	32,924.00	17,611.00	15,313.00
Total Support Services	<u>407,489.00</u>	<u>362,923.50</u>	<u>770,412.50</u>	<u>575,471.54</u>	<u>194,940.96</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment					
Buildings	-	-	-	-	-
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>4,127,639.00</u>	<u>1,132,080.56</u>	<u>5,259,719.56</u>	<u>4,773,198.27</u>	<u>486,521.29</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to Required Supplementary Information
 For the Fiscal Year Ended June 30, 2012

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 100,414,103.98	\$ 4,773,198.27
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		17,026.26
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	4,530,330.00	
State aid payment recognized as revenue for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(4,688,079.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 100,256,354.98</u>	<u>\$ 4,790,224.53</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 92,797,634.74	\$ 4,773,198.27
Differences - Budget to GAAP:		
Encumbrances for goods or services ordered but not received are reported in the year the orders are placed for budgetary purposes, but in the year the goods or services are received for financial reporting purposes.		<u>17,026.26</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 92,797,634.74</u>	<u>\$ 4,790,224.53</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	N.C.L.B.						Total Brought Forward
	<u>Total</u>	<u>Title I</u>	ARRA <u>Title I</u>	Title II <u>Part A</u>	<u>Title III</u>	<u>Title IV</u>	
REVENUES:							
Federal Sources	\$ 4,395,179.39	\$ 996,107.67	\$ 134,159.07	\$ 207,717.07	\$ 20,223.18	\$ 12,586.77	\$ 3,024,385.63
State Sources	<u>378,018.88</u>						<u>378,018.88</u>
Total Revenues	<u>4,773,198.27</u>	<u>996,107.67</u>	<u>134,159.07</u>	<u>207,717.07</u>	<u>20,223.18</u>	<u>12,586.77</u>	<u>3,402,404.51</u>
EXPENDITURES:							
Instruction:							
Salaries of Teachers	794,489.00	602,550.00		170,914.00	18,125.00		2,900.00
Purchased Professional Educational Services	267,245.36						267,245.36
Purchased Professional and Technical Services	23,041.80	23,041.80					
Tuition	2,917,562.66						2,917,562.66
General Supplies	168,535.86	26,256.84	127,594.07		2,098.18	12,586.77	
Textbooks	25,182.85						25,182.85
Other Objects	<u>1,669.20</u>	<u>1,669.20</u>					
Total Instruction	<u>4,197,726.73</u>	<u>653,517.84</u>	<u>127,594.07</u>	<u>170,914.00</u>	<u>20,223.18</u>	<u>12,586.77</u>	<u>3,212,890.87</u>
Support Services:							
Personal Services-Salaries	36,262.20						36,262.20
Personal Services-Employee Benefits	238,733.16	202,320.00		33,639.07			2,774.09
Purchased Professional Educational Services	169,321.50	137,663.83		3,164.00			28,493.67
Purchased Professional and Technical Services	110,497.87		6,565.00				103,932.87
Miscellaneous Purchased Services	3,045.81	2,606.00					439.81
General Supplies	<u>17,611.00</u>						<u>17,611.00</u>
Total Support Services	<u>575,471.54</u>	<u>342,589.83</u>	<u>6,565.00</u>	<u>36,803.07</u>	-	-	<u>189,513.64</u>
Facilities Acquisition and Construction Services:							
Instructional Equipment							
Non-Instructional Equipment							
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-
Total Expenditures	<u>\$ 4,773,198.27</u>	<u>\$ 996,107.67</u>	<u>\$ 134,159.07</u>	<u>\$ 207,717.07</u>	<u>\$ 20,223.18</u>	<u>\$ 12,586.77</u>	<u>\$ 3,402,404.51</u>

(Continued)

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2012

	Total Carried Forward	I.D.E.I.A. Part B		N.J. Nonpublic Auxiliary Services, Ch. 192, L. 1977				Total Brought Forward
		Basic	Preschool	Compensatory Education	English as a Second Language	Transportation	Home Instruction	
REVENUES:								
Federal Sources	\$ 3,024,385.63	\$ 2,952,727.63	\$ 71,658.00					
State Sources	378,018.88			\$ 179,203.60	\$ 1,206.80	\$ 5,715.77	\$ 1,854.00	\$ 190,038.71
Total Revenues	3,402,404.51	2,952,727.63	71,658.00	179,203.60	1,206.80	5,715.77	1,854.00	190,038.71
EXPENDITURES:								
Instruction:								
Salaries of Teachers	2,900.00							2,900.00
Purchased Professional Educational Services	267,245.36			179,203.60	1,206.80	5,715.77	1,854.00	79,265.19
Purchased Professional and Technical Services								
Tuition	2,917,562.66	2,845,904.66	71,658.00					
General Supplies								
Textbooks	25,182.85							25,182.85
Other Objects								
Total Instruction	3,212,890.87	2,845,904.66	71,658.00	179,203.60	1,206.80	5,715.77	1,854.00	107,348.04
Support Services:								
Personal Services-Salaries	36,262.20							36,262.20
Personal Services-Employee Benefits	2,774.09							2,774.09
Purchased Professional Educational Services	28,493.67							28,493.67
Purchased Professional and Technical Services	103,932.87	89,711.97						14,220.90
Miscellaneous Purchased Services	439.81							439.81
General Supplies	17,611.00	17,111.00						500.00
Total Support Services	189,513.64	106,822.97	-	-	-	-	-	82,690.67
Facilities Acquisition and Construction Services:								
Instructional Equipment								
Non-Instructional Equipment								
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-	-
Total Expenditures	\$ 3,402,404.51	\$ 2,952,727.63	\$ 71,658.00	\$ 179,203.60	\$ 1,206.80	\$ 5,715.77	\$ 1,854.00	\$ 190,038.71

(Continued)

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2012

	Total Carried Forward	NJ Non-Public Textbook Aid	NJ Non-Public Nursing Services Aid	N.J. Nonpublic Handicapped Services, Ch. 193, L. 1977			Municipal Drug Alliance
				Examination and Classification	Corrective Speech	Supplementary Instruction	
REVENUES:							
Federal Sources							
State Sources	\$ 190,038.71	\$ 25,182.85	\$ 43,847.00	\$ 28,493.67	\$ 63,270.99	\$ 15,994.20	\$ 13,250.00
Total Revenues	190,038.71	25,182.85	43,847.00	28,493.67	63,270.99	15,994.20	13,250.00
EXPENDITURES:							
Instruction:							
Salaries of Teachers	2,900.00						2,900.00
Purchased Professional Educational Services	79,265.19				63,270.99	15,994.20	
Purchased Professional and Technical Services							
Tuition							
General Supplies							
Textbooks	25,182.85	25,182.85					
Other Objects							
Total Instruction	107,348.04	25,182.85	-	-	63,270.99	15,994.20	2,900.00
Support Services:							
Personal Services-Salaries	36,262.20		36,262.20				
Personal Services-Employee Benefits	2,774.09		2,774.09				
Purchased Professional Educational Services	28,493.67			28,493.67			
Purchased Professional and Technical Services	14,220.90		3,870.90				10,350.00
Miscellaneous Purchased Services	439.81		439.81				
General Supplies	500.00		500.00				
Total Support Services	82,690.67	-	43,847.00	28,493.67	-	-	10,350.00
Facilities Acquisition and Construction Services:							
Instructional Equipment							
Non-Instructional Equipment							
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-
Total Expenditures	\$ 190,038.71	\$ 25,182.85	\$ 43,847.00	\$ 28,493.67	\$ 63,270.99	\$ 15,994.20	\$ 13,250.00

CAPITAL PROJECTS FUND

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2012

Project Title/Issue	Original Date	Appropriations	Expenditures to Date		Other Financing Uses	Unexpended Balance June 30, 2012
			Prior Years	Current Year		
a. Emergent Replacement and Reconstruction of Various Roofs	12-12-06	\$ 7,806,000.00	\$ 6,176,921.29	-	\$ 275,000.00	\$ 1,354,078.71
b. Replacement of Roof at the Erial Elementary School	6-1-10	2,712,591.00	2,420,061.04	-	292,529.96	-
c. Replacement of Windows and Doors at the Loring-Fleming Elementary School	6-1-10	565,656.00	359,130.60	-	206,525.40	-
d. Replacement of Roof at the Loring-Fleming Elementary School	6-3-10					
Other Purchased Professional and Technical Services		121,976.50	121,976.50	\$ (392.00)		392.00
Construction Services		961,700.00	948,492.00			13,208.00
Other Objects		24,823.50				24,823.50
Total 6-3-10 Project Authorized		1,108,500.00	1,070,468.50	(392.00)	-	38,423.50
e. VAT and Carpet Replacement at the Erial Elementary School	12-15-10					
Construction Services		330,736.00	75,156.40	249,403.62		6,175.98
f. Parking Lot at the C.W. Lewis Middle School	8-13-10	143,625.00	136,547.00	-	7,078.00	-
g. VAT and Carpet Replacement at the Blackwood Elementary School	12-15-10					
Construction Services		300,000.00	-	300,000.00		-
Total Projects Authorized		\$ 12,967,108.00	\$ 10,238,284.83	\$ 549,011.62	\$ 781,133.36	\$ 1,398,678.19
Unexpended Balances Canceled:						
Transfer to Debt Service					\$ 275,000.00	
Transfer to Capital Reserve					228,985.76	
SDA Grant Receivable Canceled					277,147.60	
					\$ 781,133.36	
Recapitulation:						
Restricted for Debt Service						\$ 1,354,078.71
Restricted for Capital Projects:						
Designated for Subsequent Year's Expenditures						44,599.48
						1,398,678.19
Reconciliation to Governmental Funds Statements (GAAP):						
NJ Schools Development Authority Projects Revenue Not Recognized on GAAP Basis						(20,631.18)
Fund Balance per Governmental Funds (GAAP)						\$ 1,378,047.01

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Revenues, Expenditures and Changes in Fund Balance--Budgetary Basis
For the Fiscal Year Ended June 30, 2012

Revenues:

Interest Earned on Deposits	\$ 10,200.49
Total Revenues	<u>10,200.49</u>

Expenditures:

Construction Services	<u>549,403.62</u>
Total Expenditures	<u>549,403.62</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(539,203.13)</u>
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Other Financing Sources (Uses):

Transfer to Debt Service Fund--Interest Earned on Deposits	(10,200.49)
Transfer to Capital Reserve	(228,985.76)
Transfer to Debt Service	(275,000.00)
Accounts Payable Canceled	392.00
SDA Grants Receivable Canceled	<u>(277,147.60)</u>

Total - Other Financing Sources (Uses)	<u>(790,941.85)</u>
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Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(1,330,144.98)</u>
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Fund Balance -- July 1	<u>2,728,823.17</u>
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Fund Balance -- June 30	<u><u>\$ 1,398,678.19</u></u>
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Recapitulation:

Restricted for Debt Service	\$ 1,354,078.71
Restricted for Capital Projects:	
Designated for Subsequent Year's Expenditures	<u>44,599.48</u>

	1,398,678.19
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Reconciliation to Governmental Funds Statements (GAAP):

NJ Schools Development Authority Projects Revenue Not Recognized on GAAP Basis	<u>(20,631.18)</u>
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Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 1,378,047.01</u></u>
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Restricted for Debt Service	\$ 1,354,078.71
Restricted for Capital Projects	<u>23,968.30</u>

	<u><u>\$ 1,378,047.01</u></u>
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GLOUCESTER TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Replacement of Roof at the Loring-Fleming Elementary School
 From Inception and for the Fiscal Year Ended June 30, 2012

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources--SCC/SDA Grant	\$ 595,249.00		\$ 595,249.00	\$ 595,249.00
Transfer from Capital Reserve	513,251.00		513,251.00	513,251.00
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	1,108,500.00	-	1,108,500.00	1,108,500.00
Expenditures and Other Financing Uses				
Legal Services				
Other Purchased Professional and Technical Services	121,976.50	\$ (392.00)	121,584.50	121,976.50
Construction Services	948,492.00		948,492.00	961,700.00
Other Objects				24,823.50
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	1,070,468.50	(392.00)	1,070,076.50	1,108,500.00
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	<u>\$ 38,031.50</u>	<u>\$ 392.00</u>	<u>\$ 38,423.50</u>	<u>\$ -</u>
Additional Project Information:				
Project Numbers	1780-090-09-0ZRO			
Grant Date	6-3-2010			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,108,500.00			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 1,108,500.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	96.53%			
Original Target Completion Date	3-31-11			
Revised Target Completion Date	6-30-12			

GLOUCESTER TOWNSHIP SCHOOL DISTRICT

CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 VAT and Carpet Replacement at the Erial Elementary School
 From Inception and for the Fiscal Year Ended June 30, 2012

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources--SCC/SDA Grant	\$ 149,028.00		\$ 149,028.00	\$ 149,028.00
Transfer from Capital Reserve	181,708.00		181,708.00	181,708.00
Total Revenues	<u>330,736.00</u>	<u>-</u>	<u>330,736.00</u>	<u>330,736.00</u>
Expenditures and Other Financing Uses				
Construction Services	75,156.40	\$ 249,403.62	324,560.02	330,736.00
Total Expenditures	<u>75,156.40</u>	<u>249,403.62</u>	<u>324,560.02</u>	<u>330,736.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 255,579.60</u>	<u>\$ (249,403.62)</u>	<u>\$ 6,175.98</u>	<u>\$ -</u>
Additional Project Information:				
Project Numbers	1780-050-10-G0EQ			
Grant Date	12-15-2010			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 277,049.00			
Additional Authorized Cost	53,687.00			
Revised Authorized Cost	\$ 330,736.00			
Percentage Increase over Original Authorized Cost	19.38%			
Percentage Completion	98.13%			
Original Target Completion Date	3-31-11			
Revised Target Completion Date	6-30-12			

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 VAT and Carpet Replacement at the Blackwood Elementary School
 From Inception and for the Fiscal Year Ended June 30, 2012

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources--SCC/SDA Grant	\$ 129,817.00		\$ 129,817.00	\$ 129,817.00
Transfer from Capital Reserve	170,183.00		170,183.00	170,183.00
Total Revenues	<u>300,000.00</u>	<u>-</u>	<u>300,000.00</u>	<u>300,000.00</u>
Expenditures and Other Financing Uses				
Construction Services		\$ 300,000.00	300,000.00	300,000.00
Total Expenditures	<u>-</u>	<u>300,000.00</u>	<u>300,000.00</u>	<u>300,000.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 300,000.00</u>	<u>\$ (300,000.00)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Project Information:				
Project Numbers	1780-050-10-G0EN			
Grant Date	6-3-2010			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 241,336.00			
Additional Authorized Cost	58,664.00			
Revised Authorized Cost	\$ 300,000.00			
Percentage Increase over Original Authorized Cost	24.31%			
Percentage Completion	100.00%			
Original Target Completion Date	3-31-11			
Revised Target Completion Date	6-30-12			

PROPRIETARY FUNDS

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
 Combining Statement of Net Assets
 June 30, 2012

	<u>Food Service</u>	<u>Latchkey</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 414,869.06	\$ 1,028,749.10	\$ 1,443,618.16
Accounts Receivable:			
State	872.37		872.37
Federal	37,775.04		37,775.04
Other	3,285.20		3,285.20
Inventories	32,246.26		32,246.26
Total Current Assets	<u>489,047.93</u>	<u>1,028,749.10</u>	<u>1,517,797.03</u>
Noncurrent Assets:			
Furniture, Machinery and Equipment	1,324,593.08	103,520.33	1,428,113.41
Less Accumulated Depreciation	<u>(1,165,376.89)</u>	<u>(81,043.34)</u>	<u>(1,246,420.23)</u>
Total Noncurrent Assets	<u>159,216.19</u>	<u>22,476.99</u>	<u>181,693.18</u>
Total Assets	<u>648,264.12</u>	<u>1,051,226.09</u>	<u>1,699,490.21</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	110.75	1,602.73	1,713.48
Interfund Accounts Payable	690.15	2,659.61	3,349.76
Compensated Absences Payable	14,125.00		14,125.00
Estimated Worker's Compensation Claims Payable		5,881.50	5,881.50
Deferred Revenue	22,296.81	100,669.10	122,965.91
Total Current Liabilities	<u>37,222.71</u>	<u>110,812.94</u>	<u>148,035.65</u>
Noncurrent Liabilities:			
Compensated Absences Payable	<u>74,700.00</u>	<u>51,950.00</u>	<u>126,650.00</u>
Total Liabilities	<u>111,922.71</u>	<u>162,762.94</u>	<u>274,685.65</u>
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	159,216.19	22,476.99	181,693.18
Unrestricted	<u>377,125.22</u>	<u>865,986.16</u>	<u>1,243,111.38</u>
Total Net Assets	<u>\$ 536,341.41</u>	<u>\$ 888,463.15</u>	<u>\$ 1,424,804.56</u>

GLOUCESTER TOWNSHIP 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</u>	<u>Latchkey</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 895,494.55		\$ 895,494.55
Daily Sales - Non-Reimbursable Programs	498,324.21		498,324.21
Special Functions	59,909.87		59,909.87
Community Service Activities		\$ 1,306,669.47	1,306,669.47
Miscellaneous	16,085.81		16,085.81
	<u>1,469,814.44</u>	<u>1,306,669.47</u>	<u>2,776,483.91</u>
Total Operating Revenues	<u>1,469,814.44</u>	<u>1,306,669.47</u>	<u>2,776,483.91</u>
OPERATING EXPENSES:			
Salaries	880,880.53	634,098.91	1,514,979.44
Employee Benefits	782,759.02	485,876.97	1,268,635.99
Purchased Professional Services	35,444.25	9,300.00	44,744.25
Purchased Property Services		175,000.00	175,000.00
Cleaning, Repair and Maintenance Services	62,634.10		62,634.10
Other Purchased Services	1,097.60	7,171.50	8,269.10
Communications/Telephone		13,494.60	13,494.60
Travel	1,161.08		1,161.08
General Supplies	56,269.71	57,545.05	113,814.76
Depreciation	23,399.95	9,260.80	32,660.75
Cost of Sales	1,025,535.45		1,025,535.45
Miscellaneous	108.75	10,052.57	10,161.32
	<u>2,869,290.44</u>	<u>1,401,800.40</u>	<u>4,271,090.84</u>
Total Operating Expenses	<u>2,869,290.44</u>	<u>1,401,800.40</u>	<u>4,271,090.84</u>
Operating Income (Loss)	<u>(1,399,476.00)</u>	<u>(95,130.93)</u>	<u>(1,494,606.93)</u>
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	29,167.95		29,167.95
Federal Sources:			
National School Lunch Program	948,609.12		948,609.12
National School Breakfast Program	227,595.22		227,595.22
After School Snack Program	8,361.79		8,361.79
Special Milk Program	10,043.12		10,043.12
Food Distribution Program	92,506.23		92,506.23
Interest and Investment Revenue	4,001.97	9,324.95	13,326.92
	<u>1,320,285.40</u>	<u>9,324.95</u>	<u>1,329,610.35</u>
Total Nonoperating Revenues (Expenses)	<u>1,320,285.40</u>	<u>9,324.95</u>	<u>1,329,610.35</u>
Income (Loss) before Contributions and Transfers	(79,190.60)	(85,805.98)	(164,996.58)
Operating Transfer In - General Fund	-	-	-
Change in Net Assets	(79,190.60)	(85,805.98)	(164,996.58)
Net Assets -- July 1	<u>615,532.01</u>	<u>974,269.13</u>	<u>1,589,801.14</u>
Net Assets -- June 30	<u>\$ 536,341.41</u>	<u>\$ 888,463.15</u>	<u>\$ 1,424,804.56</u>

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2012

	<u>Food Service</u>	<u>Latchkey</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 1,469,569.05	\$ 1,290,734.57	\$ 2,760,303.62
Payments to Employees	(880,880.53)	(634,098.91)	(1,514,979.44)
Payments for Employee Benefits	(782,038.00)	(478,535.63)	(1,260,573.63)
Payments to Suppliers	<u>(1,190,817.32)</u>	<u>(278,603.02)</u>	<u>(1,469,420.34)</u>
Net Cash Provided by (used for) Operating Activities	<u>(1,384,166.80)</u>	<u>(100,502.99)</u>	<u>(1,484,669.79)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
State Sources	29,710.44		29,710.44
Federal Sources	1,249,340.44		1,249,340.44
Interfunds Receivable	<u>100,000.00</u>		<u>100,000.00</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,379,050.88</u>	<u>-</u>	<u>1,379,050.88</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of Capital Assets	<u>(45,118.00)</u>	<u>(4,500.00)</u>	<u>(49,618.00)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(45,118.00)</u>	<u>(4,500.00)</u>	<u>(49,618.00)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends	<u>4,001.97</u>	<u>9,324.95</u>	<u>13,326.92</u>
Net Cash Provided by (used for) Investing Activities	<u>4,001.97</u>	<u>9,324.95</u>	<u>13,326.92</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(46,231.95)	(95,678.04)	(141,909.99)
Cash and Cash Equivalents -- July 1	<u>461,101.01</u>	<u>1,124,427.14</u>	<u>1,585,528.15</u>
Cash and Equivalents -- June 30	<u>\$ 414,869.06</u>	<u>\$ 1,028,749.10</u>	<u>\$ 1,443,618.16</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (1,399,476.00)	\$ (95,130.93)	\$ (1,494,606.93)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	23,399.95	9,260.80	32,660.75
(Increase) Decrease in Inventories	(8,593.72)		(8,593.72)
(Increase) Decrease in Accounts Receivable, net	(1,188.57)		(1,188.57)
(Increase) Decrease in Interfund Accounts Receivable	2,067.53		2,067.53
Increase (Decrease) in Accounts Payable	(549.07)	(5,605.27)	(6,154.34)
Increase (Decrease) in Interfund Accounts Payable	(4,153.98)	(8,342.69)	(12,496.67)
Increase (Decrease) in Deferred Revenue	(547.94)	(15,934.90)	(16,482.84)
Increase (Decrease) in Accrued Salaries Benefits	<u>4,875.00</u>	<u>15,250.00</u>	<u>20,125.00</u>
Total Adjustments	<u>15,309.20</u>	<u>(5,372.06)</u>	<u>9,937.14</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,384,166.80)</u>	<u>\$ (100,502.99)</u>	<u>\$ (1,484,669.79)</u>

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
Transportation Services
Statement of Net Assets
June 30, 2012

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 1,456.39	
Receivables from Other Governments	155,211.00	

Total Current Assets		156,667.39
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Noncurrent Assets:

Machinery and Equipment	6,394,214.86	
Less Accumulated Depreciation	(4,707,333.27)	

Total Noncurrent Assets		1,686,881.59
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Total Assets		1,843,548.98
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LIABILITIES:

Current Liabilities:

Accounts Payable	22,178.23	
Interfund Accounts Payable	86,807.17	
Estimated Worker's Compensation Claims Payable	15,873.50	
Capital Leases Payable - Current	98,470.51	

Total Current Liabilities		223,329.41
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Total Liabilities		223,329.41
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NET ASSETS:

Invested in Capital Assets, Net of Related Debt	1,588,411.08	
Unrestricted	31,808.49	

Total Net Assets		\$ 1,620,219.57
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GLOUCESTER TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
Transportation Services
Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Fiscal Year Ended June 30, 2012

OPERATING REVENUES:

Charges for Service:	
Transportation Fees from LEA	\$ 3,250,680.09
Transportation Fees from Other LEAs Within the State	1,605,338.70
Miscellaneous	13,803.27
	<u>4,869,822.06</u>
Total Operating Revenues	<u>4,869,822.06</u>

OPERATING EXPENSES:

Salaries	1,870,643.65
Employee Benefits	1,367,581.07
Purchased Professional Services	25,945.02
Cleaning, Repair and Maintenance Services	45,958.36
Other Purchased Services:	
Contracted Services (Between Home and School) - Vendors	296,907.05
Contracted Services (Other Than Between Home & School) - Vendors	172,283.07
Miscellaneous	130,636.00
General Supplies	4,422.84
Transportation Supplies	144,266.97
Gasoline	479,892.06
Depreciation	380,128.66
Miscellaneous	2,100.80
	<u>4,920,765.55</u>
Total Operating Expenses	<u>4,920,765.55</u>
Operating Income (Loss)	(50,943.49)

NONOPERATING REVENUES (EXPENSES):

Interest on Capital Leases	<u>(7,709.74)</u>
Total Nonoperating Revenues (Expenses)	<u>(7,709.74)</u>
Change in Net Assets	(58,653.23)
Net Assets--July 1	<u>1,678,872.80</u>
Net Assets--June 30	<u>\$ 1,620,219.57</u>

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
Transportation Services
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from Customers	\$ 5,588,877.06
Payments to Employees	(1,870,643.65)
Payments for Employee Benefits	(1,344,533.31)
Payments to Suppliers	<u>(1,231,080.88)</u>
Net Cash Provided by (used for) Operating Activities	<u>1,142,619.22</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:

Interfunds Payable	<u>(842,429.02)</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>(842,429.02)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Principal Paid on Capital Leases	(94,691.07)
Interest Paid on Capital Leases	(7,709.74)
Purchase of Capital Assets	<u>(196,333.00)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(298,733.81)</u>

Net Increase (Decrease) in Cash and Cash Equivalents 1,456.39

Cash and Cash Equivalents -- July 1 -

Cash and Equivalents -- June 30 \$ 1,456.39

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

Operating Income (Loss)	\$ (50,943.49)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	380,128.66
(Increase) Decrease in Accounts Receivable, net	719,055.00
Increase (Decrease) in Accounts Payable	7,571.88
Increase (Decrease) in Interfund Accounts Payable	<u>86,807.17</u>

Total Adjustments 1,193,562.71

Net Cash Provided by (used for) Operating Activities \$ 1,142,619.22

FIDUCIARY FUNDS

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
Combining Statement of Fiduciary Net Assets
June 30, 2012

	<u>Trust Fund</u>	<u>Agency Funds</u>		
	Unemployment Compensation <u>Trust</u>	Student <u>Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS:				
Cash and Cash Equivalents	\$ 1,290,767.75	\$ 178,573.49	\$ 426,425.90	\$ 1,895,767.14
Intrafund Accounts Receivable	<u>27,147.27</u>			<u>27,147.27</u>
Total Assets	<u>1,317,915.02</u>	<u>178,573.49</u>	<u>426,425.90</u>	<u>1,922,914.41</u>
LIABILITIES:				
Accounts Payable	37,908.97			37,908.97
Interfund Accounts Payable			140,235.84	140,235.84
Intrafund Accounts Payable			27,147.27	27,147.27
Payable to Student Groups		178,573.49		178,573.49
Payroll Deductions and Withholdings			<u>259,042.79</u>	<u>259,042.79</u>
Total Liabilities	<u>37,908.97</u>	<u>\$ 178,573.49</u>	<u>\$ 426,425.90</u>	<u>642,908.36</u>
NET ASSETS:				
Held in Trust for Unemployment Claims and Other Purposes	<u>1,280,006.05</u>			<u>1,280,006.05</u>
Total Net Assets	<u>\$ 1,280,006.05</u>			<u>\$ 1,280,006.05</u>

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended June 30, 2012

	Unemployment Compensation <u>Trust</u>
ADDITIONS:	
Contributions:	
Employee Salary Deductions	\$ 93,936.01
Investment Earnings:	
Interest	<u>10,726.77</u>
Total Additions	<u>104,662.78</u>
DEDUCTIONS:	
Unemployment Claims	<u>166,267.42</u>
Total Deductions	<u>166,267.42</u>
Change in Net Assets	(61,604.64)
Net Assets -- July 1	<u>1,341,610.69</u>
Net Assets -- June 30	<u><u>\$ 1,280,006.05</u></u>

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2012

	<u>Balance</u> <u>June 30, 2011</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2012</u>
ELEMENTARY SCHOOLS:				
Blackwood Elementary	\$ 9,699.36	\$ 13,825.24	\$ 10,548.99	\$ 12,975.61
Chews Elementary	11,471.17	23,303.75	18,810.72	15,964.20
Erial Elementary	15,095.90	28,229.64	26,675.91	16,649.63
Glendora Elementary	3,562.47	7,910.92	8,394.08	3,079.31
Union Valley Elementary	5,762.68	25,557.55	24,737.86	6,582.37
Gloucester Township Elementary	1,980.46	12,706.54	13,388.54	1,298.46
Loring-Flemming Elementary	5,681.68	20,250.19	22,838.24	3,093.63
James W. Lilley, Jr. Elementary	4,259.37	24,326.19	20,148.26	8,437.30
MIDDLE SCHOOLS:				
Glen Landing Middle School	33,242.10	122,564.28	110,044.66	45,761.72
Charles W. Lewis, Jr. Middle School	32,917.66	99,753.69	95,312.67	37,358.68
Ann Mullen Middle School	<u>15,355.58</u>	<u>151,459.95</u>	<u>139,442.95</u>	<u>27,372.58</u>
Total All Schools	<u>\$ 139,028.43</u>	<u>\$ 529,887.94</u>	<u>\$ 490,342.88</u>	<u>\$ 178,573.49</u>

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2012

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
ASSETS:				
Cash and Cash Equivalents	\$ 316,452.93	\$ 65,609,907.41	\$ 65,499,934.44	\$ 426,425.90
	<u>\$ 316,452.93</u>	<u>\$ 65,609,907.41</u>	<u>\$ 65,499,934.44</u>	<u>\$ 426,425.90</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 270,206.74	\$ 26,808,724.20	\$ 26,819,888.15	\$ 259,042.79
Net Payroll		38,561,619.62	38,561,619.62	
Intrafund Accounts Payable	27,293.50	93,936.01	94,082.24	27,147.27
Interfund Accounts Payable: Due to General Fund	<u>18,952.69</u>	<u>145,627.58</u>	<u>24,344.43</u>	<u>140,235.84</u>
Total Liabilities	<u>\$ 316,452.93</u>	<u>\$ 65,609,907.41</u>	<u>\$ 65,499,934.44</u>	<u>\$ 426,425.90</u>

LONG-TERM DEBT

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2012

	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2011	Issued	Retired	Balance June 30, 2012
			Date	Amount					
Construction of a New Middle School and Additions to Blackwood, Chews and Erial Elementary Schools	3-11-94	\$ 300,000.00	7-15-12 7-15-13	\$ 15,789.47 15,789.54	1.500%	\$ 47,368.48		\$ 15,789.47	\$ 31,579.01
Construction of Additions to the Middle Schools and Installation of Air Conditioning and Electrical Upgrades to various schools	6-1-02	6,944,000.00	8-1-12	600,000.00	4.400%	5,194,000.00		4,594,000.00	600,000.00
Refunding Bonds, Series 2003	1-15-03	9,165,000.00	12-1-12	1,235,000.00	4.000%	2,480,000.00		1,245,000.00	1,235,000.00
Refunding Bonds, Series 2004	1-23-04	13,165,000.00	8-1-12 8-1-13 8-1-14 8-1-15 8-1-16 8-1-17	1,350,000.00 1,750,000.00 1,740,000.00 1,820,000.00 1,895,000.00 1,920,000.00	5.000% 5.000% 4.000% 4.000% 4.000% 4.000%	11,725,000.00		1,250,000.00	10,475,000.00
Emergent replacement and reconstruction of the roofs at the Charles Lewis Middle School, Glen Landing Middle School & the J.W. Lilley Elementary School	3-1-07	7,806,000.00	3-1-13 3-1-14 3-1-15 3-1-16 3-1-17 3-1-18 3-1-19 3-1-20 3-1-21 3-1-22	300,000.00 400,000.00 425,000.00 450,000.00 475,000.00 500,000.00 1,010,000.00 1,055,000.00 1,100,000.00 1,141,000.00	3.875% 3.875% 3.875% 3.875% 3.875% 3.875% 3.875% 3.875% 3.875% 3.875%	7,131,000.00		275,000.00	6,856,000.00
Refunding Bonds, Series 2011	9-1-11	4,175,000.00	8-1-12 8-1-13 8-1-14 8-1-15 8-1-16 8-1-17	40,000.00 735,000.00 820,000.00 860,000.00 845,000.00 875,000.00	2.000% 2.000% 3.000% 3.000% 2.250% 2.500%		\$ 4,175,000.00		4,175,000.00
						<u>\$ 26,577,368.48</u>	<u>\$ 4,175,000.00</u>	<u>\$ 7,379,789.47</u>	<u>\$ 23,372,579.01</u>
Paid by Budget Appropriation Refunded								\$ 3,285,789.47 4,094,000.00	
								<u>\$ 7,379,789.47</u>	

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Schedule of Obligations Under Capital Leases
 For the Fiscal Year Ended June 30, 2012

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Interest Rate Payable</u>	<u>Amount Outstanding July 1, 2011</u>	<u>Retired</u>	<u>Amount Outstanding June 30, 2012</u>
			<u>Principal</u>	<u>Interest</u>				
Four 54 Passenger Buses	09-04-10	3 years	\$ 294,600.00	\$ 12,602.43	3.99%	\$ 193,161.58	\$ 94,691.07	\$ 98,470.51
Internal Service Fund						\$ 193,161.58	\$ 94,691.07	\$ 98,470.51

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 DEBT SERVICE FUND
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,600,478.00		\$ 2,600,478.00	\$ 2,600,478.00	
Debt Service Aid Type II	1,444,085.00		1,444,085.00	1,444,085.00	
Total Revenues	<u>4,044,563.00</u>	-	<u>4,044,563.00</u>	<u>4,044,563.00</u>	-
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	1,047,554.00		1,047,554.00	1,004,806.19	\$ 42,747.81
Redemption of Principal	3,285,790.00		3,285,790.00	3,285,789.47	0.53
Total Regular Debt Service	<u>4,333,344.00</u>	-	<u>4,333,344.00</u>	<u>4,290,595.66</u>	<u>42,748.34</u>
Total Expenditures	<u>4,333,344.00</u>	-	<u>4,333,344.00</u>	<u>4,290,595.66</u>	<u>42,748.34</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(288,781.00)</u>	-	<u>(288,781.00)</u>	<u>(246,032.66)</u>	<u>42,748.34</u>
Other Financing Sources (Uses):					
Operating Transfers In:					
Interest Earned in Capital Projects Fund				10,200.49	10,200.49
Transfer from Capital Projects Fund	275,000.00		275,000.00	275,000.00	
Proceeds of Refunding Bonds				4,175,000.00	4,175,000.00
Premium on Refunding Bonds				171,550.50	171,550.50
Payment to Refunded Bond Escrow Account				(4,265,026.22)	(4,265,026.22)
Costs of Issuance--Refunding Bonds				(81,524.28)	(81,524.28)
Total - Other Financing Sources (Uses)	<u>275,000.00</u>		<u>275,000.00</u>	<u>285,200.49</u>	<u>10,200.49</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	<u>(13,781.00)</u>		<u>(13,781.00)</u>	<u>39,167.83</u>	<u>52,948.83</u>
Fund Balance, July 1	<u>28,665.89</u>		<u>28,665.89</u>	<u>28,665.89</u>	
Fund Balance, June 30	<u>\$ 14,884.89</u>	<u>\$ -</u>	<u>\$ 14,884.89</u>	<u>\$ 67,833.72</u>	<u>\$ 52,948.83</u>
Restricted for:					
Debt Service				\$ 52,948.72	
Debt Service--Designated for Subsequent Year's Expenditures				14,885.00	
				<u>\$ 67,833.72</u>	

STATISTICAL SECTION

Financial Trends Information

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

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Net Assets by Component
 Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 29,088,160	\$ 26,644,828	\$ 24,224,862	\$ 20,037,664	\$ 14,532,158	\$ 9,921,335	\$ 14,521,135	\$ 12,880,349	\$ 11,678,484	\$ 6,177,273
Restricted	13,483,865	10,424,564	9,212,439	8,635,537	9,599,453	12,208,901	3,890,267	1,210,042	857,918	5,441,480
Unrestricted	2,393,957	1,863,826	(2,277,652)	287,370	733,046	1,180,542	1,529,326	2,389,430	(1,093,938)	651,872
Total Governmental Activities Net Assets	\$ 44,965,982	\$ 38,933,218	\$ 31,159,650	\$ 28,960,571	\$ 24,864,657	\$ 23,310,778	\$ 19,940,728	\$ 16,479,821	\$ 11,442,464	\$ 12,270,625
Business-type Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 181,693	\$ 164,736	\$ 197,860	\$ 245,156	\$ 235,083	\$ 158,185	\$ 180,751	\$ 208,610	\$ 238,813	\$ 241,193
Unrestricted	1,243,111	1,425,065	1,280,213	930,153	998,416	1,287,639	1,103,261	1,221,105	995,314	634,842
Total Business-type Activities Net Assets	\$ 1,424,805	\$ 1,589,801	\$ 1,478,073	\$ 1,175,309	\$ 1,233,499	\$ 1,445,824	\$ 1,284,012	\$ 1,429,715	\$ 1,234,127	\$ 876,035
District-wide:										
Invested in Capital Assets, Net of Related Debt	\$ 29,269,853	\$ 26,809,564	\$ 24,422,722	\$ 20,282,820	\$ 14,767,241	\$ 10,079,520	\$ 14,701,886	\$ 13,088,959	\$ 11,917,297	\$ 6,418,466
Restricted	13,483,865	10,424,564	9,212,439	8,635,537	9,599,453	12,208,901	3,890,267	1,210,042	857,918	5,441,480
Unrestricted	3,637,069	3,288,891	(997,439)	1,217,523	1,731,462	2,468,181	2,632,587	3,610,535	(98,624)	1,286,714
Total District-wide Net Assets	\$ 46,390,787	\$ 40,523,019	\$ 32,637,723	\$ 30,135,880	\$ 26,098,156	\$ 24,756,602	\$ 21,224,740	\$ 17,909,536	\$ 12,676,591	\$ 13,146,660

Source: CAFR Exhibit A-1

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
Changes in Net Assets
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 35,280,362	\$ 33,720,137	\$ 34,914,795	\$ 36,687,064	\$ 35,543,903	\$ 33,376,307	\$ 32,911,503	\$ 32,601,004	\$ 31,988,770	\$ 30,076,868
Special Education	9,238,521	8,724,619	8,566,433	7,739,290	7,158,935	5,971,133	5,253,810	5,081,440	4,231,949	4,360,225
Other Instruction	2,042,166	2,139,988	2,301,655	1,041,211	1,036,544	997,812	881,539	836,112	886,485	860,517
Nonpublic School Programs	1,157	1,364	1,251	1,038	1,408	1,537	1,537	1,333	1,150	1,037
Community Service Programs	6,000	6,000	4,112	5,000	5,073	5,218	5,127	5,029	4,933	4,670
Support Services:										
Tuition	4,002,479	3,434,398	4,429,492	4,038,304	4,452,388	5,644,048	5,236,052	5,054,470	4,793,660	3,811,915
Student and Instruction Related Services	8,718,777	8,343,288	8,864,935	7,289,210	6,949,211	6,822,323	6,804,431	6,853,589	6,581,659	6,622,703
School Administrative Services	3,193,051	3,202,290	3,406,533	3,316,860	3,224,783	3,119,234	2,820,997	2,697,140	2,522,094	2,436,914
General and Business Administrative Services	3,156,096	3,229,557	3,267,739	3,388,368	3,352,928	2,826,467	2,842,466	2,978,130	2,898,774	2,721,122
Plant Operations and Maintenance	6,371,859	6,606,280	6,920,385	6,874,832	6,604,800	6,519,187	5,760,362	5,611,145	5,468,576	5,283,157
Pupil Transportation	7,868,327	7,738,205	7,564,362	7,584,227	7,758,031	7,070,077	6,902,266	6,776,056	5,942,930	6,219,871
Unallocated Benefits	22,759,680	20,275,643	20,902,949	18,914,151	20,779,423	20,429,844	17,159,920	14,394,710	14,158,101	13,750,028
Special Schools			132,134	69,257	86,549	87,389	80,396	84,581	59,485	59,306
Transfer to Charter Schools	1,088,627	45,965	73,355	39,089	4,478	16,886	10,420	32,509	25,214	16,468
Interest on Long-term Debt	1,146,507	1,315,649	1,381,975	1,580,531	1,546,381	1,499,000	1,496,900	1,601,321	1,312,809	1,773,560
Amortization of Bond Issuance Costs	38,067	25,612	26,004	30,323	30,983	24,387	22,409	22,409	24,914	26,705
Total Governmental Activities Expenses	104,911,675	98,808,996	102,758,111	98,598,755	98,535,818	94,410,849	88,190,135	84,630,978	80,901,503	78,025,066
Business-type Activities:										
Food Service	2,869,290	2,854,773	2,846,508	3,317,590	3,302,840	3,000,304	3,116,690	2,746,124	2,543,760	2,432,398
Latchkey	1,401,800	1,341,495	1,369,907	1,379,537	1,482,746	1,250,267	1,100,426	1,032,288	983,738	1,004,088
Total Business-type Activities Expense	4,271,091	4,196,268	4,216,415	4,697,127	4,785,586	4,250,571	4,217,116	3,778,412	3,527,498	3,436,486
Total District Expenses	\$ 109,182,766	\$ 103,005,264	\$ 106,974,525	\$ 103,295,883	\$ 103,321,404	\$ 98,661,420	\$ 92,407,251	\$ 88,409,390	\$ 84,429,001	\$ 81,461,552
Program Revenues:										
Governmental Activities:										
Charges for Services	\$ 1,605,339	\$ 1,518,767	\$ 1,535,238	\$ 1,659,218	\$ 1,503,322	\$ 1,521,309	\$ 1,317,263.00	\$ 1,586,121	\$ 1,176,849	\$ 1,573,656
Operating Grants and Contributions	13,009,717	11,308,318	10,767,885	10,800,091	14,407,133	12,488,143	9,908,755	9,778,537	9,351,515	8,632,710
Capital Grants and Contributions				2,323				5,502		
Total Governmental Activities Program Revenues	14,615,056	12,827,086	12,303,123	12,461,632	15,910,455	14,009,452	11,226,018	11,370,159	10,528,364	10,206,367
Business-type activities:										
Charges for Services:										
Food service	1,469,814	1,585,916	1,739,489	1,705,853	1,644,698	1,755,169	1,706,631	1,707,426	1,648,061	1,496,328
Latchkey	1,306,669	1,371,994	1,349,443	1,331,417	1,376,169	1,299,640	1,304,360	1,137,789	1,101,030	1,003,289
Capital Grants and Contributions										
Operating Grants and Contributions	1,316,283	1,229,224	1,217,946	1,190,256	1,167,965	1,040,857	1,006,168	898,791	766,347	711,635
Total Business-type Activities Program Revenues	4,092,767	4,187,134	4,306,878	4,227,526	4,188,832	4,095,666	4,017,159	3,744,006	3,515,438	3,211,252
Total District Program Revenues	\$ 18,707,823	\$ 17,014,220	\$ 16,610,001	\$ 16,689,158	\$ 20,099,287	\$ 18,105,118	\$ 15,243,177	\$ 15,114,165	\$ 14,043,802	\$ 13,417,619
Net (Expense)/Revenue:										
Governmental Activities	\$ (90,296,619)	\$ (85,981,910)	\$ (90,454,987)	\$ (86,137,123)	\$ (82,625,363)	\$ (80,401,397)	\$ (76,964,117)	\$ (73,260,819)	\$ (70,373,139)	\$ (67,818,699)
Business-type Activities	(178,324)	(9,134)	90,463	(469,601)	(596,754)	(154,906)	(199,957)	(34,406)	(12,060)	(225,234)
Total District-wide Net Expense	\$ (90,474,942)	\$ (85,991,044)	\$ (90,364,524)	\$ (86,606,724)	\$ (83,222,117)	\$ (80,556,303)	\$ (77,164,074)	\$ (73,295,225)	\$ (70,385,199)	\$ (68,043,933)

(Continued)

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
Changes in Net Assets
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Revenues and Other Changes in Net Assets:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 40,435,550	\$ 39,936,815	\$ 38,400,784	\$ 38,400,784	\$ 39,707,454	\$ 39,712,435	36,981,817	\$ 36,855,105	\$ 29,682,807	\$ 28,530,568
Taxes Levied for Debt Service	2,600,478	2,787,851	2,442,713	2,469,323	2,188,166	2,183,185	2,132,634	2,096,685	1,890,787	1,610,684
Unrestricted Grants and Contributions	52,639,922	50,209,897	51,536,431	49,070,636	41,468,248	40,578,550	40,291,293	39,245,307	38,518,304	35,203,791
Investment Earnings	144,417	179,239	121,471	144,421	596,176	815,683	421,059	161,395	71,764	173,968
Other	514,107	744,687	356,027	581,179	559,911	749,478	774,532	162,898	147,323	57,376
Disposal of Assets		(3,010)	(3,361)	(33,305)	(5,714)	(19,853)	(20,768)	(31,214)	(112,227)	(266,781)
Arbitrage Rebate										
EDA Grant Receivable Canceled							(155,544)			
Gain/(Loss) on Disposal of Capital Assets	(332)									
Canceled Accounts Receivables/Payables	(4,759)									
Transfers		(100,000)	(200,000)	(400,000)	(335,000)	(300,000)		(192,000)	(387,000)	(250,000)
Total Governmental Activities	96,329,383	93,755,479	92,654,066	90,233,038	84,179,241	83,719,478	80,425,023	78,298,175	69,544,977	65,326,387
Business-type Activities:										
Investment Earnings	13,327	20,862	12,302	12,117	49,430	68,687	54,254	37,995	12,433	11,508
Other				(707)					(29,280)	(662)
Disposal of Assets				(707)					(29,280)	(662)
Transfers		100,000	200,000	400,000	335,000	300,000		192,000	387,000	250,000
Total Business-type Activities	13,327	120,862	212,302	411,410	384,430	368,687	54,254	229,995	370,153	260,846
Total District-wide	\$ 96,342,710	\$ 93,876,341	\$ 92,866,367	\$ 90,644,448	\$ 84,563,671	\$ 84,088,165	\$ 80,479,277	\$ 78,528,170	\$ 69,915,130	\$ 65,587,233
Change in Net Assets:										
Governmental Activities										
	\$ 6,032,764	\$ 7,773,569	\$ 2,199,078	\$ 4,095,915	\$ 1,553,878	\$ 3,318,081	\$ 3,460,906	\$ 5,037,357	\$ (828,162)	\$ (2,492,312)
Business-type Activities										
	(164,997)	111,728	302,765	(58,191)	(212,324)	213,781	(145,703)	195,589	358,093	35,612
Total District	\$ 5,867,767	\$ 7,885,297	\$ 2,501,843	\$ 4,037,724	\$ 1,341,554	\$ 3,531,863	\$ 3,315,203	\$ 5,232,945	\$ (470,069)	\$ (2,456,700)

Source: CAFR Exhibit A-2

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund:										
Reserved			\$ 7,000,692	\$ 7,057,333	\$ 7,590,634	\$ 6,503,197	\$ 3,994,441	\$ 1,775,038	\$ 205,584	\$ 441,389
Unreserved			(1,313,067)	1,380,048	1,985,084	2,148,128	2,253,512	2,416,723	950,186	2,314,756
Restricted	\$ 12,245,059	\$ 8,411,864								
Assigned	1,210,942	944,795								
Unassigned	2,249,048	1,916,516								
Total General Fund	\$ 15,705,050	\$ 11,273,174	\$ 5,687,625	\$ 8,437,381	\$ 9,575,717	\$ 8,651,325	\$ 6,247,953	\$ 4,191,761	\$ 1,155,770	\$ 2,756,145
All Other Governmental Funds:										
Reserved			\$ 977,891	\$ 54,071	\$ 189,202	\$ 3,732,496			\$ 137,288	\$ 4,359,337
Unreserved, Reported in:										
Special Revenue Fund					139,696	139,695	\$ (31,678)	\$ (32,345)	(32,345)	(29,938)
Capital Projects Fund			1,350,493	1,641,800	1,716,800	1,943,592	244,588	465,005	459,578	743,799
Debt Service Fund			36,924	131,484	245,135	143,738	9,970	43,477	79,208	438,757
Restricted, Reported in:										
Capital Projects Fund	\$ 1,378,047	\$ 2,202,000								
Debt Service Fund	67,834	28,666								
Total All Other Governmental Funds	\$ 1,445,881	\$ 2,230,666	\$ 2,365,308	\$ 1,827,355	\$ 2,290,833	\$ 5,959,521	\$ 222,880	\$ 476,137	\$ 643,729	\$ 5,511,955

(1) GASB Statement No. 54 effective for the fiscal year ending June 30, 2011. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. See the Notes to Financial Statements.

Source: CAFR Exhibit B-1

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues:										
Tax Levy	\$ 43,036,028	\$ 42,724,666	\$ 40,843,497	\$ 40,870,107	\$ 41,895,620	\$ 41,895,620	\$ 39,114,451	\$ 38,951,790	\$ 31,573,594	\$ 30,141,252
Other Local Revenue	644,720	923,926	477,498	715,600	1,155,547	1,628,935	1,195,591	324,292	218,906	231,344
State Sources	59,334,692	57,235,139	50,531,209	56,571,208	52,792,299	50,515,534	47,184,255	46,222,245	45,019,387	41,438,425
Federal Sources	6,314,947	4,283,076	11,773,108	3,301,841	3,083,082	2,551,159	3,015,794	2,807,101	2,850,613	2,463,013
Total Revenue	109,330,388	105,166,807	103,625,312	101,458,757	98,926,548	96,591,248	90,510,090	88,305,428	79,662,500	74,274,035
Expenditures:										
Instruction										
Regular Instruction	34,079,062	32,487,319	33,659,674	35,384,271	34,203,059	32,028,247	31,788,087	31,459,037	30,832,787	28,911,077
Special Education Instruction	9,238,521	8,724,619	8,566,433	7,739,290	7,158,935	5,971,133	5,253,810	5,081,440	4,231,949	4,360,225
Other	253,942	356,683	512,546	421,003	443,977	441,811	333,077	324,212	341,948	331,088
School-Sponsored/Other Instructional	1,755,496	1,752,614	1,759,030	589,350	561,221	524,653	516,848	479,418	511,926	497,046
Community Services	6,000	6,000	4,112	5,000	5,073	5,218	5,127	5,029	4,933	4,670
Support Services:										
Tuition	4,002,479	3,434,398	4,429,492	4,038,304	4,452,388	5,644,048	5,236,052	5,054,470	4,793,660	3,811,915
Student and Instruction Related Services	8,711,114	8,336,331	8,859,517	7,285,902	6,946,488	6,819,636	6,801,827	6,851,512	6,580,414	6,622,631
School Administrative Services	3,156,084	3,169,321	3,374,391	3,285,368	3,192,978	3,088,577	2,791,174	2,668,492	2,495,618	2,412,582
Other Administrative Services	3,021,415	3,134,785	3,189,082	3,307,118	3,271,177	2,758,840	2,774,694	2,911,142	2,844,160	2,677,335
Plant Operations and Maintenance	6,046,479	6,336,519	6,655,639	6,833,966	6,573,787	6,490,768	6,023,808	5,874,861	5,662,373	5,365,486
Pupil Transportation	2,892,064	2,805,574	2,701,599	2,814,058	3,123,922	2,736,960	2,893,198	2,036,742		
Unallocated Benefits	22,660,680	20,230,114	21,048,536	18,871,959	20,840,078	20,232,199	17,132,536	15,355,259	14,089,142	12,373,457
Special Schools			132,134	69,257	86,549	87,389	80,395	84,581	59,485	59,306
Transfer to Charter Schools	1,088,627	45,965	73,355	39,089	4,478	16,886	10,420	32,509	25,214	16,468
Debt Service:										
Principal	3,285,789	3,060,789	2,950,789	2,750,789	2,430,789	2,320,789	2,180,789	2,010,789	1,875,789	1,370,789
Interest and Other Charges	1,004,806	1,194,791	1,322,621	1,734,282	1,228,338	1,314,966	1,410,138	1,558,062	1,502,066	
Capital Outlay	1,225,300	1,578,257	3,296,024	4,075,815	3,830,272	2,572,618	645,578	334,949	4,907,108	7,110,085
Total Expenditures	102,427,859	96,654,081	102,534,975	99,244,821	98,353,509	93,054,738	85,877,560	82,089,088	80,814,570	77,426,225
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,902,529	8,512,727	1,090,337	2,213,936	573,039	3,536,511	4,632,531	6,216,340	(1,152,070)	(3,152,190)
Other Financing Sources (Uses):										
Capital Leases (Non-budgeted)								38,164	453,248	
Sale of Bonds	4,175,000					7,806,000			13,165,000	9,165,000
Premium on Sale of Bonds	171,551								699,401	378,579
Payment to Refunded Debt Escrow Agent	(4,265,026)								(14,007,381)	(9,502,171)
Arbitrage Rebate									(266,781)	
Accrued Interest on Sale of Bonds										13,628
Costs of Issuance	(81,524)								(157,020)	(122,408)
Accounts Receivable/Payable Canceled	(4,759)						(155,544)			
Transfers In	514,186	510,401	2,044,906	3,672,865	108,340	124,288	6,944		11,575	341,061
Transfers Out	(3,764,866)	(3,572,221)	(5,347,045)	(7,488,616)	(3,477,644)	(3,326,786)	(2,680,996)	(3,386,106)	(5,214,574)	(5,426,845)
Total Other Financing Sources (Uses)	(3,255,439)	(3,061,820)	(3,302,139)	(3,815,751)	(3,369,304)	4,603,502	(2,829,596)	(3,347,942)	(5,316,531)	(5,153,155)
Net Change in Fund Balances	\$ 3,647,090	\$ 5,450,907	\$ (2,211,802)	\$ (1,601,815)	\$ (2,796,265)	\$ 8,140,013	\$ 1,802,935	\$ 2,868,399	\$ (6,468,601)	\$ (8,305,345)
Debt Service as a Percentage of Noncapital Expenditures	4.2%	4.5%	4.3%	4.7%	3.9%	4.0%	4.2%	4.3%	4.5%	4.1%

Source: CAFR Exhibit B-2

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Tuition			\$ 12,351.57	\$ 60,138.64	\$ 21,568.00	\$ 7,160.00	\$ 58,950.26			
Prior Year Tuition Adjustments				7,594.00		30,407.41	2,670.00	\$ 453.00	\$ 9,356.24	\$ 17,742.70
Homeless Tuition	\$ 59,818.04	\$ 261,858.58		4,410.24	40,586.83	12,790.88	39,547.52	23,455.88	12,787.62	
Printing									39.00	
Property Transfer							1.00			1.00
Sale of Surplus Items	1,630.25	512.57	8,792.11	8,305.23		4,777.57	8,685.67	237.00		559.69
Book Sale										452.95
Rentals	175,000.00	150,000.00	150,000.00	153,700.00	183,300.00	125,000.00	25,000.00	25,000.00	20,000.00	
Bid Specifications/OPRA	2,599.95	2,207.40	460.06	857.50	130.00	115.00	150.50	136.00	80.00	219.00
Cancellation of Accounts Payable	2,980.00		1,012.47	33,918.69	2,696.31	110,891.26		354.59		3,841.40
Cancellation of Unexpended Grant Balances									298.40	
Various Refunds	5,974.41	17,090.79	50,294.95	143,703.30	175,049.15	418,783.08	589,104.79	99,456.34	90,280.91	25,400.98
Refund of Prior Year Expense	184,987.50	75,157.01	76,965.49	19,929.00	20,542.67					
Emergency Snow Removal--FEMA		53,535.51								
Administrative Fees	1,798.80	2,221.16	3,550.03	6,605.43	2,605.69	4,017.92			685.49	169.18
Unallocated Payroll Deductions							8,839.76	197.40		
Cancellation of Prior Year Outstanding Checks		644.15	899.00	619.23	1,273.85	16,951.34	13,677.05			
Various Fines and Fees	1,441.65	2,202.15	3,049.04	5,784.73	6,497.19	2,054.26	2,026.73	1,447.94	1,276.09	2,052.40
Settlements				4,190.00				6,259.28		6,937.15
Unexpended Escrow Funds							2,970.96		7,913.49	
Summer School Fees	7,050.00	13,300.00	5,575.00		10,350.00	4,025.00	6,875.00	3,300.00	4,425.00	
Cancellation of Department of Instruction Account							1,360.56			
Crossing Control Arm								2,600.00		
E-Rate	57,022.98	165,957.95	43,076.93	121,423.10	94,771.59					
Interest Earned on Capital Reserve Funds	31,764.93	47,708.20	33,677.81	28,783.71	35,131.57	26,379.28	14,671.77	25.86	12.48	15.91
Interest Earned on Maintenance Reserve Funds	6,093.12	8,732.70	6,942.99	4,149.40						
Interest Earned on Emergency Reserve Funds	2,509.66	4,046.01	3,205.03	1,970.60						
Interest Earned on Deposits	93,848.51	103,867.15	63,864.94	86,375.37	452,704.17	665,015.57	414,115.16	158,343.76	61,062.95	77,751.22
Total Miscellaneous Revenues	\$ 634,519.80	\$ 909,041.33	\$ 463,717.42	\$ 692,458.17	\$ 1,047,207.02	\$ 1,428,368.57	\$ 1,188,646.73	\$ 321,267.05	\$ 208,217.67	\$ 135,143.58

Source: District Records

Revenue Capacity Information

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

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Year Ended Dec. 31	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Taxable Value of Partial Exemptions and Abatements	Real Property Exempt from Taxation	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2012	\$ 42,470,400.00	\$ 3,912,957,500.00	\$ 7,189,600.00	\$ 333,418,200.00	\$ 57,339,900.00	\$ 160,651,000.00	\$ 4,514,026,600.00	\$ 10,169,900.00	\$ 4,524,196,500.00	\$ 2,243,800.00	\$ 754,018,000.00	\$ 4,481,273,902.00	\$ 0.956
2011	44,506,600.00	3,926,504,450.00	6,791,800.00	320,755,000.00	58,630,600.00	164,046,800.00	4,521,235,250.00	10,362,210.00	4,531,597,460.00	2,773,250.00	768,960,600.00	4,488,606,317.00	0.947
2010 (3)	48,611,000.00	3,922,541,150.00	7,735,800.00	317,979,100.00	60,852,900.00	166,205,500.00	4,523,925,450.00	11,677,300.00	4,535,602,750.00	2,842,050.00	777,355,900.00	4,619,464,477.00	0.922
2009	25,485,900.00	2,145,192,600.00	4,312,600.00	153,492,500.00	32,643,200.00	85,262,700.00	2,446,389,500.00	5,923,640.00	2,452,313,140.00	1,545,300.00	418,139,400.00	4,688,905,072.00	1.667
2008	25,716,200.00	2,140,088,300.00	4,313,700.00	151,720,300.00	32,694,200.00	85,262,700.00	2,439,795,400.00	5,520,631.00	2,445,316,031.00	1,602,200.00	410,586,000.00	4,820,589,508.00	1.692
2007	24,462,900.00	2,125,453,500.00	4,277,200.00	148,503,800.00	33,918,700.00	82,508,000.00	2,419,124,100.00	6,055,577.00	2,425,179,677.00	1,430,600.00	404,633,900.00	4,764,364,192.00	1.727
2006	27,996,100.00	2,094,399,900.00	4,308,400.00	142,600,400.00	34,229,100.00	83,623,300.00	2,387,157,200.00	6,561,812.00	2,393,719,012.00	29,266,200.00	357,221,532.00	4,355,545,598.00	1.693
2005	30,229,100.00	2,070,257,700.00	4,669,300.00	145,046,600.00	34,200,800.00	83,623,300.00	2,368,026,800.00	8,338,470.00	2,376,365,270.00	29,440,900.00	355,692,286.00	3,900,558,720.00	1.643
2004	32,768,701.00	2,033,132,300.00	4,165,500.00	137,553,300.00	34,828,300.00	83,623,300.00	2,326,071,401.00	9,521,991.00	2,335,593,392.00	12,913,300.00	354,306,483.00	3,201,605,703.00	1.510
2003	31,655,601.00	2,008,770,400.00	4,408,500.00	139,050,900.00	32,061,900.00	83,623,300.00	2,299,570,601.00	10,977,715.00	2,310,548,316.00	15,712,400.00	346,077,775.00	2,813,964,796.00	1.336

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

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

(3) Revaluation

Source: Camden County Board of Taxation

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (Rate per \$100 of Assessed Value)
Unaudited

Year Ended <u>Dec. 31</u>	<u>District Direct Rate</u>			<u>Overlapping Rates</u>				<u>Total Direct and Overlapping Tax Rate</u>
	<u>Basic Rate</u>	<u>General Obligation Debt Service</u>	<u>Total Direct School Tax Rate</u>	<u>Regional High School District</u>	<u>Township of Gloucester</u>	<u>Township of Gloucester Fire Districts</u>	<u>Camden County</u>	
2012	\$0.898	\$0.058	\$0.956	\$0.509	\$0.845	\$0.764	\$0.772	\$3.846
2011	0.888	0.059	0.947	0.511	0.843	0.734	0.736	3.771
2010 (1)	0.865	0.058	0.922	0.499	0.887	0.708	0.682	3.698
2009	1.567	0.100	1.667	0.888	1.448	1.294	1.239	6.536
2008	1.597	0.095	1.692	0.939	1.116	1.259	1.257	6.263
2007	1.636	0.090	1.727	0.981	1.040	1.211	1.287	6.246
2006	1.603	0.090	1.693	0.924	0.927	1.187	1.336	6.067
2005	1.554	0.089	1.643	0.867	1.009	1.085	1.139	5.743
2004	1.424	0.085	1.510	0.745	0.920	1.006	1.080	5.261
2003	1.260	0.076	1.336	0.617	0.799	0.994	1.088	4.834

(1) Revaluation

Source: Municipal Tax Collector

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

<u>Taxpayer</u>	2012			2003		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Autumn Ridge Apartments	\$ 36,122,400.00	1	0.80%	\$ 18,400,000.00	1	0.80%
Lakeview Apartments	33,022,700.00	2	0.73%	17,407,000.00	2	0.75%
Millbridge Apartments	29,487,600.00	3	0.65%	15,480,300.00	3	0.67%
Korman Cherrywood Apartments	19,872,000.00	4	0.44%	10,914,600.00	5	0.47%
Fairways Apartments	16,145,500.00	5	0.36%	7,800,000.00	7	0.34%
Paramount at Chews Landing	14,575,700.00	6	0.32%	9,810,800.00	6	0.42%
Inland Western Gloucester Cross Keys	14,535,400.00	7	0.32%			
Benderson Development	13,976,600.00	8	0.31%	5,300,000.00	10	0.23%
Target Corporation	11,015,900.00	9	0.24%			
Clinton Blackwood	10,355,000.00	10	0.23%			
Group IV Equities				13,249,900.00	4	0.57%
Pine Run Commerce Center				6,787,900.00	8	0.29%
A.C. Moore Warehouse				6,472,600.00	9	0.28%
Total	\$ 199,108,800.00		4.40%	\$ 111,623,100.00		4.83%

Source: Municipal Tax Assessor

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Property Tax Levies and Collections
 Last Ten Fiscal Years
Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>School District Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2012	\$ 43,036,028.00	\$ 43,026,028.10	99.98%	\$ 9,999.90
2011	42,724,666.00	42,714,666.10	99.98%	9,999.90
2010	40,843,497.00	40,843,497.00	100.00%	-
2009	40,870,107.00	40,870,107.00	100.00%	-
2008	41,895,620.00	41,895,620.00	100.00%	-
2007	41,895,620.00	41,895,620.00	100.00%	-
2006	39,114,451.00	39,114,451.00	100.00%	-
2005	38,951,790.00	38,951,790.00	100.00%	-
2004	31,573,594.00	31,573,594.00	100.00%	-
2003	30,141,252.00	30,141,252.00	100.00%	-

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

Source: District Records

Debt Capacity Information

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

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended <u>June 30.</u>	Governmental Activities		<u>Total District</u>	Percentage of Personal Income (2)	<u>Per Capita (3)</u>
	<u>General Obligation Bonds (1)</u>	<u>Capital Leases</u>			
2012	\$ 23,372,579.01	\$ 98,470.51	\$ 23,471,049.52	Unavailable	\$ 363.44
2011	26,577,368.48	193,161.58	26,770,530.06	0.97%	414.24
2010	29,638,157.95	-	29,638,157.95	1.11%	458.09
2009	32,588,947.42	187,040.51	32,775,987.93	1.20%	505.79
2008	35,339,736.89	537,813.41	35,877,550.30	1.37%	551.17
2007	37,770,526.36	335,164.12	38,105,690.48	1.51%	583.07
2006	32,285,315.83	206,842.63	32,492,158.46	1.38%	499.64
2005	34,466,105.30	844,780.40	35,310,885.70	1.56%	545.11
2004	36,476,894.77	995,574.04	37,472,468.81	1.72%	580.18
2003	37,836,684.24	735,475.27	38,572,159.51	1.84%	598.15

Sources:

- (1) District Records
- (2) Personal income has been estimated based upon the municipal population and per capita personal income data provided by the NJ Dept of Labor and Workforce Development
- (3) Per Capita calculation based upon population information provided by the NJ Dept of Labor and Workforce Development

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2012	\$ 23,372,579.01	-	\$ 23,372,579.01	0.52%	\$ 361.92
2011	26,577,368.48	-	26,577,368.48	0.59%	411.25
2010 (4)	29,638,157.95	-	29,638,157.95	0.65%	458.09
2009	32,588,947.42	-	32,588,947.42	1.33%	502.91
2008	35,339,736.89	-	35,339,736.89	1.45%	542.90
2007	37,770,526.36	-	37,770,526.36	1.56%	577.95
2006	32,285,315.83	-	32,285,315.83	1.35%	496.46
2005	34,466,105.30	-	34,466,105.30	1.45%	532.07
2004	36,476,894.77	-	36,476,894.77	1.56%	564.76
2003	37,836,684.24	-	37,836,684.24	1.64%	586.74

Sources:

- (1) District Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (3) Per Capita calculation based upon population information provided by the NJ Dept of Labor and Workforce Development
- (4) Revaluation

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2011
Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Gloucester Township</u>	<u>Debt Authorized but not Issued</u>
Municipal Debt: (1)					
Gloucester Township School District (1)	\$ 23,647,579.01	\$ 23,647,579.01			
Black Horse Pike Regional School District (1) (2)	18,463,387.67	18,463,387.67			
Gloucester Township (3)	<u>51,068,336.15</u>		<u>\$ 51,068,336.15</u>	<u>\$ 51,068,336.15</u>	
	<u>93,179,302.83</u>	<u>42,110,966.68</u>	<u>51,068,336.15</u>	<u>51,068,336.15</u>	
Overlapping Debt Apportioned to the Municipality:					
County of Camden: (1)					
General:					
Bonds	43,903,921.00	27,403,718.00 (4)	16,500,203.00	1,847,054.03 (6)	\$ 25,204,000.00
Loan Agreements	169,310,000.00		169,310,000.00	18,952,780.01 (6)	
Bonds Issued by Other Public Bodies Guaranteed by the County	750,920,785.00	750,920,785.00 (5)			
Gloucester Township Municipal Utilities Authority(1)	14,402,116.59		14,402,116.59	14,402,116.59	
Gloucester Township Fire Districts (1)	<u>950,000.00</u>		<u>950,000.00</u>	<u>950,000.00</u>	
	<u>979,486,822.59</u>	<u>778,324,503.00</u>	<u>201,162,319.59</u>	<u>36,151,950.62</u>	<u>25,204,000.00</u>
	<u>\$ 1,072,666,125.42</u>	<u>\$ 820,435,469.68</u>	<u>\$ 252,230,655.74</u>	<u>\$ 87,220,286.77</u>	<u>\$ 25,204,000.00</u>

Sources:

- (1) Entity's Audit Report
- (2) Allocated based on percentage of average equalized valuations
- (3) Township Audit Report
- (4) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
- (5) Deductible in accordance with N.J.S. 40:37A-80.
- (6) Such debt is allocated as a proportion of the Issuer's share of the total 2011 Net Valuation on which County taxes are apportioned, which is 11.19%.
The source for this computation was the County of Camden 2011 Abstract of Ratables.

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2012

	<u>Equalized Valuation Basis (1)</u>
2011	\$ 4,478,244,107
2010	4,607,787,177
2009	<u>4,682,981,432</u>
	<u>\$ 13,769,012,716</u>
Average equalized valuation of taxable property	<u>\$ 4,589,670,905</u>
Debt limit (3% of average equalization value) (2)	\$ 137,690,127
Total Net Debt Applicable to Limit	<u>23,372,579</u>
Legal Debt Margin	<u>\$ 114,317,548</u>

	Fiscal Year Ended June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt limit	\$ 137,690,127.16	\$ 141,058,374.86	\$ 142,563,589.24	\$ 139,223,612.78	\$ 129,995,126.52	\$ 114,332,877.48	\$ 98,872,910.43	\$ 85,339,768.64	\$ 76,873,549.84	\$ 71,188,280.68
Total net debt applicable to limit (3)	<u>23,372,579.01</u>	<u>26,577,368.48</u>	<u>29,638,157.95</u>	<u>32,588,947.42</u>	<u>35,339,736.89</u>	<u>37,770,526.36</u>	<u>32,285,315.83</u>	<u>34,466,105.30</u>	<u>36,476,894.77</u>	<u>37,836,684.24</u>
Legal debt margin	<u>\$ 114,317,548.15</u>	<u>\$ 114,481,006.38</u>	<u>\$ 112,925,431.29</u>	<u>\$ 106,634,665.36</u>	<u>\$ 94,655,389.63</u>	<u>\$ 76,562,351.12</u>	<u>\$ 66,587,594.60</u>	<u>\$ 50,873,663.34</u>	<u>\$ 40,396,655.07</u>	<u>\$ 33,351,596.44</u>
Total net debt applicable to the limit as a percentage of debt limit	16.97%	18.84%	20.79%	23.41%	27.19%	33.04%	32.65%	40.39%	47.45%	53.15%

Sources:
 (1) Equalized valuation bases were provided by 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

Demographic and Economic Information

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

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Demographic and Economic Statistics
 Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	County of Camden <u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2011	64,580	Unavailable	Unavailable	9.3%
2010	64,626	2,760,822,720.00	\$ 42,720.00	9.6%
2009	64,700	2,678,968,200.00	41,406.00	8.7%
2008	64,801	2,721,123,592.00	41,992.00	3.2%
2007	65,094	2,620,684,440.00	40,260.00	2.7%
2006	65,353	2,527,265,863.00	38,671.00	2.7%
2005	65,031	2,360,560,269.00	36,299.00	2.4%
2004	64,777	2,264,280,035.00	34,955.00	4.8%
2003	64,588	2,181,459,700.00	33,775.00	5.4%
2002	64,486	2,097,923,038.00	32,533.00	5.2%

Sources:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per Capita Personal Income data provided by the NJ Dept of Labor and Workforce Development
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
Principal Non-Governmental Employers
Current Year and Nine Years Ago
Unaudited

<u>Employer</u>	<u>2012</u>			<u>2003 (1)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment (1)</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Metrologic Corp.	500	1				
U.S. Vision	350	2				
Zallie Supermarkets	300	3				
Freeland Associates	255	4				
Super G	225	5				
Blackwell North America	180	6				
Wastequip/Accurate Industries	150	7				
K-Mart	100	8				
A.L. Hyde Company	95	9				
Reliable Tire	77	10				
	<u>2,232</u>		<u>-</u>	<u>-</u>		<u>-</u>

(1) Information not available

Source: Township Official Statement

Operating Information

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

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
Unaudited

<u>Function/Program</u>	Fiscal Year Ended June 30,									
	<u>2011</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Instruction:										
Teachers	526.0	528.0	572.0	564.0	589.0	608.0	578.0	583.0	577.0	568.0
Classroom Aides	56.0	53.0	108.0	129.0	107.0	99.0	104.0	104.0	99.0	99.0
Support Services:										
Attendance and Social Work services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Health Services	24.0	22.0	22.0	13.0	11.0	11.0	11.0	11.0	11.0	11.0
Related Services	21.0	22.0	20.0	18.0	16.0	11.0	11.0	10.0	10.0	10.0
Extraordinary Services	-	-	-	-	-	2.0	2.0	2.0	2.0	2.0
Guidance Services	19.0	19.0	22.0	22.0	20.5	20.5	20.5	20.5	20.5	20.5
Child Study Team Services	20.0	22.0	24.0	22.0	20.0	24.0	24.0	23.0	23.0	23.0
Improvement of Instruction Services	9.0	15.0	22.0	20.0	10.0	12.0	12.0	12.0	12.0	12.0
Media/Library Services	18.0	11.0	11.0	10.0	7.0	7.0	7.0	10.0	10.0	10.0
Instructional Staff Training Services	-	-	-	-	-	1.0	1.0	1.0	1.0	-
General Administrative Services	2.0	2.0	2.0	2.0	3.0	2.0	2.0	2.0	3.0	9.0
School Administrative Services	49.0	51.0	55.0	55.0	54.0	49.0	49.0	49.0	49.0	49.0
Central Services	16.5	16.0	19.0	19.0	4.0	3.0	3.0	5.0	23.0	-
Administrative Information Technology	9.0	9.0	12.0	13.0	15.0	18.0	17.0	18.0	10.0	-
Plant Operations and Maintenance Services	71.0	69.0	82.0	84.0	81.0	91.0	9.0	10.0	82.0	82.0
Student Transportation Services	15.0	12.0	20.0	20.0	24.0	81.0	81.0	81.0	87.0	87.0
Business and Other Support Services	-	-	20.0	20.0	20.0	86.0	87.0	87.0	-	29.0
Various Other Functions	72.0	81.0	87.0	88.0	81.0	88.0	90.0	90.0	90.0	90.0
Food Service	59.0	62.0	67.0	69.0	45.0	57.0	58.0	58.0	57.0	56.0
Latchkey	36.0	36.0	43.0	43.0	53.0	45.0	42.0	46.0	43.0	48.0
Total	1,023.5	1,031.0	1,209.0	1,212.0	1,161.5	1,316.5	1,209.5	1,223.5	1,210.5	1,206.5

Source: Annual School District Budget Statement Supporting Documentation

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2012	7,048	\$ 96,911,962.89	\$ 13,750.28	11.43%	557	19.3	26.0	7,025.30	6,708.10	-6.77%	95.50%
2011	7,360	90,820,243.71	12,339.71	-3.57%	557	18.8	27.6	7,340.30	6,998.80	-2.59%	95.30%
2010	7,421	94,965,541.06	12,796.87	6.60%	564	19.4	23.3	7,428.90	7,066.50	-1.41%	95.10%
2009	7,554	90,683,934.07	12,004.76	0.95%	564	19.6	23.8	7,535.30	7,170.70	-1.13%	95.40%
2008	7,641	90,864,109.50	11,891.65	6.28%	548	20.2	23.7	7,621.20	7,268.40	-1.70%	95.40%
2007	7,762	86,846,364.06	11,188.66	7.65%	544	20.6	24.9	7,753.20	7,392.90	-1.15%	95.40%
2006	7,855	81,641,054.34	10,393.51	5.93%	578	21.1	25.1	7,843.70	7,466.60	-0.98%	95.20%
2005	7,972	78,218,703.73	9,811.68	8.20%	583	20.8	25.3	7,921.20	7,543.60	-0.76%	95.23%
2004	7,992	72,473,609.75	9,068.27	8.48%	577	21.0	26.0	7,981.70	7,609.60	-0.44%	95.34%
2003	8,068	67,443,284.36	8,359.36	4.52%	568	21.0	25.0	8,016.80	7,640.00	-0.14%	95.30%

Sources: District Records

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
District Buildings:										
Elementary Schools:										
Blackwood (1958)										
Square Feet	67,565	67,565	67,565	67,565	67,565	67,565	67,565	67,565	67,565	67,565
Capacity (students)	850	850	850	850	850	850	850	850	850	850
Enrollment	605	676	669	670	727	719	713	912	623	633
Chews (1958)										
Square Feet	76,676	76,676	76,676	76,676	76,676	76,676	76,676	76,676	76,676	76,676
Capacity (students)	925	925	925	925	925	925	925	925	925	925
Enrollment	748	820	824	829	831	839	839	892	823	825
Erial (1961)										
Square Feet	76,202	76,202	76,202	76,202	76,202	76,202	76,202	76,202	76,202	76,202
Capacity (students)	925	925	925	925	925	925	925	925	925	925
Enrollment	766	764	758	804	795	777	776	813	771	731
Glendora (1922)										
Square Feet	32,906	32,906	32,906	32,906	32,906	32,906	32,906	32,906	32,906	32,906
Capacity (students)	350	350	350	350	350	350	350	350	350	350
Enrollment	285	285	272	290	275	274	279	283	269	265
Gloucester Township (1926)										
Square Feet	37,684	37,684	37,684	37,684	37,684	37,684	37,684	37,684	37,684	37,684
Capacity (students)	350	350	350	350	350	350	350	350	350	350
Enrollment	272	278	296	285	293	266	274	262	263	283
J.W. Lilley (1986)										
Square Feet	67,812	67,812	67,812	67,812	67,812	67,812	67,812	67,812	67,812	67,812
Capacity (students)	925	925	925	925	925	925	925	925	925	925
Enrollment	510	593	634	644	664	686	667	736	741	783
Loring-Flemming (1976)										
Square Feet	75,150	75,150	75,150	75,150	75,150	75,150	75,150	75,150	75,150	75,150
Capacity (students)	975	975	975	975	975	975	975	975	975	975
Enrollment	761	745	713	713	725	754	764	794	821	835
Union Valley (2001)										
Square Feet	88,841	88,841	88,841	88,841	88,841	88,841	88,841	88,841	88,841	88,841
Capacity (students)	925	925	925	925	925	925	925	925	925	925
Enrollment	561	607	627	630	650	679	667	716	717	760

(Continued)

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
District Buildings:										
Middle Schools:										
C.W. Lewis (1964)										
Square Feet	133,119	133,119	133,119	133,119	133,119	133,119	133,119	133,119	133,119	125,030
Capacity (students)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	671	641	626	638	646	709	714	716	744	782
Glen Landing (1971)										
Square Feet	131,646	131,646	131,646	131,646	131,646	131,646	131,646	131,646	131,646	117,636
Capacity (students)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	820	843	873	889	891	883	886	916	917	925
Ann A. Mullen (1996)										
Square Feet	173,342	173,342	173,342	173,342	173,342	173,342	173,342	173,342	173,342	137,966
Capacity (students)	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,100
Enrollment	1,049	1,108	1,129	1,162	1,144	1,176	1,174	1,149	1,182	1,151
Other:										
Administration Office (1955)										
Square Feet	7,440	7,440	7,440	7,440	7,440	7,440	7,440	7,440	7,440	7,440
Mirenda Building (1923)										
Square Feet	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300
Maintenance/Transportation Building (1970)										
Square Feet	18,716	18,716	18,716	18,716	18,716	18,716	18,716	18,716	18,716	18,716
Grenloch Building (1916)										
Square Feet	9,492	9,492	9,492	9,492	9,492	9,492	9,492	9,492	9,492	9,492

Number of Schools at June 30, 2012

 Elementary = 8

 Middle School = 3

 Other = 4

Source: District Records

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
Unaudited

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

School Facilities	Project # (s)	Fiscal Year Ended June 30,									
		2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Blackwood Elementary School	N/A	\$ 26,170.31	\$ 27,533.69	\$ 26,396.00	\$ 25,722.68	\$ 27,136.00	\$ 27,762.00	\$ 28,201.00	\$ 37,945.00	\$ 63,394.00	\$ 40,600.56
C.W. Lewis Middle School	N/A	44,217.69	46,521.28	51,352.00	47,846.28	73,530.00	75,226.00	52,185.00	70,217.00	73,559.00	106,973.76
Chews Elementary School	N/A	34,171.36	35,951.57	28,516.00	39,107.21	21,446.00	21,941.00	32,004.00	43,062.00	54,717.00	54,497.31
Erial Elementary School	N/A	28,050.09	29,511.40	31,629.00	29,294.76	45,518.00	46,568.00	31,805.00	42,795.00	44,604.00	69,883.63
Glen Landing Middle School	N/A	68,502.39	72,071.13	40,289.00	50,256.34	56,898.00	58,658.00	49,099.00	66,065.00	70,186.00	168,534.88
Glendora Elementary School	N/A	11,680.73	12,289.26	12,448.00	19,857.79	24,072.00	24,628.00	14,053.00	18,909.00	27,753.00	37,605.90
Gloucester Township Elementary School	N/A	14,287.47	15,031.80	18,923.00	18,238.16	24,948.00	25,523.00	15,713.00	21,143.00	28,782.00	17,508.60
J.W. Lilley Elementary School	N/A	24,826.81	26,120.20	25,053.00	27,393.04	41,579.00	42,538.00	28,303.00	38,083.00	40,463.00	36,457.90
Loring-Flemming Elementary School	N/A	44,213.43	46,516.80	37,082.00	94,743.36	41,142.00	42,091.00	31,366.00	42,204.00	45,381.00	51,455.60
Ann A. Mullen Middle School	N/A	94,472.90	67,834.03	103,287.00	77,546.06	31,950.00	32,687.00	57,585.00	77,482.00	81,057.00	99,157.80
Union Valley Elementary School	N/A	40,964.88	43,099.01	31,703.00	34,809.82	26,261.00	26,866.00	36,932.00	49,693.00	58,264.00	45,298.74
Total School Facilities		<u>431,558.07</u>	<u>422,480.17</u>	<u>406,678.00</u>	<u>464,815.50</u>	<u>414,480.00</u>	<u>424,488.00</u>	<u>377,246.00</u>	<u>507,598.00</u>	<u>588,160.00</u>	<u>727,974.68</u>
Other Facilities		<u>32,694.18</u>	<u>34,155.98</u>	<u>6,782.00</u>	<u>38,630.72</u>	<u>23,198.00</u>	<u>23,284.00</u>	<u>19,178.00</u>	<u>25,804.00</u>	<u>220,849.00</u>	<u>123,774.44</u>
Grand Total		<u>\$ 464,252.25</u>	<u>\$ 456,636.15</u>	<u>\$ 413,460.00</u>	<u>\$ 503,446.22</u>	<u>\$ 437,678.00</u>	<u>\$ 447,772.00</u>	<u>\$ 396,424.00</u>	<u>\$ 533,402.00</u>	<u>\$ 809,009.00</u>	<u>\$ 851,749.12</u>

Source: District Records

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2012
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property		
Blanket Building & Contents	\$ 185,436,371.00	\$ 1,000.00
Equipment		
Audio Visual	908,930.00	250.00
Lab/Science/Engineer	132,357.00	250.00
Data Processing	5,453,995.00	250.00
Communications	150,000.00	250.00
Boiler and Machinery		
Property Damage	185,436,371.00	1,000.00
Employee Dishonesty - Per Employee	100,000.00	
Comprehensive General Liability		
General	2,000,000.00	
Products/Completed Operations	1,000,000.00	
Personal and Advertising Injury - Per Occurrence	1,000,000.00	
Employee Benefits - Per Claim	1,000,000.00	
Employee Benefits	3,000,000.00	1,000.00
Sexual Abuse and Molestation - Per Claim	1,000,000.00	
Sexual Abuse and Molestation	3,000,000.00	
Educators Legal Liability Policy - Per Claim	1,000,000.00	
Educators Legal Liability Policy	2,000,000.00	
Comprehensive Automobile Liability	1,000,000.00	10,000.00
Umbrella Liability		
Umbrella Policy	15,000,000.00	
Workers Compensation		
Specific Retention--Each Accident	400,000.00	
Aggregate Limit	1,000,000.00	
Student Accident	1,000,000.00	25,000.00

Source: School District Records

SINGLE AUDIT SECTION

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

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

Compliance

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133, and State of New Jersey Circular 04-04-OMB require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Gloucester Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School District's compliance with those requirements.

In our opinion, the Gloucester Township School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012.

Internal Control Over Compliance

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

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

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

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Todd R. Saler
Certified Public Accountant
Public School Accountant No. CS 02195

Voorhees, New Jersey
November 30, 2012

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

Pass-through Grantor/Program Title	CFDA Number	State Project Number	Award Amount	Grant Period		Balance June 30, 2011
				From	To	
General Fund:						
U.S. Department of Health and Human Services:						
Passed-through the State Department of Education:						
Education Jobs Fund	84.410	Unavailable	\$ 1,769,715.00	8-10-10	9-30-12	
Special Education--Medicaid Initiative	93.778	N/A	171,224.45	7-1-10	6-30-11	\$ (38,929.07)
Special Education--Medicaid Initiative	93.778	N/A	186,653.57	7-1-11	6-30-12	
Total General Fund						<u>(38,929.07)</u>
Special Revenue Fund:						
U.S. Department of Education:						
Passed-through State Department of Education:						
N.C.L.B.:						
Title I	84.010	NCLB178012	1,106,625.00	9-1-11	8-31-12	
Title I	84.010	NCLB178011	1,015,075.00	9-1-10	8-31-11	(303,840.08)
Title I	84.010	NCLB178010	1,040,252.00	9-1-09	8-31-10	10,446.02
Title I	84.010	NCLB178009	1,027,527.00	9-1-08	8-31-09	257.00
ARRA--Title I	84.389	ARRA178010	615,674.00	7-1-09	8-31-11	(304,532.77)
Title I School Improvement	84.010	NCLB178010	3,355.00	9-1-09	8-31-10	3,355.00
Title II - Part A	84.367	NCLB178012	208,556.00	9-1-11	8-31-12	
Title II - Part A	84.367	NCLB178011	261,375.00	9-1-10	8-31-11	(70,428.00)
Title II - Part A	84.367	NCLB178010	255,269.00	9-1-09	8-31-10	(4,335.64)
Title II - Part D	84.318	NCLB178011	11,186.00	9-1-10	8-31-11	(748.00)
Title III	84.365	NCLB178012	30,574.00	9-1-11	8-31-12	
Title III	84.365	NCLB178011	24,155.00	9-1-10	8-31-11	(5,490.00)
Title IV	84.186	NCLB178011	12,631.00	9-1-10	8-31-11	
I.D.E.I.A. Part B:						
Basic	84.027	IDEIA178012	3,172,783.00	9-1-11	8-31-12	
Basic	84.027	IDEIA178011	1,996,373.00	9-1-10	8-31-11	(39,630.00)
Basic	84.027	IDEIA178009	2,051,912.00	9-1-08	8-31-09	871.73
ARRA--Basic	84.391	ARRA178010	1,914,478.00	7-1-09	8-31-11	(355,859.98)
Pre-School	84.173	IDEA178012	125,121.00	9-1-11	8-31-12	
Pre-School	84.173	IDEA178011	79,410.00	9-1-10	8-31-11	(25,947.00)
Pre-School	84.173	IDEA178009	75,887.00	9-1-08	8-31-09	(815.18)
ARRA--Pre-School	84.392	ARRA178010	69,076.00	9-1-10	8-31-11	<u>(13,076.00)</u>
Total Special Revenue Fund						<u>(1,109,772.90)</u>
Enterprise Fund:						
U.S. Department of Agriculture:						
Passed-through State Department of Education:						
Child Nutrition Cluster:						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program	10.555	Unavailable	92,506.23	7-1-11	6-30-12	
Cash Assistance:						
School Breakfast Program	10.553	Unavailable	227,595.22	7-1-11	6-30-12	
Special Milk Program	10.556	Unavailable	10,043.12	7-1-11	6-30-12	
After School Snack Program	10.555	Unavailable	8,361.79	7-1-11	6-30-12	
National School Lunch Program	10.555	Unavailable	948,609.12	7-1-11	6-30-12	
Total Enterprise Fund:						<u>-</u>
Total Federal Financial Assistance						<u>\$ (1,148,701.97)</u>

(A) See Note 5 to the Schedules of Expenditures of Federal Awards and State Financial Assistance

(B) Realized as Miscellaneous Revenue

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

Carryover <u>Amount</u>	Cash <u>Received</u>	<u>Adjustments (A)</u>	Budgetary <u>Expenditures</u>	Repayment of Prior Years' <u>Balances</u>	<u>Balance at June 30, 2012</u>		
					<u>Accounts Receivable</u>	<u>Deferred Revenue</u>	<u>Due to Grantor</u>
	\$ 1,715,957.00 38,929.07 <u>160,746.00</u>		\$ 1,715,957.00 <u>186,653.57</u>		\$ (25,907.57)		
<u>-</u>	<u>1,915,632.07</u>	<u>-</u>	<u>1,902,610.57</u>	<u>-</u>	<u>(25,907.57)</u>	<u>-</u>	<u>-</u>
\$ 142,153.00 (142,153.00)	198,622.00 449,992.00	\$ (0.33) 0.08	992,108.67 3,999.00		(651,334.00)		
	438,638.00	53.84	134,159.07	\$ 257.00			\$ 10,446.02
961.00 (961.00)	92,281.00 71,418.00	29.07 (29.00) 4,335.64	207,717.07		(114,446.00)		3,355.00
7,092.00 (7,092.00)	748.00 3,006.00 14,680.00 12,587.00	0.18 (0.23)	18,125.18 2,098.00 12,586.77		(8,027.00)		
1,353,712.00 (1,353,712.00)	877,678.00 1,393,342.00	(0.37)	2,952,727.63		(721,338.00)		
53,463.00 (53,463.00)	355,860.00 18,195.00 79,410.00	(0.02)	71,658.00	871.73			
	13,076.00	815.18					
<u>-</u>	<u>4,019,533.00</u>	<u>5,204.04</u>	<u>4,395,179.39</u>	<u>1,128.73</u>	<u>(1,495,145.00)</u>	<u>-</u>	<u>13,801.02</u>
	92,506.23		92,506.23				
	219,219.64 9,776.47 8,115.26 <u>919,722.84</u>		227,595.22 10,043.12 8,361.79 <u>948,609.12</u>		(8,375.58) (266.65) (246.53) <u>(28,886.28)</u>		
<u>-</u>	<u>1,249,340.44</u>	<u>-</u>	<u>1,287,115.48</u>	<u>-</u>	<u>(37,775.04)</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 7,184,505.51</u>	<u>\$ 5,204.04</u>	<u>\$ 7,584,905.44</u>	<u>\$ 1,128.73</u>	<u>\$ (1,558,827.61)</u>	<u>\$ -</u>	<u>\$ 13,801.02</u>

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

State Grantor/ Program Title	State Project Number	Award Amount	Grant Period		Balance at June 30, 2011	
			From	To	Deferred Revenue/ Accounts Receivable	Due to Grantor
General Fund:						
State Department of Education:						
Equalization Aid	11-495-034-5120-078	\$ 43,343,391.00	7-1-10	6-30-11	\$ (4,177,027.00)	
Equalization Aid	12-495-034-5120-078	44,981,916.00	7-1-11	6-30-12		
Nonpublic School Transportation Aid	11-495-034-5120-014	45,066.68	7-1-10	6-30-11	(45,066.68)	
Nonpublic School Transportation Aid	12-495-034-5120-014	43,077.62	7-1-11	6-30-12		
Special Education Categorical Aid	11-495-034-5120-089	3,666,087.00	7-1-10	6-30-11	(353,303.00)	
Special Education Categorical Aid	12-495-034-5120-089	3,666,087.00	7-1-11	6-30-12		
Security Aid	12-495-034-5120-084	271,024.00	7-1-11	6-30-12		
Extraordinary Special Education Aid	11-100-034-5120-473	536,298.00	7-1-10	6-30-11	(536,298.00)	
Extraordinary Special Education Aid	12-100-034-5120-473	442,630.00	7-1-11	6-30-12		
Payment for Institutionalized Children - Unknown District of Residence	11-495-034-5120-005	288,858.44	7-1-10	6-30-11	(288,858.44)	
Payment for Institutionalized Children - Unknown District of Residence	12-495-034-5120-005	149,091.61	7-1-11	6-30-12		
Anti-Bullying Bill of Rights Act	Unavailable	6,292.00	Unavailable	Unavailable		
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	3,342,676.12	7-1-10	6-30-11	(165,121.34)	
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	3,454,889.38	7-1-11	6-30-12		
Total General Fund					<u>(5,565,674.46)</u>	<u>-</u>
Special Revenue Fund:						
State Department of Education:						
Nonpublic Aid:						
Nursing Services	11-100-034-5120-070	44,720.00	7-1-10	6-30-11		\$ 196.62
Nursing Services	12-100-034-5120-070	43,847.00	7-1-11	6-30-12		
Textbook Aid (Ch. 194, L. 1977)	11-100-034-5120-064	37,742.00	7-1-10	6-30-11		7,849.98
Textbook Aid (Ch. 194, L. 1977)	12-100-034-5120-064	30,697.00	7-1-11	6-30-12		
Auxiliary Services (Ch. 192, L. 1977)	11-100-034-5120-067					
Compensatory Education		175,239.00	7-1-10	6-30-11		19,558.00
English as a Second Language		2,733.00	7-1-10	6-30-11		454.00
Transportation		18,786.00	7-1-10	6-30-11		9,646.00
Home Instruction			7-1-10	6-30-11		
Auxiliary Services (Ch. 192, L. 1977)	12-100-034-5120-067					
Compensatory Education		207,951.00	7-1-11	6-30-12		
English as a Second Language		2,759.00	7-1-11	6-30-12		
Transportation		20,383.00	7-1-11	6-30-12		
Home Instruction		1,854.00	7-1-11	6-30-12		
Handicapped Services (Ch. 193, L. 1977)	11-100-034-5120-066					
Corrective Speech		62,586.00	7-1-10	6-30-11		7,602.00
Examination and Classification		53,573.00	7-1-10	6-30-11		30,166.00
Supplementary Instruction		19,455.00	7-1-10	6-30-11		6,474.00
Handicapped Services (Ch. 193, L. 1977)	12-100-034-5120-066					
Corrective Speech		68,085.00	7-1-11	6-30-12		
Examination and Classification		54,089.00	7-1-11	6-30-12		
Supplementary Instruction		22,098.00	7-1-11	6-30-12		
Character Education Aid	06-495-034-5120-053	21,055.00	7-1-05	6-30-06	3,667.87	
Total State Department of Education					<u>3,667.87</u>	<u>81,946.60</u>
State Department of Treasury:						
Municipal Drug Alliance Grant	2000-475-995120-60	12,000.00 (B)	7-1-11	6-30-12		
Municipal Drug Alliance Grant	2000-475-995120-60	26,741.00 (B)	7-1-09	6-30-10	13,284.08	
Total State Department of Treasury					<u>13,284.08</u>	<u>-</u>
Total Special Revenue Fund					<u>16,951.95</u>	<u>81,946.60</u>
Capital Projects Fund:						
New Jersey Economic Development Authority:						
Additional State School Building Aid--						
SDA Grants	100-034-5120-016					
SDA Grants	1780-050-10-G0EN	129,817.00	6-3-10	Project End		
SDA Grants	1780-050-09-OMAL	303,749.00	6-1-10	Project End	(36,935.25)	
SDA Grants	1780-050-09-OZRO	595,249.00	6-3-10	Project End	(124,001.94)	
SDA Grants	1780-050-10-G0EN	149,028.00	12-15-10	Project End	(40,427.53)	
Total Capital Projects Fund					<u>(201,364.72)</u>	<u>-</u>
Debt Service Fund:						
State Department of Education:						
State Support	12-495-034-5120-075	1,444,586.00	7-1-11	6-30-12	-	-
Enterprise Fund:						
State Department of Education:						
State School Lunch Aid	11-100-010-3350-023	30,209.57	7-1-10	6-30-11	(1,414.86)	
State School Lunch Aid	12-100-010-3350-023	29,167.95	7-1-11	6-30-12		
Total Enterprise Fund					<u>(1,414.86)</u>	<u>-</u>
Total State Financial Assistance					<u>\$ (5,751,502.09)</u>	<u>\$ 81,946.60</u>

(A) See Note 5 to the Schedules of Expenditures of Federal Awards and State Financial Assistance

(B) Passed through the Township of Gloucester

(C) Passed through to Camden County Educational Services Commission

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

Carryover/ Walkover Amount	Balance at June 30, 2012							Memo	
	Cash Received	Adjustments (A)	Budgetary Expenditures	Repayment of Prior Years' Balances	Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable June 30, 2011	Cumulative Total Expenditures
\$	4,177,027.00		\$ 44,981,916.00		\$ (4,310,772.00)			\$ (4,310,772.00)	\$ 44,981,916.00
	40,671,144.00								
	45,066.68				(43,077.62)				43,077.62
	353,303.00								
	3,314,753.00		3,666,087.00		(351,334.00)			(351,334.00)	3,666,087.00
	245,051.00		271,024.00		(25,973.00)			(25,973.00)	271,024.00
	536,298.00								
	288,858.44		442,630.00		(442,630.00)				442,630.00
	6,292.00		149,091.61		(149,091.61)				149,091.61
	165,121.34		6,292.00						6,292.00
	<u>3,284,304.54</u>		<u>3,454,889.38</u>		<u>(170,584.84)</u>				<u>3,454,889.38</u>
-	<u>53,087,219.00</u>	-	<u>53,015,007.61</u>	-	<u>(5,493,463.07)</u>	-	-	<u>(4,688,079.00)</u>	<u>53,015,007.61</u>
		\$ 0.38		\$ 197.00					
	43,847.00		43,847.00	7,851.00					43,847.00
	30,696.68	1.02	25,182.85				\$ 5,514.15		25,182.85
		0.32		19,558.00					
				454.00					
				9,646.00					
	207,951.00		179,203.60				28,747.40		179,203.60
	2,759.00		1,206.80				1,552.20		1,206.80
	20,383.00		5,715.77				14,667.23		5,715.77
			1,854.00		(1,854.00)				1,854.00
				7,602.00					
				30,166.00					
		(1.00)		6,473.00					
	68,085.00		63,270.99				4,814.01		63,270.99
	54,089.00		28,493.67				25,595.33		28,493.67
	22,098.00		15,994.20				6,103.80		15,994.20
						\$ 3,667.87			17,387.13
-	<u>449,908.68</u>	<u>0.72</u>	<u>364,768.88</u>	<u>81,947.00</u>	<u>(1,854.00)</u>	<u>3,667.87</u>	<u>86,994.12</u>	-	<u>382,156.01</u>
	8,666.00					8,666.00			
			13,250.00			34.08			26,706.92
-	<u>8,666.00</u>	-	<u>13,250.00</u>	-	-	<u>8,700.08</u>	-	-	<u>26,706.92</u>
-	<u>458,574.68</u>	<u>0.72</u>	<u>378,018.88</u>	<u>81,947.00</u>	<u>(1,854.00)</u>	<u>12,367.95</u>	<u>86,994.12</u>	-	<u>408,862.93</u>
	65,557.59		129,817.00		(64,259.41)				129,817.00
	27,772.98	9,162.27							183,685.78
		210.50			(123,791.44)				574,617.82
	<u>119,222.40</u>		<u>108,600.47</u>		<u>(29,805.60)</u>				<u>149,028.00</u>
-	<u>212,552.97</u>	<u>9,372.77</u>	<u>238,417.47</u>	-	<u>(217,856.45)</u>	-	-	-	<u>1,037,148.00</u>
-	<u>1,444,085.00</u>	-	<u>1,444,085.00</u>	-	-	-	-	-	<u>1,444,085.00</u>
	1,414.86								
	28,295.58		29,167.95		(872.37)				29,167.95
-	<u>29,710.44</u>	-	<u>29,167.95</u>	-	<u>(872.37)</u>	-	-	-	<u>29,167.95</u>
\$	<u>55,232,142.09</u>	\$ <u>9,373.49</u>	\$ <u>55,104,696.91</u>	\$ <u>81,947.00</u>	\$ <u>(5,714,045.89)</u>	\$ <u>12,367.95</u>	\$ <u>86,994.12</u>	\$ <u>(4,688,079.00)</u>	\$ <u>55,934,272.09</u>

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

Note 1: GENERAL

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

Note 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting, with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is (\$157,749.00) for the general fund and \$17,026.26 for the special revenue fund. The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$17,026.26 for the special revenue fund. See Exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 1,902,610.57	\$ 53,015,007.61	\$ 54,917,618.18
Special Revenue	4,412,336.53	377,888.00	4,790,224.53
Capital Projects		238,417.47	238,417.47
Debt Service		1,444,085.00	1,444,085.00
Food Service	<u>1,287,115.48</u>	<u>29,167.95</u>	<u>1,316,283.43</u>
Total Awards and Financial Assistance	<u>\$ 7,602,062.58</u>	<u>\$ 55,104,566.03</u>	<u>\$ 62,706,628.61</u>

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 5: ADJUSTMENTS

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

<u>Adjustment</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
Rounding Adjustments	\$ (0.82)	\$ 0.72	\$ (0.10)
Prior Year Orders Canceled	54.04	210.50	264.54
Grants Receivable Canceled	<u>5,150.82</u>	<u>9,162.27</u>	<u>14,313.09</u>
Total Adjustments	<u>\$ 5,204.04</u>	<u>\$ 9,373.49</u>	<u>\$ 14,577.53</u>

Note 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distribution, respectively. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2012.

The State of New Jersey also makes TPAF post-retirement medical and pension contribution expenditures on behalf of the School District. These expenditures are not subject to New Jersey OMB Circular 04-04 because the contributions are made by the State directly and do not have any compliance related requirements, and therefore have not been included on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

Note 7: MAJOR PROGRAMS

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

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

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weaknesses identified? ___ yes X no

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

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over compliance:

Material weaknesses identified? ___ yes X no

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

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

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
<u>84.410</u>	<u>Education Jobs Fund</u>
<u>84.010</u>	<u>N.C.L.B. Title I</u>
<u>84.389</u>	<u>ARRA - N.C.L.B. Title I</u>
<u>84.027</u>	<u>I.D.E.I.A. Part B Basic</u>
<u>84.173</u>	<u>I.D.E.I.A. Part B Preschool</u>
<u>10.553</u>	<u>School Breakfast Program</u>
<u>10.556</u>	<u>Special Milk Program</u>
<u>10.555</u>	<u>After School Snack Program</u>

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

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

Federal Awards (Cont'd)

Identification of major programs (cont'd):

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>10.555</u>	<u>National School Lunch Program - Food Distribution</u>

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

Auditee qualified as low-risk auditee? X yes no

State Financial Assistance

Internal control over compliance:

Material weaknesses identified? yes X no

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

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

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

Identification of major programs:

<u>State Account Number</u>	<u>Name of State Program</u>
<u>12-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>12-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>12-495-034-5120-084</u>	<u>Security Aid</u>
<u>12-495-034-5095-002</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

Dollar threshold used to determine Type A programs \$1,653,141

Auditee qualified as low-risk auditee? X yes no

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

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

None.

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

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

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

None.

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

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

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE PROGRAMS

None.

