

**SCHOOL DISTRICT OF  
GIBBSBORO BOROUGH**

**GIBBSBORO BOARD OF EDUCATION**  
Gibbsboro, New Jersey  
County of Camden

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**GIBBSBORO BOROUGH BOARD OF EDUCATION**

**GIBBSBORO, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**Prepared by**

**Gibbsboro Borough Board of Education  
Finance Department**



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**INTRODUCTORY SECTION**





## GIBBSBORO ELEMENTARY SCHOOL DISTRICT

Grades PS through 8

*Mrs. Kristen Martello*  
Principal  
[kmartello@gibbsoroschool.org](mailto:kmartello@gibbsoroschool.org)

*Dr. James J. Lavender*  
Superintendent  
[jlavender@gibbsboroschool.org](mailto:jlavender@gibbsboroschool.org)

[jlavender@gibbsboroschool.org](mailto:jlavender@gibbsboroschool.org)

August 3, 2010

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

Dear Board Members:

The comprehensive annual financial report of the Gibbsboro Board of Education for the fiscal year ended June 30, 2010 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1) **REPORTING ENTITY AND ITS SERVICES:** The Gibbsboro Board of Education is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Gibbsboro Board of Education and its school constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels PS through 8. These include regular, as well as special education for handicapped youngsters. In addition to the classroom teachers, several professional and non-professional support staff are employed to meet the growing needs of the pupils we serve. The District completed the 2009-2010 fiscal year with an enrollment of 253 students.

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

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2009-10	253.0	-.004%
2008-09	254.0	-5.3%
2007-08	268.0	-6.7%
2006-07	286.0	+3.6%
2005-06	275.0	-0.72%
2004-05	277.0	-7.05%
2003-04	298.0	+3.11%
2002-03	289.0	-1.64%
2001-02	304.0	-5.60%
2000-01	322.0	-2.12%
1999-00	329.0	-3.52%
1998-99	341.0	+7.24%
1997-98	318.0	-1.54%
1996-97	323.0	-1.86%
1995-96	329.0	+5.10%

2) **MAJOR INITIATIVES:**

- Expanded shared services relationship with Berlin Borough School District.
- Curriculum aligned with NJ Core Curriculum Content Standards.
- Articulation with Eastern High School, Berlin Borough and Voorhees Township schools were maintained.
- Library/Media resources were expanded.
- Improved baseball/softball field for student competition.
- Removed dilapidated basketball courts for recreational use
- Maintained the Honeywell Instant Alert system to notify parents and/or community members in the event of an emergency.
- Aluminum flashing installed to cover wood drip cap.
- Student recognition programs expanded.

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

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

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



## GIBBSBORO ELEMENTARY SCHOOL DISTRICT

Grades PS through 5

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2010.

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

6) **FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund and debt service fund revenues for the fiscal year ended June 30, 2010:

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2009</u>	<u>Percent Increase/ (Decrease)</u>
Local Sources	\$2,802,321	62.65%	\$ (15,012)	(.53)%
State Sources	1,361,921	30.45%	(328,095)	(19.41)%
Federal Sources	<u>308,530</u>	<u>6.90%</u>	<u>206,441</u>	202.22%
Total	\$4,472,772	100.00%	\$(136,666)	

The following schedule presents a summary of general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2010:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2009</u>	<u>Percent Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$2,194,133	47.75%	\$86,944	4.13%
Undistributed Expenses	2,151,507	46.83%	(10,654)	(.49)%
Capital Projects	9,906	.22%	7,006	241.59%
Debt Service	<u>238,876</u>	<u>5.20%</u>	<u>745</u>	.31%
Total	\$4,594,422	100.00%	\$84,041	



## GIBBSBORO ELEMENTARY SCHOOL DISTRICT

Grades PS through 8

7) **DEBT ADMINISTRATION:** In June of 2002, the District issued general obligation bonds in the amount of \$3,299,000 for additions and renovations to the elementary school. As of June 30, 2010, the District had \$2,939,000 outstanding debt for this issue.

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

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

### 10) **OTHER INFORMATION:**

A) **Independent Audit-** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman & Frenia, P.C. was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

### 11) **ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Gibbsboro Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

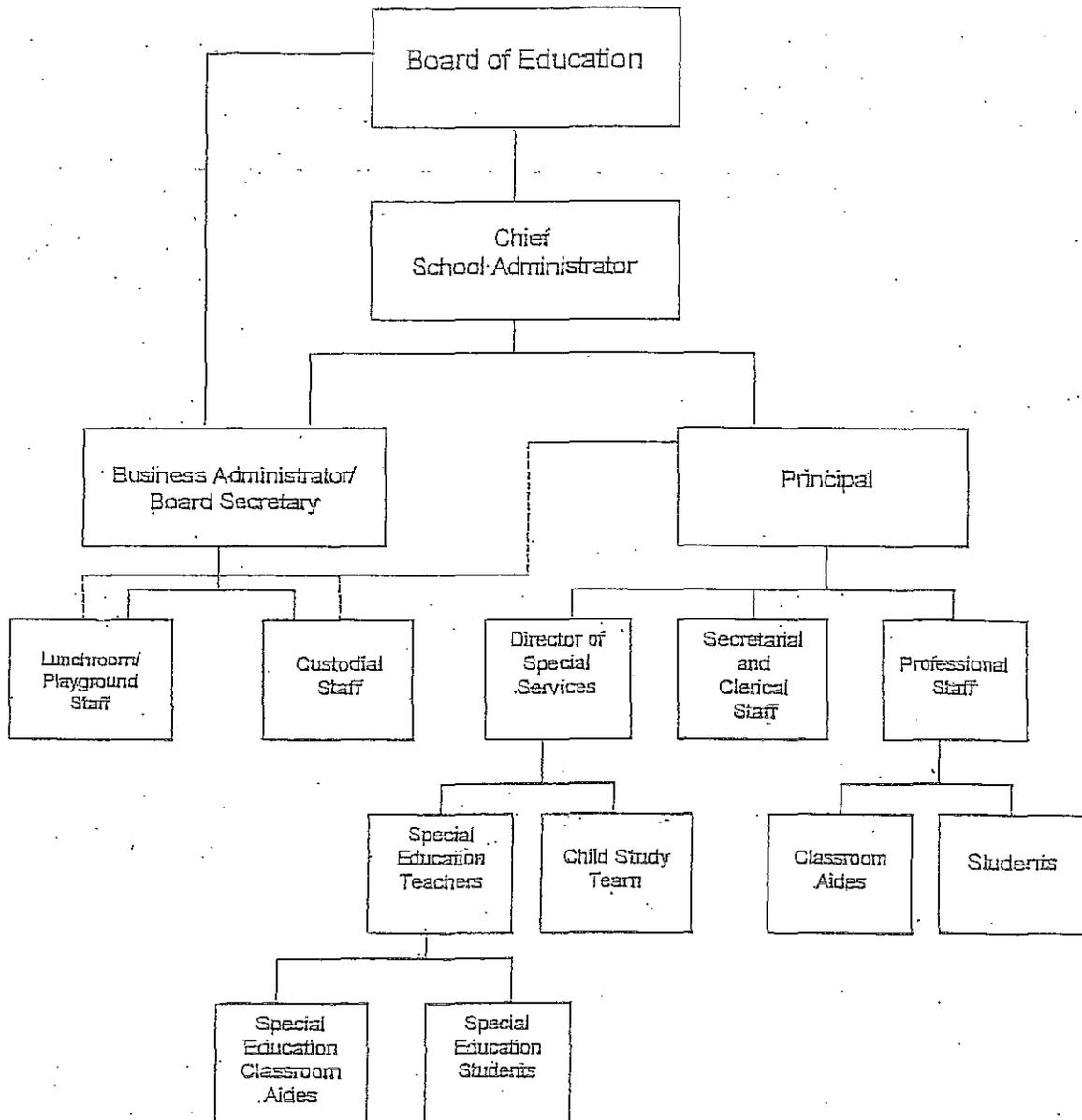
Respectfully submitted,

Dr. James J. Lavender  
Superintendent of Schools/Business Administrator

# GIBBSBORO BOARD OF EDUCATION

GIBBSBORO ELEMENTARY SCHOOL  
37 KIRKWOOD ROAD  
GIBBSBORO, NEW JERSEY 08026

## ORGANIZATION CHART





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

**ROSTER OF OFFICIALS**

**JUNE 30, 2010**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Joyce A. Miller, President	2013
Lorraine Balut, Vice President	2011
Kathleen Campbell	2011
Ellie Falcone	2011
Leonard Kolojejchick	2012
Peggy Mason	2013
Maggie Moy	2013
Dan Norbury	2012
Dorothy Warner	2012

**OTHER OFFICIALS**

Dr. James Lavender, Superintendent/Business Administrator

Kristen Martello, Principal

Beth Ann Coleman, Treasurer

Ronald Sahli, Esq., Solicitor

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

**CONSULTANTS AND ADVISORS**

**INSURANCE BROKER**

Leonard O'Neill Insurance Group  
Gibbsboro, New Jersey

**AUDIT FIRM**

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

**SOLICITOR**

Ronald W. Sahli, Esq.  
Hammonton, New Jersey

**OFFICIAL DEPOSITORY**

Columbia Bank  
Voorhees, New Jersey

**FINANCIAL SECTION**





Certified Public Accountants & Consultants

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Gibbsboro Borough School District, County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2010, which collectively comprise the District's financial statements as listed in the table of contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Gibbsboro Borough School District, County of Camden, State of New Jersey, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 3, 2010, on our consideration of the Gibbsboro Borough Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

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

### MEDFORD OFFICE

618 Stokes Road • Medford, New Jersey 08055  
Tel: 609.953.0612 • Fax: 609.953.8443

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### TOMS RIVER OFFICE

10 Allen Street, Suite 2B • Toms River, NJ 08753  
Tel: 732.797.1333 • Fax: 732.797.1022

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gibbsboro Borough Board of Education's financial statements. The accompanying introductory section, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical information are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the financial statements, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of state financial assistance are presented for purposes of additional analysis as required by U.S. Office of management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

HOLMAN & FRENIA, P. C.



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

Medford, New Jersey  
August 3, 2010

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

Management's Discussion and Analysis



**Gibbsboro School District**  
**Management Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2010**  
**(Unaudited)**

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The discussion and analysis of Gibbsboro School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is a new element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2009-10) and the prior year (2008-09) is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for 2009-10 are as follows:

- The assets of the Gibbsboro School District exceeded its liabilities at the close of the most recent fiscal year by \$2,696,928 (net assets).
- Net Assets for Governmental Activities and for Business-Type Activities were \$2,661,296 and \$35,632, respectively.
- The General Fund, fund balance as of June 30, 2010 was \$543,489, a decrease of \$153,276 when compared with the beginning balance as of July 1, 2009 of \$696,765.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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

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

### Reporting the School District as a Whole

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

The Statement of Net Assets and the Statement of Activities include all assets and liabilities of the School District using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year’s revenues and expenses regardless of when cash is received or paid.

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

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

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

## Reporting the School District's Most Significant Funds

### Fund Financial Statements

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

### Governmental Funds

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

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

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

Table A-2 provides a summary of the School District's net assets for 2010.

**Table A-2**  
**Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and Other Assets	\$ 580,252	\$ 811,955	35,632	35,637	615,884	\$ 847,592
Capital Assets	5,228,489	5,388,068			5,228,489	5,388,068
<b>Total Assets</b>	<b>5,808,741</b>	<b>6,200,023</b>	<b>35,632</b>	<b>35,637</b>	<b>5,844,373</b>	<b>6,235,660</b>
Long Term Liabilities	2,975,260	3,066,327			2,975,260	3,066,327
Other Liabilities	172,185	258,876			172,185	258,876
<b>Total Liabilities</b>	<b>3,147,445</b>	<b>3,325,203</b>			<b>3,147,445</b>	<b>3,325,203</b>
<b>Net Assets</b>						
Invested in capital assets, net of debt	2,289,489	2,354,068			2,289,489	2,354,068
Restricted	352,137	492,351			391,102	492,351
Unrestricted	19,670	28,401	35,632	35,637	16,337	64,039
<b>Total Net Assets</b>	<b>2,661,296</b>	<b>2,905,793</b>	<b>35,632</b>	<b>\$ 35,637</b>	<b>2,696,928</b>	<b>2,910,457</b>

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

- Programs revenues were \$297,059
  - Operating Grants & Contributions - \$155,309
  - Charges for Services - \$141,750
- General revenues, Special Items, Extraordinary Items and Transfers amounted to \$4,325,221.
- Net Expenditures were \$4,538,750.
- Total District revenues & beginning assets are adjusted by net adjusted expenditures resulting in a calculation of net assets of \$2,696,928, as of June 30, 2010.
- Revenues \$4,325,221 + Beginning assets \$2,910,457 – Net expenditures (\$4,538,750) = Net Assets of \$2,696,928.

Table A-3 shows a summary of the changes in net assets for fiscal year 2010.

	<u>2010</u>	<u>2009</u>
<b>Revenues</b>		
Program Revenues		
Charges for Services	\$ 141,750	\$ 121,158
Operating Grants & Contributions	155,309	117,543
General Revenues		
Property Taxes	2,719,037	2,718,292
State & Federal Aid	1,529,464	1,690,016
Other	83,320	99,094
Total Revenues	<u>4,628,880</u>	<u>4,746,103</u>
<b>Expenses</b>		
Governmental Activities:		
Instruction		
Regular	1,635,384	1,603,946
Special Education	558,749	503,243
Support Services:		
Attendance	6,506	6,202
Health	67,902	61,960
Student and Instruction Related Services	321,810	306,012
Educational Media Services/School Library	40,378	41,711
Instructional Staff Training Services	5,215	3,049
School Administrative Services	32,844	40,867
General and Central Administrative Services	203,126	185,897
Administrative Information Technology	2,568	6,450
Plant Operations & Maintenance	334,881	452,919
Pupil Transportation	86,553	68,926
Unallocated Benefits	1,049,724	988,168
Interest on Long-Term Debt	130,612	146,751
Unallocated Depreciation	169,485	167,189
Unallocated Compensated Absences	8,933	25,701
Total Expenses Governmental Activities	<u>4,654,670</u>	<u>4,609,081</u>
Business-Type Activities:		
Food Service	86,957	169,943
Internal Service Funds	100,782	
Total Expenses Business-Type Activities	<u>187,739</u>	<u>169,943</u>
Total Expenses	<u>4,842,409</u>	<u>4,779,024</u>
<b>Net Increase/Decrease in Net Assets</b>	<b>(213,529)</b>	<b>(32,921)</b>
<b>Net Assets Beginning July 1, 2009</b>	<b>2,910,457</b>	<b>2,943,378</b>
<b>Net Assets Ending June 30, 2010</b>	<b><u>\$ 2,696,928</u></b>	<b><u>\$2,910,457</u></b>

Total revenues for the District were \$4,628,880. Government funding was the source of 36.45% of the District's revenues. This includes Federal Sources and the State of New Jersey.

Property taxes of \$2,719,037 provided the District with 58.82% of the District's total revenue.

The District's expenses for government activities are predominately related to instruction and support services. Instruction together with tuition, total \$2,071,722, 47.03% of total expenditures for the District. (See Table A-4)

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

	Source	2010		2009	
		Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost
Governmental Activities:					
Instruction	A-2	2,194,133	2,071,722	2,107,189	2,027,637
Support Services:					
Attendance	A-2	6,506	6,506	6,202	6,202
Health	A-2	67,902	67,902	61,960	61,960
Student and Instruction Related Services	A-2	321,810	303,234	306,012	283,475
Educational Media Services/School Library	A-2	40,378	40,378	41,711	41,711
Instructional Staff Training Services	A-2	5,215	5,215	3,049	3,049
School Administrative Services	A-2	32,844	32,844	40,867	40,867
General and Business Administrative Services	A-2	203,126	203,126	185,897	185,897
Administration Information Technology	A-2	2,568	2,568	6,450	6,450
Plant Operations and Maintenance	A-2	334,881	334,881	452,919	452,919
Pupil Transportation	A-2	86,553	86,553	68,926	68,926
Unallocated Benefits	A-2	1,049,724	1,049,724	988,168	988,168
Interest on Long-Term Debt	A-2	130,612	130,612	146,751	146,751
Unallocated Compensated Absences	A-2	8,933	8,933	25,791	25,791
Unallocated Depreciation	A-2	169,485	169,485	167,189	167,189
Total Governmental Activities		4,654,670	4,513,683	4,609,081	4,506,992

**Activity Descriptions**

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

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

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

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

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

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

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

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

The financial performance of the Gibbsboro School District as a whole is reflected in the governmental funds, which are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$4,472,772, expenditures of \$4,594,422, and other financing uses of \$31,626. As the District completed the year, its governmental funds reported a combined fund balance of \$543,490.

**GENERAL FUND BUDGETING HIGHLIGHTS**

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

The final budgetary basis revenue estimate was \$4,048,727. The original budgeted estimate was \$4,048,727. The final budgetary basis expenditure appropriation estimate was \$4,308,306 compared to the original estimate of \$4,268,306.

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

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

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Revenues		
Local Sources:		
Local tax levy	2,480,161	2,480,161
Tuition	23,346	39,580
Miscellaneous	59,938	59,461
Total - Local Sources	<u>2,563,445</u>	<u>2,579,202</u>
State Sources	1,361,921	1,763,573
Federal Sources	167,543	
Total - Government Sources	<u>1,531,762</u>	<u>1,763,573</u>
Total Revenues	<u><u>4,092,909</u></u>	<u><u>4,342,775</u></u>

The primary source of funding for the District is received from local property taxes that accounted for 61.00% of total revenues. State aid accounted for 33.31% of total revenues.

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

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

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Current		
Instruction		
Regular	1,526,788	1,524,394
Special Education	448,045	410,513
Other	96,889	92,730
Support Services and Undistributed Costs:		
Services	418,020	396,397
School Administrative Services	32,844	40,867
General and Business Administrative Services	210,909	192,347
Plant Operations and Maintenance	334,881	452,919
Pupil Transportation	86,553	68,926
Capital Outlay	9,906	2,900
Unallocated Benefits	<u>1,049,724</u>	<u>988,168</u>
 Total Expenditures	 <u>4,214,559</u>	 <u>4,170,161</u>

Total General Fund expenditures increased \$44,398 or .01% from the previous year.

#### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

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

At the end of the fiscal year 2010, the School District had \$5,228,489 invested in land buildings, furniture and equipment, net of depreciation for governmental activities.

Table A-7 shows a summary of the fiscal 2010 & 2009 balances.

Table A-7		
Capital Assets		
	June 30, 2010	June 30, 2009
	Governmental	Governmental
	Activities	Activities
Building & Building Improvements	\$ 6,620,517	\$ 6,620,517
Land Improvements	29,220	29,220
Equipment	<u>68,352</u>	<u>58,446</u>
Total Capital Assets	6,718,089	6,708,183
 Less: Accumulated Depreciation	 <u>1,489,600</u>	 <u>1,320,115</u>
 Net Capital Assets	 <u><u>5,228,489</u></u>	 <u><u>5,388,068</u></u>

#### **DEBT SERVICE FUND**

The Current year obligations for payment of debt service principal and interest amounted to \$238,876. Funding was provided by the local tax levy.

## FOOD SERVICE FUND

The Food Service Fund had net assets of \$35,632 as of June 30, 2010. This reflects a decrease of \$(5) from June 30, 2009.

### Long-term Obligations

As of June 30, 2010 the District had \$2,939,000 in general obligation bonds outstanding, a decrease of \$95,000 from last year as shown in Table A-8.

The District also had a \$136,260 liability for compensated absences. This liability represents the District's contractual obligation to compensate employees for accumulated unused sick leave entitlements and accumulated unused vacation days upon retirement.

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

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

	Balance at <u>June 30, 2010</u>	Balance at <u>June 30, 2009</u>	Increase/ <u>Decrease</u>
General Obligation Bonds Payable	2,939,000	3,034,000	(95,000)
Compensated Absences	136,260	127,327	8,933
<b>TOTAL</b>	<u>3,075,260</u>	<u>3,161,327</u>	<u>(86,067)</u>

### Current Financial Issues and Concerns

The future financing of public schools in the State of New Jersey is becoming very unpredictable. For the previous three years, the State had provided flat funding, regardless of increases in salaries, benefits, or expanded academic programs. In 2010, the State reduced state aid provided to the District by \$250,836. In addition, the State has withheld the last two state aid payments until after the close of the fiscal year for 2010.

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

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

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

**BASIC FINANCIAL STATEMENTS**



## A. District-Wide Financial Statements



**GIBBSBORO BOROUGH BOARD OF EDUCATION**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2010**  
(With Comparative Totals for June 30, 2009)

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)	
			JUNE 30, 2010	JUNE 30, 2009
Cash & Cash Equivalents	\$573,525	54	573,579	736,590
Receivables, Net	6,727	35,578	42,305	111,002
Capital Assets, Net (Note 4)	5,228,489		5,228,489	5,388,068
<b>Total Assets</b>	<b>5,808,741</b>	<b>35,632</b>	<b>5,844,373</b>	<b>6,235,660</b>
<b>LIABILITIES</b>				
Accounts Payable				78,036
Other Payables	36,762		36,762	34,597
Accrued Interest Payable	35,423		35,423	48,687
Deferred Revenue				2,556
Noncurrent Liabilities (Note 5):				
Due Within One Year	100,000		100,000	95,000
Due Beyond One Year	2,975,260		2,975,260	3,066,327
<b>Total Liabilities</b>	<b>3,147,445</b>		<b>3,147,445</b>	<b>3,325,203</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	2,289,489		2,289,489	2,354,068
Restricted For:				
Debt Service	(35,422)		(35,422)	(48,686)
Capital Reserve	1		1	1
Other Purposes	387,558		387,558	541,036
Unrestricted	19,670	35,632	55,302	64,038
<b>Total Net Assets</b>	<b>\$2,661,296</b>	<b>35,632</b>	<b>2,696,928</b>	<b>2,910,457</b>

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

**GIBBSBORO BOROUGH BOARD OF EDUCATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2010**  
**(With Comparative Totals for June 30, 2009)**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)	
						JUNE 30, 2010	JUNE 30, 2009
Governmental Activities:							
Instruction:							
Regular Instruction	\$1,635,384		122,411	(1,512,973)		(1,512,973)	(1,524,394)
Special Education Instruction	461,860			(461,860)		(461,860)	(410,513)
Other Instruction	96,889			(96,889)		(96,889)	(92,730)
Support Services & Undistributed Costs:							
Attendance/Social Work	6,506			(6,506)		(6,506)	(6,202)
Health Services	67,902			(67,902)		(67,902)	(61,960)
Student & Instruction Related Services	321,810		18,576	(303,234)		(303,234)	(283,475)
Educational Media Services/School Library	40,378			(40,378)		(40,378)	(41,711)
Instructional Staff Training	5,215			(5,215)		(5,215)	(3,049)
General Administrative Services	140,354			(140,354)		(140,354)	(126,133)
School Administrative Services	32,844			(32,844)		(32,844)	(40,867)
Central Services	62,772			(62,772)		(62,772)	(59,764)
Administrative Information Technology	2,568			(2,568)		(2,568)	(6,450)
Plant Operations & Maintenance	334,881			(334,881)		(334,881)	(452,919)
Pupil Transportation	86,553			(86,553)		(86,553)	(68,926)
Unallocated Benefits	1,049,724			(1,049,724)		(1,049,724)	(988,168)
Interest on Long-Term Debt	130,612			(130,612)		(130,612)	(146,751)
Unallocated Compensated Absences	8,933			(8,933)		(8,933)	(25,791)
Unallocated Depreciation	169,485			(169,485)		(169,485)	(167,189)
<b>Total Governmental Activities</b>	<b>4,654,670</b>		<b>140,987</b>	<b>(4,513,683)</b>		<b>(4,513,683)</b>	<b>(4,506,992)</b>

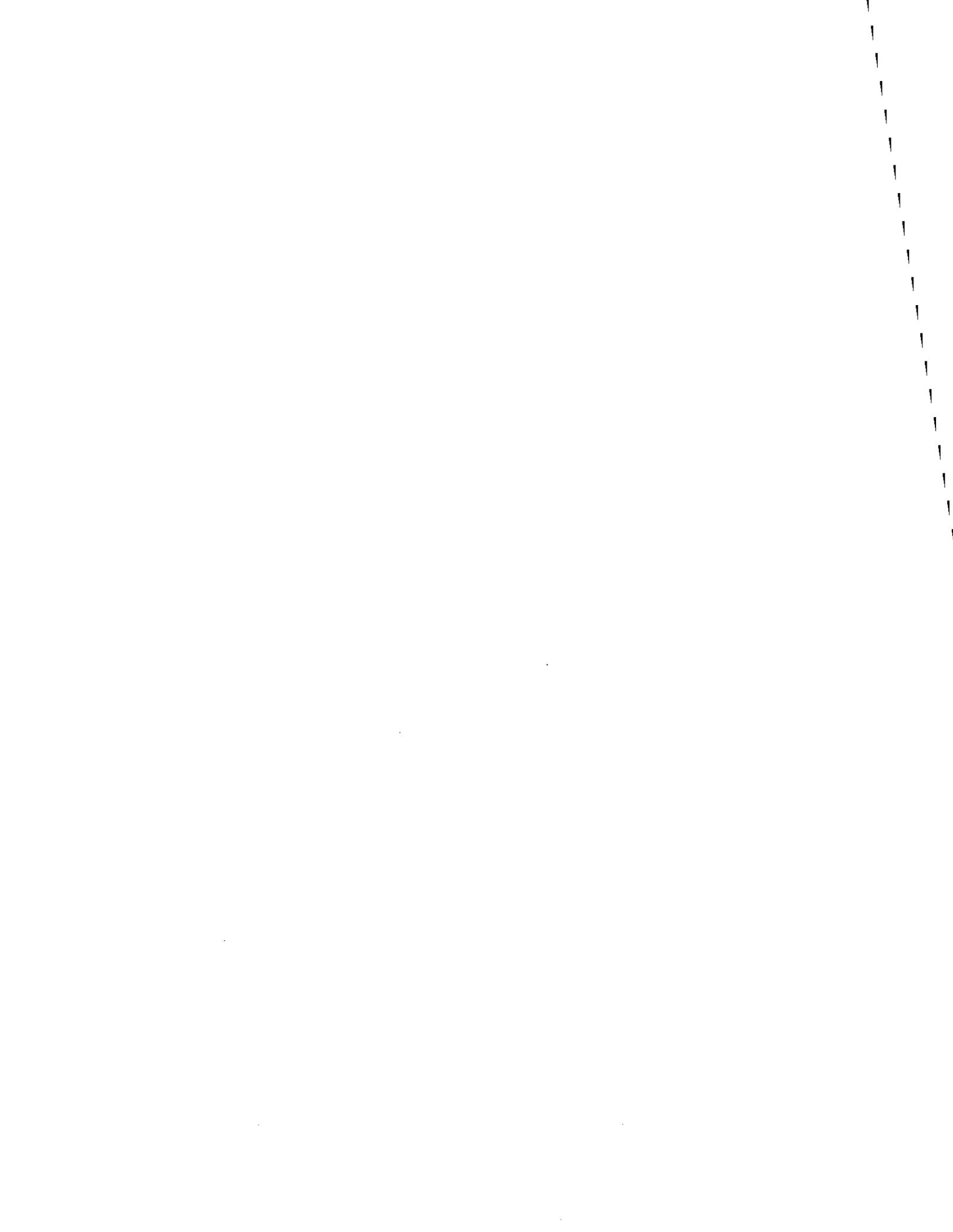
**GIBBSBORO BOROUGH BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)	
						JUNE 30, 2010	JUNE 30, 2009
<b>Business-Type Activities:</b>							
Internal Service Fund	100,782	100,782					
Food Service	86,957	40,968	14,322		(31,667)	(31,667)	(33,331)
<b>Total Business-Type Activities</b>	<b>187,739</b>	<b>141,750</b>	<b>14,322</b>		<b>(31,667)</b>	<b>(31,667)</b>	<b>(33,331)</b>
<b>Total Primary Government</b>	<b>\$4,842,409</b>	<b>141,750</b>	<b>155,309</b>	<b>(4,513,683)</b>	<b>(31,667)</b>	<b>(4,545,350)</b>	<b>(4,540,323)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property Taxes, Levied for General Purposes, Net				\$2,480,161		2,480,161	2,480,161
Taxes Levied for Debt Service				238,876		238,876	238,131
Federal & State Aid Not Restricted				1,529,464		1,529,464	1,690,016
Miscellaneous Income				83,284	36	83,320	99,094
Transfers				(31,626)	31,626		
<b>Total General Revenues, Special Items, Extraordinary Items &amp; Transfers</b>				<b>4,300,159</b>	<b>31,662</b>	<b>4,331,821</b>	<b>4,507,402</b>
Change In Net Assets				(213,524)	(5)	(213,529)	(32,921)
Net Assets July 1,				2,874,820	35,637	2,910,457	2,943,378
<b>Net Assets - Ending</b>				<b>\$2,661,296</b>	<b>35,632</b>	<b>2,696,928</b>	<b>2,910,457</b>

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



## B. Fund Financial Statements



## Governmental Funds



**GIBBSBORO BOROUGH BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

ASSETS & OTHER DEBITS	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS (MEMORANDUM ONLY)	
				JUNE 30, 2010	JUNE 30, 2009
<b>Assets:</b>					
Cash & Cash Equivalents	\$518,663	2,361		521,024	739,242
Accounts Receivable:					
Federal Aid					55,720
State Aid	846			846	2,064
Interfund	5,881			5,881	17,589
Restricted Cash & Cash Equivalents	52,500		1	52,501	50,001
<b>Total Assets</b>	<b>\$577,890</b>	<b>2,361</b>	<b>1</b>	<b>580,252</b>	<b>864,616</b>
<b>Liabilities &amp; Fund Balances:</b>					
<b>Liabilities:</b>					
Cash Deficit					52,661
Accounts Payable					77,338
Intergovernmental Payable - State					698
Interfund Payable	34,401	2,361		36,762	34,597
Deferred Revenue					2,556
<b>Total Liabilities</b>	<b>34,401</b>	<b>2,361</b>		<b>36,762</b>	<b>167,850</b>
<b>Fund Balances:</b>					
<b>Reserved for:</b>					
Encumbrances	5,000			5,000	40,000
Capital Reserve Account	1			1	1
Maintenance Reserve Account	52,500			52,500	50,000
Excess Surplus	144,738			144,738	237,820
Excess Surplus Designated for Subsequent Year's Expenditures	237,820			237,820	263,216
<b>Unreserved, Reported in:</b>					
<b>Unrestricted :</b>					
Designated for Subsequent Year's Expenditures	2,064			2,064	
General Fund	101,366			101,366	105,728
Debt Service Fund			1	1	1
<b>Total Fund Balances</b>	<b>543,489</b>		<b>1</b>	<b>543,490</b>	<b>696,766</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$577,890</b>	<b>2,361</b>	<b>1</b>		

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$6,718,089 and the accumulated depreciation is \$1,489,600.	5,228,489	5,388,068
Accrued interest payable is not recorded in the fund financial due to the fact that payable is not due in the current period.	(35,423)	(48,687)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Illustrative Note 5)	(3,075,260)	(3,161,327)
<b>Net assets of Governmental Activities</b>	<b>\$2,661,296</b>	<b>2,874,820</b>

See Accompanying Notes to Financial Statements

**GIBBSBORO BOROUGH BOARD OF EDUCATION**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**  
**(With Comparative Totals for June 30, 2009)**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS (MEMORANDUM ONLY)	
				JUNE 30, 2010	JUNE 30, 2009
<b>Revenues:</b>					
Local Sources:					
Local Tax Levy	\$2,480,161		238,876	2,719,037	2,718,292
Tuition	23,346			23,346	39,580
Miscellaneous	59,938			59,938	59,461
<b>Total Revenues - Local Sources</b>	<b>2,563,445</b>		<b>238,876</b>	<b>2,802,321</b>	<b>2,817,333</b>
State Sources	1,361,921			1,361,921	1,690,016
Federal Sources	167,543	140,987		308,530	102,089
<b>Total Revenues</b>	<b>4,092,909</b>	<b>140,987</b>	<b>238,876</b>	<b>4,472,772</b>	<b>4,609,438</b>
<b>Expenditures:</b>					
Current Expense:					
Regular Instruction	1,512,973	122,411		1,635,384	1,603,946
Special Education Instruction	461,860			461,860	410,513
Other Instruction	96,889			96,889	92,730
Support Services & Undistributed Costs:					
Attendance/Social Work	6,506			6,506	6,202
Health Services	67,902			67,902	61,960
Student & Instruction Related Services	303,234	18,576		321,810	306,012
Educational Media Services/School Library	40,378			40,378	41,711
Instructional Staff Training	5,215			5,215	3,049
General Administrative Services	140,354			140,354	126,133
School Administrative Services	32,844			32,844	40,867
Central Services	62,772			62,772	59,764
Administrative Information Technology	2,568			2,568	6,450
Plant Operations & Maintenance	334,881			334,881	452,919
Pupil Transportation	86,553			86,553	68,926
Unallocated Benefits	1,049,724			1,049,724	988,168
Capital Outlay	9,906			9,906	2,900
Debt Service:					
Principal			95,000	95,000	90,000
Interest			143,876	143,876	148,131
<b>Total Expenditures</b>	<b>4,214,559</b>	<b>140,987</b>	<b>238,876</b>	<b>4,594,422</b>	<b>4,510,381</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(121,650)			(121,650)	99,057
<b>Other Financing Sources/(Uses):</b>					
Food Services:					
Transfer to Cover Deficit	(31,626)			(31,626)	(31,330)
<b>Total Other Financing Sources/(Uses)</b>	<b>(31,626)</b>			<b>(31,626)</b>	<b>(31,330)</b>
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	(153,276)			(153,276)	67,727
Fund Balances July 1,	696,765		1	696,766	629,039
Fund Balances June 30	\$543,489	-	1	543,490	696,766

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

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	(\$153,276)
---	-------------

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

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

Depreciation Expense	(\$169,485)	
Capital Outlays	9,906	(159,579)

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.	95,000
---	--------

Net Difference Accrued interest on bonds and capital leases is not recorded in fund financial statements	13,264
--	--------

Increase in accrual for compensated absences	(8,933)
--	---------

Change in Net Assets of Governmental Activities	(\$213,524)
---	-------------

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



## Proprietary Funds



**GIBBSBORO BOROUGH BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2010  
 (With Comparative Totals for June 30, 2009)**

	BUSINESS-TYPE	GOVERNMENTAL	TOTALS (MEMORANDUM ONLY)	
	ACTIVITIES - ENTERPRISE FUNDS	TYPE ACTIVITIES - INTERNAL SERVICE FUNDS		
ASSETS	FOOD SERVICE	SHARED SERVICE AGREEMENT	JUNE 30, 2010	JUNE 30, 2009
Cash & Cash Equivalents	\$54		54	8
Accounts Receivable:				
State	72		72	81
Federal	1,105		1,105	1,147
Interfund	34,401		34,401	34,401
Total Assets	35,632		35,632	35,637
NET ASSETS				
Unrestricted	35,632		35,632	35,637
Total Net Assets	\$35,632	-	35,632	35,637

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

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET ASSETS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
 (With Comparative Totals for June 30, 2009)**

	BUSINESS-TYPE	GOVERNMENTAL	TOTALS	
	ACTIVITIES - ENTERPRISE FUNDS	TYPE ACTIVITIES - INTERNAL SERVICE FUNDS	(MEMORANDUM ONLY)	
	FOOD SERVICE	SHARED SERVICE AGREEMENT	JUNE 30, 2010	JUNE 30, 2009
Operating Revenues:				
Local Sources:				
Daily Sales - Reimbursable Programs:				
School Lunch Program	\$32,579		32,579	41,118
Daily Sales - Non-Reimbursable Programs:				
School Lunch Program	8,389		8,389	
Services Provided to Other Leas		100,782	100,782	80,040
<b>Total Operating Revenue</b>	<b>40,968</b>	<b>100,782</b>	<b>141,750</b>	<b>121,158</b>
Operating Expenses:				
Salaries & Benefits	31,626	100,782	132,408	119,970
Cost of Sales	55,331		55,331	49,973
<b>Total Operating Expenses</b>	<b>86,957</b>	<b>100,782</b>	<b>187,739</b>	<b>169,943</b>
<b>Operating Income/(Loss)</b>	<b>(45,989)</b>		<b>(45,989)</b>	<b>(48,785)</b>
Nonoperating Revenues:				
State Sources:				
State School Lunch Program	910		910	1,023
Federal Sources:				
National School Lunch Program	13,257		13,257	14,156
Special Milk Program	155		155	275
Interest & Investment Revenue	36		36	53
<b>Total Nonoperating Revenues</b>	<b>14,358</b>		<b>14,358</b>	<b>15,507</b>
Other Financing Sources:				
Operating Transfer In	31,626		31,626	31,330
<b>Total Other Financing Sources</b>	<b>31,626</b>		<b>31,626</b>	<b>31,330</b>
Change in Net Assets	(5)		(5)	(1,948)
<b>Total Net Assets - Beginning</b>	<b>35,637</b>		<b>35,637</b>	<b>37,585</b>
<b>Total Net Assets - Ending</b>	<b>\$35,632</b>		<b>35,632</b>	<b>35,637</b>

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

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
 (With Comparative Totals for June 30, 2009)**

	BUSINESS-TYPE	GOVERNMENTAL	TOTALS	
	ACTIVITIES - ENTERPRISE FUNDS	TYPE ACTIVITIES - INTERNAL SERVICE FUNDS	(MEMORANDUM ONLY)	
	FOOD SERVICE	SHARED SERVICE AGREEMENT	JUNE 30, 2010	JUNE 30, 2009
<b>Cash Flows From Operating Activities:</b>				
Receipts from Customers	\$40,968	100,782	141,750	121,158
Payments to Employees & Benefits	(31,626)	(100,782)	(132,408)	(119,970)
Payments to Suppliers	(55,331)		(55,331)	(49,973)
<b>Net Cash Provided/(Used) by Operating Activities</b>	<b>(45,989)</b>		<b>(45,989)</b>	<b>(48,785)</b>
<b>Cash Flows From Noncapital Financing Activities:</b>				
Cash Received From Board Contribution	31,626		31,626	31,330
Cash Received From State & Federal Reimbursements	14,373		14,373	15,521
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>45,999</b>		<b>45,999</b>	<b>46,851</b>
<b>Cash Flows From Investing Activities:</b>				
Interest & Dividends	36		36	53
<b>Net Cash Provided/(Used) by Investing Activities</b>	<b>36</b>		<b>36</b>	<b>53</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>46</b>		<b>46</b>	<b>(1,881)</b>
Balances - Beginning of Year	8		8	1,889
<b>Balances - Ending of Year</b>	<b>\$54</b>	<b>-</b>	<b>54</b>	<b>8</b>

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

Operating Income/(Loss)	(45,989)		(45,989)	(48,785)
<b>Net Cash Provided/(Used) by Operating Activities</b>	<b>(45,989)</b>	<b>-</b>	<b>(45,989)</b>	<b>(48,785)</b>

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



Fiduciary Fund



**GIBBSBORO BOROUGH BOARD OF EDUCATION**  
**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**JUNE 30, 2010**  
**(With Comparative Totals for June 30, 2009)**

ASSETS	AGENCY		TOTALS (MEMORANDUM ONLY)	
	STUDENT ACTIVITY	PAYROLL	JUNE 30, 2010	JUNE 30, 2009
Cash & Cash Equivalents	\$16,245	8,944	25,189	40,722
Total Assets	16,245	8,944	25,189	40,722
<b>LIABILITIES</b>				
Interfund Payable		3,520	3,520	17,395
Payroll Deductions & Withholdings		5,424	5,424	4,556
Due to Student Groups	16,245		16,245	18,771
Total Liabilities	16,245	8,944	25,189	40,722
Total Net Assets	-	-	-	-

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



**GIBBSBORO BOROUGH  
BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010**



## GIBBSBORO BOROUGH BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

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

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

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

The accompanying financial statements present the financial position of the District and the various funds and fund types, the results of operations of the District and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2010 and for the year then ended.

#### A. Reporting Entity:

The Gibbsboro Borough Board of Education is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of 9 members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, vocational, as well as special education for handicapped youngsters. The Gibbsboro Borough Board of Education has an approximate enrollment at June 30, 2010 of 253 students.

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

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

# GIBBSBORO BOROUGH BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

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

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

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

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

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

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

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

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

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

GIBBSBORO BOROUGH BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

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

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

**D. Fund Accounting:**

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

**Governmental Funds**

**General Fund** - The general fund is the general operating fund of the Gibbsboro Borough Board of Education and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay sub-fund.

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

GIBBSBORO BOROUGH BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

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

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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

**Proprietary Fund**

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

**Enterprise** - The enterprise fund is used to account for the operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing goods or services are financed primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund.

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

GIBBSBORO BOROUGH BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

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

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

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

**Fiduciary Fund**

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

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

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

**E. Basis of Accounting:**

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

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

GIBBSBORO BOROUGH BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

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

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

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

**F. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund.

Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in *N.J.A.C.6:20-2A(m)1*. All budget amendments must be approved by School Board resolution.

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

**GIBBSBORO BOROUGH BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2010**

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

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

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

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

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

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

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$4,095,207	\$140,987
Difference – Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	146,336	
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	<u>(148,634)</u>	
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$4,092,909</u>	<u>\$140,987</u>

**GIBBSBORO BOROUGH BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2010**

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

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<u>\$4,214,559</u>	<u>\$140,987</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	<u>\$4,214,559</u>	<u>\$140,987</u>

**G. Encumbrances:**

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

Open encumbrances in the special revenue fund for which the Gibbsboro Borough Board of Education has received advances are reflected in the balance sheet as deferred revenues at fiscal year-end.

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

**H. Cash, Cash Equivalents and Investments:**

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

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

## GIBBSBORO BOROUGH BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

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

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

#### **I. Tuition Receivable/Payable**

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

These adjustments are recorded upon certification by the State Board of Education, which is normally three years following the contract year. The cumulative adjustments through June 30, 2010, which have not been recorded, are not determinable.

The tuition rate adjustments for the years 2006-2007 have been established. According to the School District's records, these amounts of adjustments are immaterial to the financial statements.

#### **J. Inventories & Prepaid Expenses**

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

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

Prepaid expenses, which benefit future periods, other than those recorded in the enterprise funds, are recorded as expenditure during the year of purchase. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2010.

#### **K. Short-Term Interfund Receivables/Payables**

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the Gibbsboro Borough Board of Education and that are due within one year.

**GIBBSBORO BOROUGH BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2010**

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

**L. Fixed Assets:**

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

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

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

**M. Accrued Salaries and Wages**

District employees, who provide services to the District over the ten-month academic year and extended eleven-month calendar, do not have the option to have their salaries disbursed during the entire twelve-month year. Therefore, there is no accrual as of June 30, 2010 for such salaries.

**N. Compensated Absences**

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

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

**O. Deferred Revenue**

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

GIBBSBORO BOROUGH BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

**P. Long-Term Obligations**

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

**Q. Fund Equity**

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

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

**Note 2. Cash and Cash Equivalents and Investments**

The District is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at June 30, 2010, and reported at fair value are as follows:

Type	Carrying Value
<b>Deposits:</b>	
Demand Deposits	<u>\$589,768</u>
Total Deposits & Investments	<u>\$589,768</u>

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

Governmental Activities	\$573,525
Business-Type Activities	54
Fiduciary Fund	<u>25,189</u>
Total Cash and Cash Equivalents	<u>\$589,768</u>

**Custodial Credit Risk** – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$625,246 at June 30, 2010. Of the bank balance \$250,051 was fully insured by the FDIC (Federal Depository Insurance Corporation) and \$375,195 was

**GIBBSBORO BOROUGH BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2010**

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

secured by a collateral pool held by the bank, but not in the District's name, as required by New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Governmental Unit Deposit Protection Act is more fully described in Note 3 of these financial statements.

**Investment Interest Rate Risk** – The District has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investment held at June 30, 2010, are provided in the above schedule.

**Investment Credit Risk** – The District has no investment policy that limits its investment choices other than the limitation of state law as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations of the District or bonds or other obligations of the local unit or units within which the District is located;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the District;
- Local Governments investment pools;
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities with certain limitations.

**Concentration of Investment Credit Risk** – The District places no limit on the amount it may invest in any one issuer.

GIBBSBORO BOROUGH BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

The District has deposited cash in 2010 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the District invests monies in certificates of deposits.

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

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

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

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

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

**GIBBSBORO BOROUGH BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010**

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

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

**Note 4. Fixed Assets**

The following schedule is a summarization of the general fixed assets for the fiscal year ended June 30, 2010:

	<b>June 30, 2009</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>June 30, 2010</b>
Building & Building Improvements	\$6,620,517		\$ -	\$ -	\$6,620,517
Land & Improvements	29,220				29,220
Machinery & Equipment	58,446	\$ 9,906			68,352
	<hr/>				<hr/>
Subtotal	6,708,183	9,906			6,718,089
Accumulated Depreciation	(1,320,115)	(169,485)			(1,489,600)
	<hr/>				<hr/>
Total	<u>\$5,388,068</u>	<u>\$(159,579)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$5,228,489</u>

**Note 5. Long-Term Debt**

During the fiscal year ended June 30, 2010 the following changes occurred in liabilities reported in the General Long-Term Debt Account Group:

	<b>Balance 6/30/09</b>	<b>Issued</b>	<b>Retired</b>	<b>Balance 6/30/10</b>	<b>Due Within One Year</b>
Compensated Absences	\$ 127,327	\$8,933		\$ 136,260	
Bonds Payable	3,034,000		\$95,000	2,939,000	\$100,000
	<hr/>			<hr/>	
Total	<u>\$3,161,327</u>	<u>\$8,933</u>	<u>\$95,000</u>	<u>\$3,075,260</u>	<u>\$100,000</u>

**A. Bonds Payable:**

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

**GIBBSBORO BOROUGH BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2010**

**Note 5. Long-Term Debt (continued):**

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

Year Ending June 30,	Principal	Interest	Total
2011	\$ 100,000	\$ 139,392	\$ 239,392
2012	100,000	134,792	234,792
2013	105,000	130,024	235,024
2014	110,000	124,971	234,971
2015	120,000	119,566	239,566
2016-2020	685,000	506,301	1,191,301
2021-2025	865,000	322,782	1,187,782
2026-2029	<u>854,000</u>	<u>87,450</u>	<u>941,450</u>
Total	<u>\$2,939,000</u>	<u>\$1,565,278</u>	<u>\$4,504,278</u>

**Note 6. Pension Plans**

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

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

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established in January 1955 under the provisions of *N.J.S.A.43:15A* to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System

GIBBSBORO BOROUGH BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

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

is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

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

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

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

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

**GIBBSBORO BOROUGH BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010**

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

**Contribution Requirements** – The contribution policy is set by *N.J.S.A.43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A.18:66*, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees’ annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both

TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a noncontributing employer of the TPAF.

**Three-Year Trend Information for PERS**

<b>Year Funding</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/10	\$23,776	100%	\$ -0-
6/30/09	18,865	100%	-0-
6/30/08	17,328	100%	-0-

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

<b>Year Funding</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/10	\$133,820	100%	\$ -0-
6/30/09	128,548	100%	-0-
6/30/08	277,208	100%	-0-

During the year ended June 30, 2010 the State of New Jersey contributed \$133,820 to the TPAF for normal post-retirement benefits on behalf of the District. Also in accordance with *N.J.S.A.18A:66-66* the State of New Jersey reimbursed the District \$158,797 for the year ended June 30, 2010 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

**GIBBSBORO BOROUGH BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2010**

**Note 7. Post-Retirement Benefits**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State Employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2009, there were 84,590 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

**Note 8. Risk Management**

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

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

**Note 9. Interfund Receivables and Payables**

The following interfund balances remained on the balance sheet at June 30, 2010:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund	\$ 5,881	\$34,401
Special Revenue Fund		2,361
Food Service	34,401	
Trust & Agency	<u>          </u>	<u>3,520</u>
Total	<u>\$40,282</u>	<u>\$40,282</u>

GIBBSBORO BOROUGH BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

**Note 10. Fund Balance Appropriated**

**General Fund** – Of the \$543,489 General Fund fund balance at June 30, 2010, \$237,820 is designated for subsequent years expenditures; \$5,000 is reserved for encumbrances; \$1 is reserved to establish the Capital Reserve Account; \$52,500 is reserved to establish the Maintenance Reserve Account; \$144,738 is reserved for excess surplus in accordance with *N.J.S.A.18A:7F-7*; \$2,064 is unreserved, unrestricted designated for subsequent year's expenditures and \$101,366 is unreserved and undesignated.

**Note 11. Deferred Compensation**

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

Lincoln	AXXA Equitable	Vanguard
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**Note 12. Compensated Absences**

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2010 is \$136,260.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2010 no liability existed for compensated absences in the proprietary fund types.

**GIBBSBORO BOROUGH BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2010**

**Note 13. Calculation of Excess Surplus**

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2010 is \$144,738.

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**



### C. Budgetary Comparison Schedules



**GIBBSBORO BOROUGH BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Revenues:											
Local Sources:											
Local Tax Levy	10-1210	\$2,480,161		2,480,161	2,480,161		2,480,161		2,480,161	2,480,161	
Tuition	10-1300	33,580		33,580	23,346	(10,234)	36,000		36,000	39,580	3,580
Miscellaneous	10-1xxx	45,851		45,851	59,938	14,087	30,000		30,000	59,461	29,461
<b>Total Local Sources</b>		<b>2,559,592</b>		<b>2,559,592</b>	<b>2,563,445</b>	<b>3,853</b>	<b>2,546,161</b>		<b>2,546,161</b>	<b>2,579,202</b>	<b>33,041</b>
State Sources:											
Non-Public Transportation Aid	10-3xxx				846	846				2,064	2,064
Categorical Special Education Aid	10-3132	124,334		124,334	124,334		120,183		120,183	120,183	
Equalization Aid	10-3176	923,376	(167,543)	755,833	659,497	(96,336)	971,122		971,122	963,084	(8,038)
Categorical Security Aid	10-3177	20,576		20,576	13,374	(7,202)	19,397		19,397	19,397	
Adjustment Aid	10-3178	403,393		403,393	262,205	(141,188)	367,603		367,603	367,603	
Categorical Transportation Aid	10-3121	17,456		17,456	11,346	(6,110)	10,830		10,830	10,830	
Nonbudgeted:											
On-Behalf TPAF Pension Contribution					133,820	133,820				128,548	128,548
Reimbursed TPAF Social Security					158,797	158,797				151,864	151,864
<b>Total State Sources</b>		<b>1,489,135</b>	<b>(167,543)</b>	<b>1,321,592</b>	<b>1,364,219</b>	<b>42,627</b>	<b>1,489,135</b>		<b>1,489,135</b>	<b>1,763,573</b>	<b>274,438</b>
Federal Sources:											
American Recovery & Reinvestment Act:											
Education Stabilization Fund	16-4520		161,299	161,299	161,299						
Government Services Fund	17-4521		6,244	6,244	6,244						
<b>Total Federal Sources</b>			<b>167,543</b>	<b>167,543</b>	<b>167,543</b>						
<b>Total Revenues</b>		<b>4,048,727</b>		<b>4,048,727</b>	<b>4,095,207</b>	<b>46,480</b>	<b>4,035,296</b>		<b>4,035,296</b>	<b>4,342,775</b>	<b>307,479</b>
Expenditures:											
Current Expense:											
Instruction - Regular Programs:											
Salaries of Teachers:											
Preschool	11-105-100-101	29,510		29,510	29,510		27,861	1	27,862	27,861	1
Kindergarten	11-110-100-101	88,943	6,300	95,243	93,983	1,260	147,657	(69,449)	78,208	76,871	1,337
Grades 1 - 5	11-120-100-101	703,433	(39,900)	663,533	639,222	24,311	577,402	68,363	645,765	645,517	248
Grades 6 - 8	11-130-100-101	527,140	38,600	565,740	563,431	2,309	514,049	4,554	518,603	517,985	618
Home Instruction - Regular	11-150-100-101	3,000		3,000	770	2,230	3,000	1,290	4,290	4,290	
Regular Programs - Undistributed Instruction:											
Other Salaries for Instruction	11-190-100-106	31,221	2,321	33,542	33,541	1	29,386	160	29,546	28,902	644
Purchased Professional & Educational Services	11-190-100-320	46,745	775	47,520	32,353	15,167	50,000	1,684	51,684	51,684	
Other Purchased Services	11-190-100-500	17,378	(2,296)	15,082	12,451	2,631	17,378	188	17,566	17,566	
General Supplies	11-190-100-610	91,737	30,000	121,737	101,739	19,998	66,000	47,210	113,210	113,210	
Textbooks	11-190-100-640	45,000	(30,000)	15,000	3,973	11,027	45,394	(6,682)	38,712	38,508	204
Other Objects	11-190-100-890	2,000		2,000	2,000		2,000		2,000	2,000	

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**GIBBSBORO BOROUGH BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Total Regular Programs	1,586,107	5,800	1,591,907	1,512,973	78,934	1,480,127	47,319	1,527,446	1,524,394	3,052	
Special Education:											
Multiple Handicapped:											
Salaries of Teachers	11-212-100-101	180,244	30,130	210,374	209,716	658	203,806	(35,869)	167,937	139,236	28,701
Other Salaries for Instruction	11-212-100-106	19,537	(6,130)	13,407	13,293	114	31,852		31,852	21,326	10,526
General Supplies	11-212-100-610	1,000		1,000	983	17	3,000		3,000	1,011	1,989
Textbooks	11-212-100-640	500		500	405	95	3,000		3,000	144	2,856
49 Total Multiple Handicapped		201,281	24,000	225,281	224,397	884	241,658	(35,869)	205,789	161,717	44,072
Resource Room/Resource Center:											
Salaries of Teachers	11-213-100-101	187,855	1,000	188,855	188,124	731	181,735		181,735	177,798	3,937
Other Salaries for Instruction	11-213-100-106	24,616	(1,000)	23,616	18,189	5,427	33,906		33,906	32,897	1,009
General Supplies	11-213-100-610	2,000		2,000	277	1,723	3,000		3,000	256	2,744
Textbooks	11-212-100-640	500		500		500	1,000		1,000	133	867
Total Resource Room/Resource Center		214,971		214,971	206,590	8,381	219,641		219,641	211,084	8,557
Preschool Disabilities - Part Time:											
Salaries of Teachers	11-215-100-101	30,510		30,510	30,508	2	28,862		28,862	28,221	641
Other Salaries for Instruction	11-215-100-106	14,736		14,736	365	14,371	9,645	216	9,861	9,271	590
General Supplies	11-215-100-610	250		250		250	700	(216)	484	220	264
Total Preschool Disabilities - Part-Time		45,496		45,496	30,873	14,623	39,207		39,207	37,712	1,495
Total Special Education		461,748	24,000	485,748	461,860	23,888	500,506	(35,869)	464,637	410,513	54,124
School Sponsored Cocurricular Activities & Athletics:											
Salaries	11-401-100-100	68,900	(5,000)	63,900	60,834	3,066	60,951	200	61,151	60,040	1,111
Supplies and Materials	11-401-100-600	12,124	5,300	17,424	16,327	1,097	12,150	(200)	11,950	11,799	151
Salaries	11-402-100-100	15,000		15,000	11,987	3,013	25,000		25,000	15,453	9,547
Supplies and Materials	11-402-100-600	10,500	(300)	10,200	7,741	2,459	10,500		10,500	5,438	5,062
Total School Sponsored Cocurricular - Activities & Athletics		106,524		106,524	96,889	9,635	108,601		108,601	92,730	15,871
Total - Instruction		2,154,379	29,800	2,184,179	2,071,722	112,457	2,089,234	11,450	2,100,684	2,027,637	73,047

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	ACCOUNT NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Undistributed Expenditures:												
Instruction:												
	Tuition to Private Schools for Disabled Within the State - Special	11-000-100-566	100,139		100,139	100,139	86,984	(8,600)	78,384	10,723	67,661	
	Total Instruction		100,139		100,139	100,139	86,984	(8,600)	78,384	10,723	67,661	
Attendance & Social Work Services:												
	Salaries	11-000-211-100	6,506		6,506	6,506	6,148	54	6,202	6,202		
	Total Attendance Services		6,506		6,506	6,506	6,148	54	6,202	6,202		
50	Health Services:											
	Salaries	11-000-213-100	63,003	1,600	64,603	64,603	59,368	200	59,568	59,568		
	Purchased Professional & Technical Services	11-000-213-300	1,000		1,000	934	66	1,000	(200)	800	766	
	Supplies and Materials	11-000-213-600	2,700	(100)	2,600	2,365	235	2,700		2,700	1,626	
	Total Health Services		66,703	1,500	68,203	67,902	301	63,068		63,068	61,960	
Other Support Services - Students - Related Services:												
	Salaries	11-000-216-100	67,114		67,114	67,114	64,243		64,243	64,243		
	Supplies and Materials	11-000-216-600	600		600	253	347	600		600	600	
	Total Other Support Services - Students - Regular		67,714		67,714	67,367	347	64,843		64,843	64,843	
Other Support Services - Students - Extra Services:												
	Salaries	11-000-217-100	28,513	(5,600)	22,913	22,833	80	30,000	(54)	29,946	25,203	
	Supplies and Materials	11-000-217-600	800		800		800	800		800	800	
	Total Other Support Services - Students - Extra Services		29,313	(5,600)	23,713	22,833	880	30,800	(54)	30,746	25,203	
Other Support Services - Students - Regular Services:												
	Salaries	11-000-218-105	13,012		13,012	13,012	12,298	107	12,405	12,404	1	
	Purchased Professional & Educational Services	11-000-218-320	3,900		3,900		3,900		5,000	5,000	4,650	
	Supplies & Materials	11-000-218-600	5,000	(1,560)	3,440	1,462	1,978	12,300	(5,000)	7,300	1,635	
	Total Other Support Services - Students - Related Services		21,912	(1,560)	20,352	14,474	5,878	29,598	(4,893)	24,705	18,689	

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Other Support Services - Students - Special Services:											
Salaries of Other Professional Staff	11-000-219-104	85,093	85,093	85,093		80,732	150	80,882	80,792	90	
Salaries of Secretarial & Clerical Assistants	11-000-219-105	28,341	28,341	28,341		25,784		25,784	25,784		
Other Purchased Professional & Educational Services	11-000-219-320	69,569	8,004	77,573	77,298	275	66,256	(11,043)	55,213	55,213	
Other Purchased Professional & Technical Services	11-000-219-390	3,500	(1,226)	2,274	2,273	1	3,500		3,500	700	2,800
Supplies and Materials	11-000-219-600	2,500	(1,118)	1,382	1,381	1	3,000	(257)	2,743	751	1,992
<b>Total Other Support Services - Students - Special Services</b>		<b>189,003</b>	<b>5,660</b>	<b>194,663</b>	<b>194,386</b>	<b>277</b>	<b>179,272</b>	<b>(11,150)</b>	<b>168,122</b>	<b>163,240</b>	<b>4,882</b>
Improvement of Instruction Services/Other Support Services - Instruction Staff:											
Purchases Professional & Educational Services	11-000-221-320	4,500		4,500	4,174	326	4,500		4,500	777	3,723
Other Purchased Services	11-000-221-500	500		500	500	500	500		500	500	500
<b>Total Improvement of Instruction Services/Other Support Services Instructional Staff</b>		<b>5,000</b>		<b>5,000</b>	<b>4,174</b>	<b>826</b>	<b>5,000</b>		<b>5,000</b>	<b>777</b>	<b>4,223</b>
Educational Media Services/School Library:											
Salaries	11-000-222-100	34,324		34,324	34,324		32,569	(200)	32,369	31,771	598
Other Purchased Services	11-000-222-500	950	(218)	732	732	732	800	29	829	829	
Supplies and Materials	11-000-222-600	4,000	218	4,218	4,218		7,000	171	7,171	7,171	
Other Objects	11-000-222-800	2,000		2,000	1,836	164	2,000		2,000	1,940	60
<b>Total Educational Media Services/School Library</b>		<b>41,274</b>		<b>41,274</b>	<b>40,378</b>	<b>896</b>	<b>42,369</b>		<b>42,369</b>	<b>41,711</b>	<b>658</b>
Instructional Staff Training Services:											
Purchased Professional/Educational Services	11-000-223-320	3,000		3,000	1,965	1,035	3,000	200	3,200	2,060	1,140
Other Purchased Professional & Technical Services	11-000-223-390	4,750		4,750	3,250	1,500					
Other Purchased Services	11-000-223-500						4,750	(200)	4,550	989	3,561
<b>Total Instructional Staff Training Services</b>		<b>7,750</b>		<b>7,750</b>	<b>5,215</b>	<b>2,535</b>	<b>7,750</b>		<b>7,750</b>	<b>3,049</b>	<b>4,701</b>

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Support Services General Administration:											
Salaries	11-000-230-100	85,245		85,245	85,183	62	78,530	3,938	82,468	81,097	1,371
Legal Services	11-000-230-331	15,000	40,000	55,000	5,000	50,000	20,000	40,000	60,000		60,000
Audit Fees	11-000-230-332	12,500	(700)	11,800	11,800		12,500	(1,400)	11,100	11,100	
Other Purchased Professional Services	11-000-230-339	5,021	(760)	4,261	4,219	42	2,345	(1,573)	772	272	500
Purchased Technical Services	11-000-230-340	2,500		2,500	2,199	301	2,200	(177)	2,023	2,023	
Communications/Telephone	11-000-230-530	9,000	1,331	10,331	10,331		9,000	2,722	11,722	11,568	154
BOE Other Purchased Services	11-000-230-585	1,000		1,000	823	177	2,000	(1,400)	600	401	199
Other Purchased Services	11-000-230-590	14,000	2,955	16,955	16,951	4	14,000	1,400	15,400	12,716	2,684
General Supplies	11-000-230-610	2,000	(1,331)	669	256	413	2,000	(400)	1,600	1,100	500
BOE Meeting Supplies	11-000-230-630	200		200		200	200		200	63	137
Miscellaneous Expenditures	11-000-230-890	1,500	(895)	605	604	1	2,000	400	2,400	1,908	492
BOE Membership Dues & Fees	11-000-230-895	3,000		3,000	2,988	12	4,000		4,000	3,885	115
<b>Total Support Services General Administration</b>		<b>150,966</b>	<b>40,600</b>	<b>191,566</b>	<b>140,354</b>	<b>51,212</b>	<b>148,775</b>	<b>43,510</b>	<b>192,285</b>	<b>126,133</b>	<b>66,152</b>
Support Services School Administration:											
Salaries of Principals	11-000-240-103	22,341		22,341	22,341		52,375		52,375	29,661	22,714
Salaries of Secretarial & Clerical Assistants	11-000-240-105	9,225		9,225	9,225		8,960	80	9,040	9,038	2
Supplies and Materials	11-000-240-600	5,000	(600)	4,400	1,278	3,122	7,000	(80)	6,920	2,168	4,752
<b>Total Support Services School Administration</b>		<b>36,566</b>	<b>(600)</b>	<b>35,966</b>	<b>32,844</b>	<b>3,122</b>	<b>68,335</b>		<b>68,335</b>	<b>40,867</b>	<b>27,468</b>
Central Services:											
Salaries	11-000-251-100	50,727		50,727	50,727		48,776		48,776	48,776	
Purchased Professional Services	11-000-251-330	9,508		9,508	8,628	880	7,300		7,300	6,897	403
Supplies and Materials	11-000-251-600	3,000	(390)	2,610	1,529	1,081	3,000		3,000	2,946	54
Other Objects	11-000-251-890	1,500	390	1,890	1,888	2	1,500		1,500	1,145	355
<b>Total Central Services</b>		<b>64,735</b>		<b>64,735</b>	<b>62,772</b>	<b>1,963</b>	<b>60,576</b>		<b>60,576</b>	<b>59,764</b>	<b>812</b>
Administrative Information Technology											
Purchased Professional Services	11-000-252-330	3,750		3,750	2,568	1,182	6,450		6,450	6,450	
<b>Total Administrative Information Technology</b>		<b>3,750</b>		<b>3,750</b>	<b>2,568</b>	<b>1,182</b>	<b>6,450</b>		<b>6,450</b>	<b>6,450</b>	
Allowable Maintenance for School Facilities:											
Cleaning, Repair & Maintenance Services	11-000-261-420	110,000	(9,906)	100,094	60,580	39,514	60,000	41,711	101,711	101,711	

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Allowable Maintenance for School Facilities (continued):											
General Supplies	11-000-261-610	5,000		5,000	3,142	1,858	5,000		5,000	4,658	342
Total Allowable Maintenance for School Facilities		115,000	(9,906)	105,094	63,722	41,372	65,000	41,711	106,711	106,369	342
53 Other Operation & Maintenance of Plant:											
Salaries	11-000-262-100	89,612	3,723	93,335	93,239	96	87,500	4,961	92,461	91,676	785
Cleaning, Repair & Maintenance Services	11-000-262-420	62,500	(3,000)	59,500	31,658	27,842	62,500	32,071	94,571	94,123	448
Other Purchased Property Services	11-000-262-490	10,000	2,153	12,153	10,805	1,348	10,000	1,092	11,092	10,631	461
Insurance	11-000-262-520	22,000	(4,975)	17,025	17,017	8	30,000	(13,450)	16,550	16,392	158
General Supplies	11-000-262-610	22,000	2,100	24,100	24,099	1	22,000	(554)	21,446	21,327	119
Energy (Natural Gas)	11-000-262-621		44,750	44,750	37,822	6,928					
Energy (Heat & Electricity)	11-000-262-622	113,000	(45,000)	68,000	56,519	11,481	110,800	1,601	112,401	112,401	
Total Other Operation & Maintenance of Plant		319,112	(249)	318,863	271,159	47,704	322,800	25,721	348,521	346,550	1,971
Student Transportation Services:											
Management Fee CCESE	11-000-270-350	1,900	1,071	2,971	2,971		1,000	820	1,820	1,820	
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	12,000	(1,043)	10,957	10,957		11,000	367	11,367	11,367	
Contracted Services (Special Education Students) - ESC'S	11-000-270-518	60,000	8,488	68,488	68,488		50,000	1,142	51,142	51,142	
Contracted Services - Aid in Lieu of Payments	11-000-270-503	5,000	(822)	4,178	4,137	41	5,000	(20)	4,980	4,597	383
Total Student Transportation Services		78,900	7,694	86,594	86,553	41	67,000	2,309	69,309	68,926	383

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Unallocated Benefits - Employee Benefits:										
Group Insurance	42,000	(42,000)				42,000		42,000	41,662	338
Social Security Contributions		41,842	41,842	41,349	493					
Social Security Contributions Other	23,618	(23,618)								
Other Contributions - E.R.I.P.		23,776	23,776	23,776		26,576	(2,309)	24,267	21,777	2,490
Unemployment Compensation	7,000	856	7,856	7,856		7,000	153	7,153	7,153	
Workmen's Compensation	32,000	(3,626)	28,374	27,282	1,092	38,000	(12,153)	25,847	25,057	790
Health Benefits	671,426	(37,245)	634,181	627,534	6,647	641,958	(45,749)	596,209	585,567	10,642
Tuition Reimbursement	7,000		7,000		7,000	7,000		7,000		7,000
Other Employee Benefits	26,540	2,770	29,310	29,310		28,540		28,540	26,540	2,000
<b>Total Unallocated Benefits</b>	<b>809,584</b>	<b>(37,245)</b>	<b>772,339</b>	<b>757,107</b>	<b>15,232</b>	<b>791,074</b>	<b>(60,058)</b>	<b>731,016</b>	<b>707,756</b>	<b>23,260</b>
Nonbudgeted:										
On-Behalf TPAF Pension Contribution				133,820	(133,820)				128,548	(128,548)
Reimbursed TPAF Social Security				158,797	(158,797)				151,864	(151,864)
<b>Total Undistributed Expenditures</b>	<b>2,113,927</b>	<b>294</b>	<b>2,114,221</b>	<b>2,132,931</b>	<b>(18,710)</b>	<b>2,045,842</b>	<b>28,550</b>	<b>2,074,392</b>	<b>2,139,624</b>	<b>(65,232)</b>
<b>Total Expenditures - Current Expense</b>	<b>4,268,306</b>	<b>30,094</b>	<b>4,298,400</b>	<b>4,204,653</b>	<b>93,747</b>	<b>4,135,076</b>	<b>40,000</b>	<b>4,175,076</b>	<b>4,167,261</b>	<b>7,815</b>
Capital Outlay										
Undistributed Expenditures:										
Special Schools		9,906	9,906	9,906						
Operation & Maintenance						2,900		2,900	2,900	
<b>Total Undistributed Expenditures</b>		<b>9,906</b>	<b>9,906</b>	<b>9,906</b>		<b>2,900</b>		<b>2,900</b>	<b>2,900</b>	
<b>Total Capital Outlay</b>		<b>9,906</b>	<b>9,906</b>	<b>9,906</b>		<b>2,900</b>		<b>2,900</b>	<b>2,900</b>	
<b>Total Expenditures</b>	<b>4,268,306</b>	<b>40,000</b>	<b>4,308,306</b>	<b>4,214,559</b>	<b>93,747</b>	<b>4,137,976</b>	<b>40,000</b>	<b>4,177,976</b>	<b>4,170,161</b>	<b>7,815</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>(219,579)</b>	<b>(40,000)</b>	<b>(259,579)</b>	<b>(119,352)</b>	<b>140,227</b>	<b>(102,680)</b>	<b>(40,000)</b>	<b>(142,680)</b>	<b>172,614</b>	<b>315,294</b>

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**GIBBSBORO BOROUGH BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

ACCOUNT NUMBER	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	JUNE 30, 2009				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Other Financing Sources/(Uses):											
Food Services:											
Transfer to Cover Deficit	11-000-310-930	(43,637)		(43,637)	(31,626)	(12,011)	(45,920)		(45,920)	(31,330)	(14,590)
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses		(263,216)	(40,000)	(303,216)	(150,978)	152,238	(148,600)	(40,000)	(188,600)	141,284	329,884
Fund Balances, July 1		843,101		843,101	843,101		701,817		701,817	701,817	
Fund Balances, June 30		<u>\$579,885</u>	(40,000)	<u>539,885</u>	<u>692,123</u>	<u>152,238</u>	<u>553,217</u>	(40,000)	<u>513,217</u>	<u>843,101</u>	<u>329,884</u>

**RECAPITULATION OF FUND BALANCE:**

Reserve for Encumbrances	\$5,000
Capital Reserve Account	1
Maintenance Reserve Account	52,500
Excess Surplus	144,738
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	237,820
Designated for Subsequent Year's Expenditures	2,064
Unreserved/Undesignated Surplus	<u>250,000</u>
Subtotal	692,123
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payments Not Recognized on GAAP Basis	<u>(148,634)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$543,489</u>

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
AMERICAN RECOVERY AND REINVESTMENTS FUNDS  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	ACCOUNT NUMBER	JUNE 30, 2010			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Federal Sources:					
American Recovery & Reinvestment Act:					
Education Stabilization Fund	16-4520		161,299	161,299	161,299
Government Services Fund	17-4521		6,244	6,244	6,244
Total Federal Sources			167,543	167,543	167,543
Total Revenues			167,543	167,543	167,543
Expenditures:					
American Recovery & Reinvestment Act:					
Education Stabilization Fund:					
Kindergarten	16-110-100-101		5,209	5,209	5,209
Grades 1 - 5	16-120-100-101		98,963	98,963	98,963
Supplies	16-190-100-610		47,312	47,312	47,312
Teachers Aides	16-213-100-106		9,815	9,815	9,815
Total ESF Expenditures			161,299	161,299	161,299
Government Services Fund:					
Supplies	17-190-100-610		2,244	2,244	2,244
Teachers Aides	17-213-100-106		4,000	4,000	4,000
Total GSF Expenditures			6,244	6,244	6,244
Total American Recovery & Reinvestment Act			167,543	167,543	167,543
Total Expenditures			167,543	167,543	167,543
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures			-	-	-

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	JUNE 30, 2010				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES										
Federal Sources	\$86,876	71,586	158,462	140,987	(17,475)	102,089		102,089	102,089	
Total Revenues	86,876	71,586	158,462	140,987	(17,475)	102,089		102,089	102,089	
EXPENDITURES:										
Instruction:										
Salaries of Teachers	77,790	(67,729)	10,061	10,061		53,917		53,917	53,917	
Other Salaries for Instruction		4,175	4,175	4,175		4,184		4,184	4,184	
Other Purchased Professional Services		54,294	54,294	54,294		6,083	(154)	5,929	5,929	
General Supplies	9,086	62,270	71,356	53,881	17,475	15,368	154	15,522	15,522	
Total Instruction	86,876	53,010	139,886	122,411	17,475	79,552		79,552	79,552	
Support Services:										
Personal Services - Employee Benefits						13,479		13,479	13,479	
Other Purchased Professional Services		18,076	18,076	18,076		9,058		9,058	9,058	
Supplies & Materials		500	500	500						
Total Support Services		18,576	18,576	18,576		22,537		22,537	22,537	
Total Expenditures	86,876	71,586	158,462	140,987	17,475	102,089		102,089	102,089	
Total Outflows	86,876	71,586	158,462	140,987	17,475	102,089		102,089	102,089	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	-	-	-	-	-	-	-	-	-

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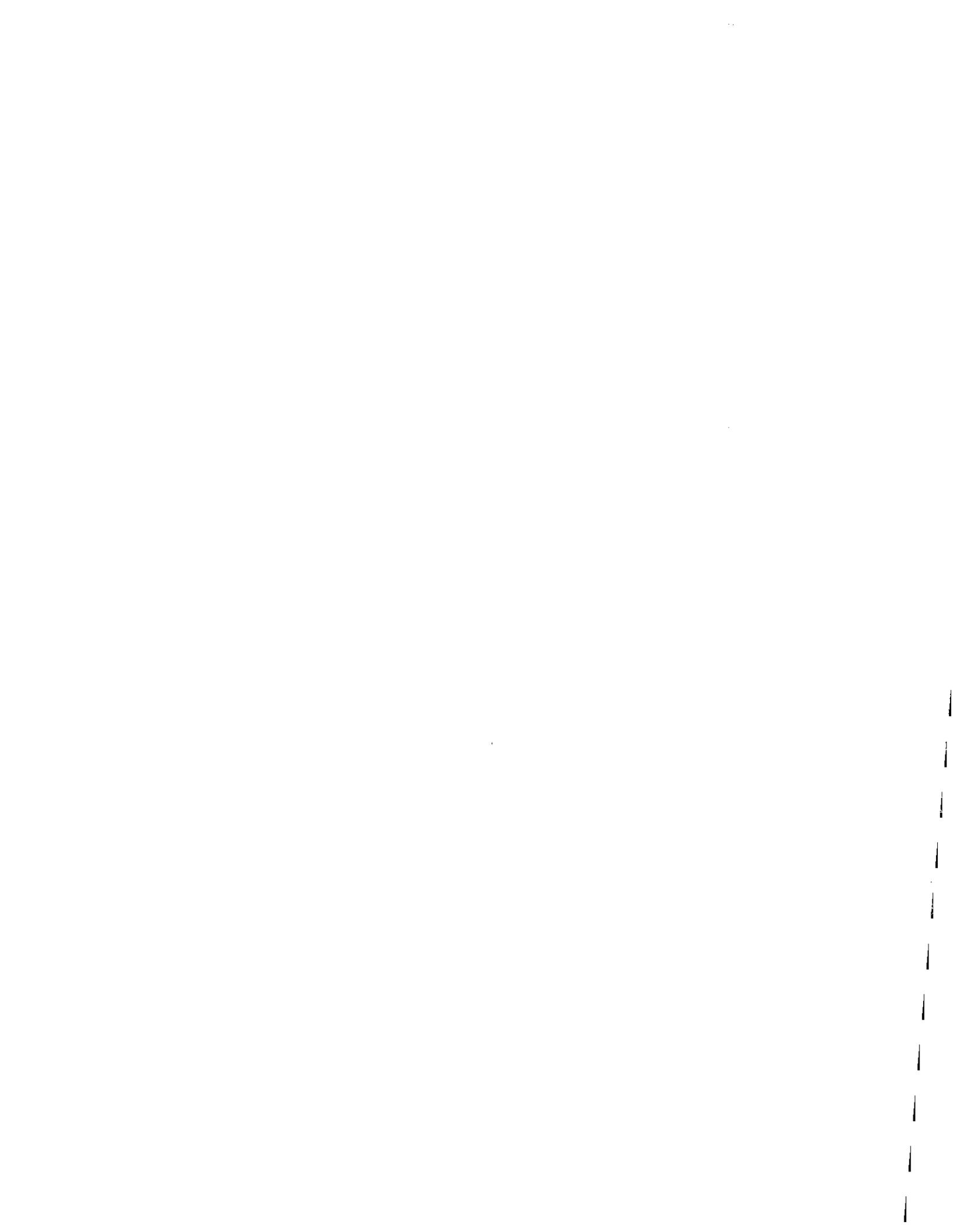
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**



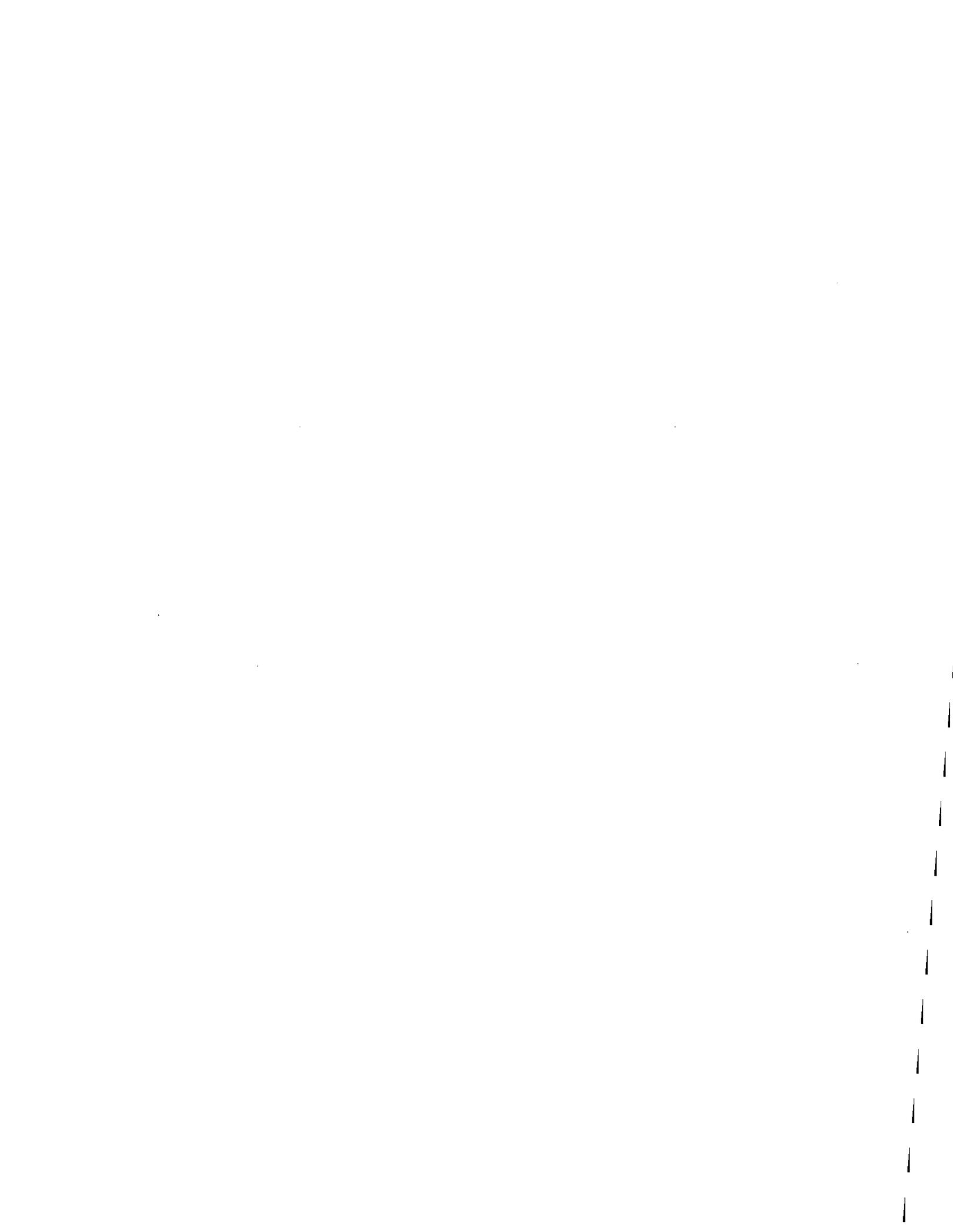
**GIBBSBORO BOROUGH BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 NOTE TO RSI  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$4,095,207	140,987
Difference - Budget to GAAP:		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.		
Current Year	(148,634)	
Prior Year	146,336	
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$4,092,909	140,987
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$4,214,559	140,987
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$4,214,559	140,987



**OTHER SUPPLEMENTARY INFORMATION**



D. School Budget Based Schedules

Not Applicable

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E. Special Revenue Fund



**GIBBSBORO BOROUGH BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

	NO CHILD LEFT BEHIND (N.C.L.B.)			
	TITLE I PART A	TITLE I PART A - ARRA	TITLE II PART A	TITLE II PART D
Revenues:				
Federal Sources	\$16,872	4,697	9,649	169
Total Revenues	<u>\$16,872</u>	<u>4,697</u>	<u>9,649</u>	<u>169</u>
Expenditures:				
Instruction:				
Salaries of Teachers				
Other Salaries for Instruction				
Other Purchased Services				
General Supplies	\$10,000	4,462		169
Total Instruction	<u>10,000</u>	<u>4,462</u>		<u>169</u>
Support Services:				
Personal Services - Employee Benefits				
Other Purchased Services	6,872	235	9,649	
Supplies & Materials				
Total Support Services	<u>6,872</u>	<u>235</u>	<u>9,649</u>	
Total Expenditures	<u>\$16,872</u>	<u>4,697</u>	<u>9,649</u>	<u>169</u>

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

	NO CHILD LEFT BEHIND(N.C.L.B.) TITLE IV	I.D.E.A. PART B BASIC REGULAR PROGRAM	I.D.E.A. PART B BASIC REGULAR PROGRAM - ARRA	I.D.E.A. PART B PRESCHOOL PROGRAM
Revenues:				
Federal Sources	\$540	67,907	35,079	4,175
<b>Total Revenues</b>	<b>\$540</b>	<b>67,907</b>	<b>35,079</b>	<b>4,175</b>
Expenditures:				
Instruction:				
Salaries of Teachers		10,061		
Other Salaries for Instruction				4,175
Other Purchased Services		54,294		
General Supplies	\$540	1,732	35,079	
<b>Total Instruction</b>	<b>540</b>	<b>66,087</b>	<b>35,079</b>	<b>4,175</b>
Support Services:				
Personal Services - Employee Benefits				
Other Purchased Services		1,320		
Supplies & Materials		500		
<b>Total Support Services</b>		<b>1,820</b>		
<b>Total Expenditures</b>	<b>\$540</b>	<b>67,907</b>	<b>35,079</b>	<b>4,175</b>

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

	I.D.E.A. PART B PRESCHOOL PROGRAM - ARRA	2010	2009
Revenues:			
Federal Sources	\$1,899	140,987	102,089
Total Revenues	\$1,899	140,987	102,089
Expenditures:			
Instruction:			
Salaries of Teachers		10,061	53,917
Other Salaries for Instruction		4,175	4,184
Other Purchased Services		54,294	5,929
General Supplies	\$1,899	53,881	15,522
Total Instruction	1,899	122,411	79,552
Support Services:			
Personal Services - Employee			
Benefits			13,479
Other Purchased Services		18,076	9,058
Supplies & Materials		500	
Total Support Services		18,576	22,537
Total Expenditures	\$1,899	140,987	102,089



F. Capital Projects Fund

Not Applicable



## G. Proprietary Funds



Enterprise Funds



**GIBBSBORO BOROUGH BOARD OF EDUCATION  
 ENTERPRISE FUND  
 COMBINING SCHEDULE OF NET ASSETS  
 AS OF JUNE 30, 2010  
 (With Comparative Totals for June 30, 2009)**

ASSETS	BUSINESS-TYPE ACTIVITIES - <u>ENTERPRISE FUNDS</u>		
	FOOD SERVICE	2010	2009
Cash & Cash Equivalents	\$54	54	8
Accounts Receivable:			
State	72	72	81
Federal	1,105	1,105	1,147
Interfund	34,401	34,401	34,401
Total Assets	<u>35,632</u>	<u>35,632</u>	<u>35,637</u>
NET ASSETS			
Unrestricted	<u>35,632</u>	<u>35,632</u>	<u>35,637</u>
Total Net Assets	<u><u>\$35,632</u></u>	<u><u>35,632</u></u>	<u><u>35,637</u></u>

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
AS OF JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS FOOD SERVICE	2010	2009
Operating Revenues:			
Local Sources:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$32,579	32,579	41,118
Daily Sales - Non-Reimbursable Programs:			
School Lunch Program	8,389	8,389	
Total Operating Revenue	40,968	40,968	41,118
Operating Expenses:			
Salaries & Benefits	31,626	31,626	39,930
Cost of Sales	55,331	55,331	49,973
Total Operating Expenses	86,957	86,957	89,903
Operating Income/(Loss)	(45,989)	(45,989)	(48,785)
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	910	910	1,023
Federal Sources:			
National School Lunch Program	13,257	13,257	14,156
Special Milk Program	155	155	275
Interest & Investment Revenue	36	36	53
Total Nonoperating Revenues	14,358	14,358	15,507
Other Financing Sources/(Uses):			
Operating Transfer In	31,626	31,626	31,330
Total Other Financing Sources	31,626	31,626	31,330
Change in Net Assets	(5)	(5)	(1,948)
Total Net Assets - Beginning	35,637	35,637	37,585
Total Net Assets - Ending	\$35,632	35,632	35,637

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING SCHEDULE OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

	FOOD SERVICE	2010	2009
Cash Flows From Operating Activities:			
Receipts from Customers	\$40,968	40,968	41,118
Payments to Employees & Benefits	(31,626)	(31,626)	(39,930)
Payments to Suppliers	(55,331)	(55,331)	(49,973)
Net Cash Provided/(Used) by Operating Activities	(45,989)	(45,989)	(48,785)
Cash Flows From Noncapital Financing Activities:			
Cash Received From Board Contribution	31,626	31,626	31,330
Cash Received From State & Federal Reimbursements	14,373	14,373	15,521
Net Cash Provided by Noncapital Financing Activities	45,999	45,999	46,851
Cash Flows From Investing Activities:			
Interest & Dividends	36	36	53
Net Cash Provided/(Used) by Investing Activities	36	36	53
Net Increase/(Decrease) in Cash & Cash Equivalents	46	46	(1,881)
Balances - Beginning of Year	8	8	1,889
Balances - Ending of Year	\$54	54	8

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

Operating Income/(Loss)	(\$45,989)	(45,989)	(48,475)
Net Cash Provided/(Used) by Operating Activities	(\$45,989)	(45,989)	(48,475)



## Internal Service Fund



**GIBBSBORO BOARD OF EDUCATION  
INTERNAL SERVICE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	GOVERNMENTAL TYPE ACTIVITIES - SHARED SERVICE AGREEMENT	2010	2009
Operating Revenues:			
Local Sources:			
Services Provided to Other Leas	\$100,782	100,782	80,040
Total Revenues	100,782	100,782	80,040
Operating Expenses:			
Salaries	86,400	86,400	69,000
Benefits	14,382	14,382	11,040
Total Operating Expenses	100,782	100,782	80,040
Total Net Assets - Ending	-	-	-

**COMBINING SCHEDULE OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010**

	SHARED SERVICE AGREEMENT	2010	2009
Cash Flows From Operating Activities:			
Cash Received From Customers	\$100,782	100,782	80,040
Cash Paid to Employees	(100,782)	(100,782)	(80,040)
Net Cash Used by Operating Activities	-	-	-
Cash & Cash Equivalents, June 30	-	-	-



## H. Fiduciary Fund



**GIBBSBORO BOROUGH BOARD OF EDUCATION  
TRUST AND AGENCY FUND  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2010  
(With Comparative Totals for June 30, 2009)**

ASSETS	AGENCY		2010	2009
	STUDENT ACTIVITY	PAYROLL		
Cash & Cash Equivalents	\$16,245	8,944	25,189	40,722
Total Assets	16,245	8,944	25,189	40,722
LIABILITIES				
Interfund Payable		3,520	3,520	17,395
Payroll Deductions & Withholdings		5,424	5,424	4,556
Due to Student Groups	\$16,245		16,245	18,771
Total Liabilities	16,245	8,944	25,189	40,722
Total Net Assets	-	-	-	-

EXHIBIT H-3

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF CHANGES OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

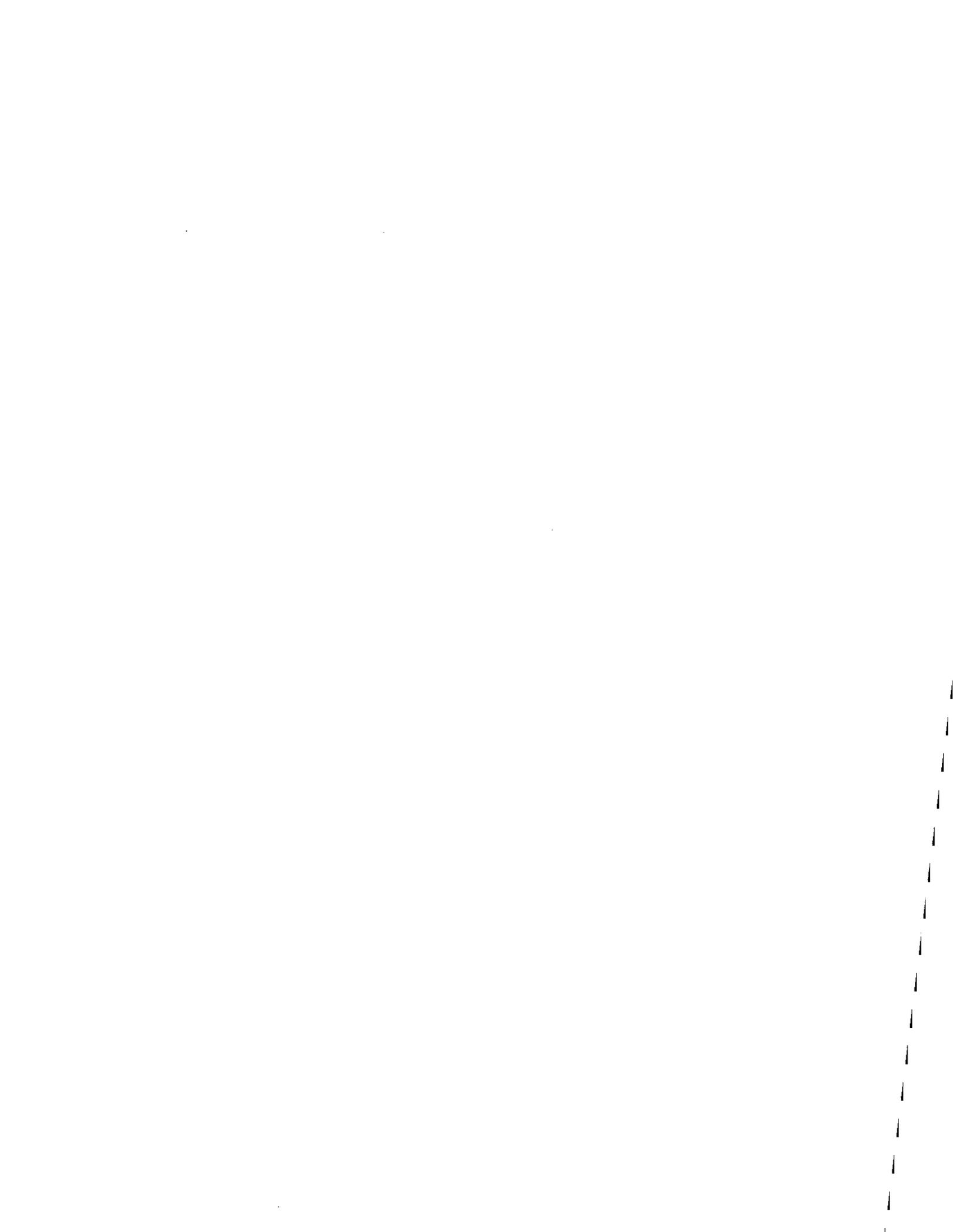
	BALANCE JULY 1, 2009	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2010
<b>ASSETS</b>				
Cash & Cash Equivalents	\$18,771	29,210	31,736	16,245
Total Assets	\$18,771	29,210	31,736	16,245
<b>LIABILITIES</b>				
Due to Student Groups	\$18,771	29,210	31,736	16,245
Total Liabilities	\$18,771	29,210	31,736	16,245

EXHIBIT H-4

**PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	BALANCE JULY 1, 2009	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2010
<b>ASSETS</b>				
Cash & Cash Equivalents	\$21,951	2,876,881	2,889,888	8,944
Total Assets	\$21,951	2,876,881	2,889,888	8,944
<b>LIABILITIES</b>				
Payroll Deductions & Withholdings	\$4,556	2,876,881	2,876,013	5,424
Interfunds Payable	17,395		13,875	3,520
Total Liabilities	\$21,951	2,876,881	2,889,888	8,944

## I. Long-Term Debt



GIBBSBORO BOROUGH BOARD OF EDUCATION  
 LONG-TERM DEBT ACCOUNT GROUP  
 SCHEDULE OF SERIAL BONDS  
 JUNE 30, 2010

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE	ISSUED	PAID	BALANCE
			DATE	AMOUNT		JULY 1, 2009			JUNE 30, 2010
Improvement & Renovations to Elementary School	6/1/02	\$3,299,000	9/1/10	\$100,000	4.600%	\$3,034,000		95,000	2,939,000
			9/1/11	100,000	4.600%				
			9/1/12	105,000	4.600%				
			9/1/13	110,000	4.700%				
			9/1/14	120,000	4.700%				
			9/1/15	125,000	4.700%				
			9/1/16	130,000	4.700%				
			9/1/17	135,000	4.700%				
			9/1/18	145,000	4.700%				
			9/1/19	150,000	4.700%				
			9/1/20	155,000	4.700%				
			9/1/21	165,000	4.750%				
			9/1/22	175,000	4.800%				
			9/1/23	180,000	4.875%				
			9/1/24	190,000	4.875%				
			9/1/25	200,000	4.875%				
			9/1/26	210,000	5.000%				
			9/1/27	220,000	5.000%				
			9/1/28	224,000	5.000%				

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	JUNE 30, 2010				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2009				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:										
Local Sources:										
Local Tax Levy	\$238,876		238,876	238,876		238,131		238,131	238,131	
Total Revenues	238,876		238,876	238,876		238,131		238,131	238,131	
Expenditures:										
Regular Debt Service:										
Interest	143,876		143,876	143,876		148,132		148,132	148,131	1
Redemption of Principal	95,000		95,000	95,000		90,000		90,000	90,000	
Total Regular Debt Service	238,876		238,876	238,876		238,132		238,132	238,131	1
Excess/(Deficiency) of Revenues Over (Under) Expenditures						(1)		(1)		(1)
Fund Balance, July 1	1		1	1		1		1	1	
Fund Balance, June 30	\$1	-	1	1	-	-	-	-	1	(1)

GIBBSBORO BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF COMPENSATED ABSENCES  
JUNE 30, 2010

	OUTSTANDING BALANCE 2009	ACCRUED	OUTSTANDING BALANCE 2010
Compensated Absences	\$127,327	8,933	136,260



**STATISTICAL SECTION (Unaudited)**



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

	FISCAL YEAR ENDING JUNE 30,						
	2010	2009	2008	2007	2006	2005	2004
<b>Governmental Activities:</b>							
Invested in Capital Assets,							
Net of Related Debt	\$2,289,489	2,354,068	2,428,357	2,538,736	2,623,913	2,651,396	2,389,010
Restricted	352,137	492,351	400,182	328,488	386,370	70,394	4,916
Unrestricted	19,670	28,401	77,254	72,784	(209,014)	(51,470)	(113,692)
<b>Total Governmental Activities</b>							
Net Assets	<u>\$2,661,296</u>	<u>2,874,820</u>	<u>2,905,793</u>	<u>2,940,008</u>	<u>2,801,269</u>	<u>2,670,320</u>	<u>2,280,234</u>
<b>Business-Type Activities:</b>							
Unrestricted	<u>\$35,632</u>	<u>35,637</u>	<u>37,585</u>	<u>40,011</u>	<u>37,764</u>	<u>21,886</u>	<u>11,661</u>
<b>Total Business-Type Activities</b>							
Net Assets	<u>\$35,632</u>	<u>35,637</u>	<u>37,585</u>	<u>40,011</u>	<u>37,764</u>	<u>21,886</u>	<u>11,661</u>
<b>District-Wide:</b>							
Invested in Capital Assets,							
Net of Related Debt	\$2,289,489	2,354,068	2,428,357	2,538,736	2,623,913	2,651,396	2,389,010
Restricted	352,137	492,351	400,182	328,488	386,370	70,394	4,916
Unrestricted	55,302	64,038	114,839	112,795	(171,250)	(29,584)	(102,031)
<b>Total District Net Assets</b>	<u>\$2,696,928</u>	<u>2,910,457</u>	<u>2,943,378</u>	<u>2,980,019</u>	<u>2,839,033</u>	<u>2,692,206</u>	<u>2,291,895</u>

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

	FISCAL YEAR ENDING JUNE 30,						
	2010	2009	2008	2007	2006	2005	2004
Expenses:							
Governmental Activities							
Instruction:							
Regular	\$1,635,384	1,603,946	1,656,605	1,440,443	1,415,089	1,344,689	1,407,732
Special Education	461,860	410,513	411,735	412,289	356,019	381,549	432,660
Other Instruction	96,889	92,730	75,061	85,247	60,597	51,901	52,686
Support Services:							
Tuition					2,166	6,160	31,612
Attendance/Social Work	6,506	6,202	5,912	10,008	4,701		
Health Services	67,902	61,960	58,499	56,233	57,173	50,182	51,872
Student & Instruction Related Services	321,810	306,012	302,175	302,608	323,342	258,961	253,530
Educational Media/Library	40,378	41,711	52,969	31,948	30,458	45,307	21,984
Instructional Staff Training	5,215	3,049	4,300	3,484	5,642	3,889	3,481
General & Administrative Services	140,354	126,133	133,190	149,727	176,365	169,854	142,127
School Administrative Services	32,844	40,867	63,505	59,675	78,231	74,603	76,605
Central Services	62,772	59,764	63,457	57,223	60,967	60,002	
Administrative Information Technology	2,568	6,450	3,218		8,746		
Plant Operations & Maintenance	334,881	452,919	388,438	339,379	316,331	263,138	173,438
Pupil Transportation	86,553	68,926	67,416	52,669	80,343	58,426	66,644
Business & Other Support Services							48,578
Unallocated Benefits	1,049,724	988,168	1,085,650	1,026,722	818,741	790,731	748,586
Interest on Long-Term Debt	130,612	146,751	150,546	152,747	156,591	160,201	163,583
Unallocated Compensated Absences	8,933	25,791	(8,030)	4,627	4,803	(17,858)	13,883
Unallocated Depreciation	169,485	167,189	167,124	167,965	134,768	20,576	19,750
Total Governmental Activities Expenses	<u>4,654,670</u>	<u>4,609,081</u>	<u>4,681,770</u>	<u>4,352,994</u>	<u>4,091,073</u>	<u>3,722,311</u>	<u>3,708,751</u>
Business-Type Activities:							
Food Service	86,957	89,903	94,507	83,254	99,943	82,046	72,708
Internal Service Fund	100,782	80,040					
Total Business-Type Activities Expense	<u>187,739</u>	<u>169,943</u>	<u>94,507</u>	<u>83,254</u>	<u>99,943</u>	<u>82,046</u>	<u>72,708</u>
Total District Expenses	<u>\$4,842,409</u>	<u>4,779,024</u>	<u>4,776,277</u>	<u>4,436,248</u>	<u>4,191,016</u>	<u>3,804,357</u>	<u>3,781,459</u>
Program Revenues:							
Governmental Activities:							
Charges for Services:							
Operating Grants & Contributions	\$140,987	102,089	129,586	154,096	126,825	130,398	135,770
Total Governmental Activities Program Revenues	<u>140,987</u>	<u>102,089</u>	<u>129,586</u>	<u>154,096</u>	<u>126,825</u>	<u>130,398</u>	<u>135,770</u>
Business-Type Activities:							
Charges for Services:							
Food Service	55,290	56,572	51,435	59,526	61,193	53,371	52,499
Internal Service Fund	100,782	80,040					
Total Business Type Activities Program Revenues	<u>156,072</u>	<u>136,612</u>	<u>51,435</u>	<u>59,526</u>	<u>61,193</u>	<u>53,371</u>	<u>52,499</u>
Total District Program Revenues	<u>\$297,059</u>	<u>238,701</u>	<u>181,021</u>	<u>213,622</u>	<u>188,018</u>	<u>183,769</u>	<u>188,269</u>

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

	FISCAL YEAR ENDING JUNE 30,						
	2010	2009	2008	2007	2006	2005	2004
Net (Expense)/Revenue:							
Governmental Activities	(\$4,513,683)	(4,506,992)	(4,552,184)	(4,198,898)	(3,964,248)	(3,591,913)	(3,572,981)
Business-Type Activities	(31,667)	(33,331)	(43,072)	(23,728)	(38,750)	(28,675)	(20,209)
<b>Total District-Wide Net Expense</b>	<b>(\$4,545,350)</b>	<b>(4,540,323)</b>	<b>(4,595,256)</b>	<b>(4,222,626)</b>	<b>(4,002,998)</b>	<b>(3,620,588)</b>	<b>(3,593,190)</b>
General Revenues & Other Changes in Net Assets:							
Governmental Activities:							
Property Taxes Levied for General Purposes, Net	\$2,480,161	2,480,161	2,384,770	2,255,735	2,206,141	2,061,917	1,697,316
Taxes Levied for Debt Service	238,876	238,131	196,236	216,910	214,815	212,490	328,622
Unrestricted Grants & Contributions	1,529,464	1,690,016	1,871,366	1,806,269	1,613,923	1,689,034	1,585,079
Miscellaneous Income	83,284	99,041	106,083	84,698	114,946	57,458	93,264
Cancellation of Grants				(223)			
Transfers	(31,626)	(31,330)	(40,486)	(25,752)	(54,628)	(38,900)	(30,080)
<b>Total Governmental Activities</b>	<b>\$4,300,159</b>	<b>4,476,019</b>	<b>4,517,969</b>	<b>4,337,637</b>	<b>4,095,197</b>	<b>3,981,999</b>	<b>3,674,201</b>
Business-Type Activities:							
Investment Earnings	\$36	53	160	223			
Transfers	31,626	31,330	40,486	25,752	54,628	38,900	30,080
<b>Total Business-Type Activities</b>	<b>31,662</b>	<b>31,383</b>	<b>40,646</b>	<b>25,975</b>	<b>54,628</b>	<b>38,900</b>	<b>30,080</b>
<b>Total District-Wide</b>	<b>\$4,331,821</b>	<b>4,507,402</b>	<b>4,558,615</b>	<b>4,363,612</b>	<b>4,149,825</b>	<b>4,020,899</b>	<b>3,704,281</b>
Change in Net Assets:							
Governmental Activities	(\$213,524)	(30,973)	(34,215)	138,739	130,949	390,086	101,220
Business-Type Activities	(5)	(1,948)	(2,426)	2,247	15,878	10,225	9,871
<b>Total District</b>	<b>(\$213,529)</b>	<b>(32,921)</b>	<b>(36,641)</b>	<b>140,986</b>	<b>146,827</b>	<b>400,311</b>	<b>111,091</b>

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

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

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

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

Source: District records

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

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	MISCELLANEOUS	TOTAL
2010	\$12,431	47,507	59,938
2009	16,612	42,849	59,461
2008	35,396	23,707	59,103
2007	41,803	14,000	55,803
2006	16,492	40,904	57,396
2005	14,405	5,303	19,708
2004	24,326	4,821	29,147
2003	58,531	887	59,418
2002	15,618	1,195	16,813
2001	14,198	643	14,841

Source: District records

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

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2010	\$5,809,600	129,622,000	169,400	24,700	28,742,300	11,193,700	225,000	179,393,900	530,041	179,923,941	2.274	272,933,036
2009	7,201,100	129,842,200	169,400	24,700	29,680,200	12,251,300	225,000	179,393,900	530,140	179,924,040	2.274	N/A
2008	8,599,900	129,686,100	169,400	24,700	28,951,900	12,284,600	225,000	179,941,400	493,640	180,435,040	2.289	280,645,283
2007	8,384,100	128,116,700	169,400	24,700	30,713,900	12,284,600	225,000	179,918,400	495,054	180,413,454	2.177	N/A
2006	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.051	N/A
2005	8,746,700	127,466,900	169,400	24,700	29,526,200	17,052,900	225,000	183,211,800	649,393	183,861,193	2.051	208,641,304
2004	9,304,100	126,992,000	169,400	24,700	27,794,700	17,052,900	225,000	181,562,800	753,841	182,316,641	1.720	181,562,800
2003	8,967,400	127,026,400		24,700	27,856,700	17,052,900	225,000	181,322,500	754,730	182,077,230	1.559	155,800,374
2002	3,559,750	67,328,750	94,700	23,300	13,136,100	8,415,800	124,700	92,683,100	474,519	93,157,619	2.413	182,077,230
2001	4,171,850	66,915,250	94,700	23,300	12,838,100	8,415,800	124,700	92,583,700	508,690	93,092,390	2.302	135,214,085

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES		TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	TOWNSHIP OF GIBBSBORO	ALL CAMDEN COUNTY	
2010	1.543	0.762	2.305	0.928	1.016	4.249
2009	1.511	0.763	2.274	0.809	0.966	4.049
2008	1.481	0.808	2.289	0.796	1.014	4.099
2007	1.395	0.782	2.177	0.666	1.057	3.900
2006	1.324	0.727	2.051	0.567	1.047	3.665
2005	1.250	0.654		0.499	0.942	3.345
2004	1.177	0.543	1.720	0.460	0.893	3.073
2003	1.073	0.486	1.559	0.423	0.825	2.807
2002	1.516	0.897	2.413	0.639	1.358	4.410
2001	1.441	0.864	2.305	0.643	1.375	4.323

Source: Municipal Tax Collector

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

TAXPAYER	2010		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
Brandywine/Operat Part L. Minnici	\$11,653,400	1	6.48%
J&W Paint Works	2,291,600	2	1.27%
CIT Lending Serv. Corp	2,100,000	3	1.17%
Taxpayer #1	1,700,000	4	0.94%
Eureka Stone Quarry Inc	1,426,800	5	0.79%
Parisi Enterprises, LLC	1,375,000	6	0.76%
DG Gibbs, LLC	1,361,000	7	0.76%
Square Circle Sportsmen	1,185,700	8	0.66%
Bredell Leslie & Theresa	895,400	9	0.50%
Clementon LLC	875,000	10	0.49%
Total	<u>\$24,863,900</u>		<u>13.82%</u>

TAXPAYER	2001		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
Brandywine	N/A	1	N/A
Ward Sand	N/A	2	N/A
Bell Atlantic	N/A	3	N/A
J&J Parisis	N/A	4	N/A
Taxpayer #1	N/A	5	N/A
Sherwin Williams	N/A	6	N/A
Square Circle	N/A	7	N/A
Triborough Sand	N/A	8	N/A
Taxpayer #2	N/A	9	N/A
Progressive Residential	N/A	10	N/A
Total	<u></u>		<u></u>

Source: Municipal Tax Assessor

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2010	N/A	N/A	N/A	N/A
2009	7,290,910	7,213,009	98.93%	77,901
2008	7,485,580	7,414,888	99.05%	67,452
2007	7,047,442	6,990,691	99.19%	51,152
2006	6,780,846	6,666,325	98.31%	N/A
2005	6,174,833	6,154,186	99.67%	20,647
2004	5,637,822	5,552,695	98.49%	85,127
2003	5,131,672	5,110,216	99.58%	21,456
2002	4,554,604	4,539,309	99.66%	15,295
2001	4,129,170	4,095,218	99.18%	33,952

Source: Municipal audit report

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

FISCAL YEAR ENDED JUNE 20,	<u>GOVERNMENTAL ACTIVITIES</u>		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	BOND ANTICIPATION NOTES (BANs)			
2010	\$2,939,000		2,939,000	N/A	1,208
2009	3,034,000		3,034,000	N/A	1,247
2008	3,124,000		3,124,000	1.32%	1,287
2007	3,169,000		3,169,000	1.26%	1,284
2006	3,249,000		3,249,000	3.45%	1,316
2005	3,324,000	600,000	3,924,000	4.39%	1,590
2004	3,394,000		3,394,000	3.96%	1,374
2003	3,459,000		3,459,000	4.19%	1,396
2002	3,499,000		3,499,000	4.42%	1,418
2001	235,000		235,000	0.31%	96

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS			
2010	\$2,939,000		2,939,000	1.63%	1,208
2009	3,034,000		3,034,000	1.69%	1,247
2008	3,124,000		3,124,000	1.73%	1,287
2007	3,169,000		3,169,000	1.76%	1,284
2006	3,249,000		3,249,000	N/A	1,316
2005	3,324,000		3,324,000	1.81%	1,590
2004	3,394,000		3,394,000	1.86%	1,574
2003	3,459,000		3,459,000	1.90%	1,396
2002	3,499,000		3,499,000	3.76%	1,418
2001	235,000		235,000	0.25%	96

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2010**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Gibbsboro Borough	\$5,380,413	100.00%	\$5,380,413
Eastern Regional School District	428,796	5.93%	25,445
Local School District	2,939,000	100.00%	2,939,000
Camden County	87,511,781	0.75%	656,338
Total Overlapping Debt			<u>\$9,001,196</u>

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

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

	FISCAL YEAR									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Debt Limit	\$8,473,754	8,413,162	7,955,579	7,142,057	6,202,428	5,384,065	4,826,763	4,321,253	4,135,056	3,968,054
Total Net Debt Applicable to Limit	<u>2,939,000</u>	<u>3,034,000</u>	<u>3,124,000</u>	<u>3,169,000</u>	<u>3,249,000</u>	<u>3,924,000</u>	<u>3,394,000</u>	<u>3,459,000</u>	<u>3,499,000</u>	<u>235,000</u>
Legal Debt Margin	<u>\$5,534,754</u>	<u>5,379,162</u>	<u>4,831,579</u>	<u>3,973,057</u>	<u>2,953,428</u>	<u>1,460,065</u>	<u>1,432,763</u>	<u>862,253</u>	<u>636,056</u>	<u>3,733,054</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	34.68%	36.06%	39.27%	44.37%	52.38%	72.88%	70.32%	80.05%	84.62%	5.92%

**Legal Debt Margin Calculation for Fiscal Year 2010**

Equalized Valuation Basis	
2009	\$281,145,314
2008	\$280,645,283
2007	<u>285,584,762</u>
	<u>\$847,375,359</u>

Average Equalized Valuation of Taxable Property	\$282,458,453
Debt Limit (3 % of Average Equalization Value)	8,473,754
Net Bonded School Debt	<u>2,939,000</u>
Legal Debt Margin	<u>\$5,534,754</u>

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

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

YEAR	POPULATION (a)	PERSONAL INCOME(b)	PER CAPITA	UNEMPLOYMENT RATE (d)
			PERSONAL INCOME (c)	
2010	N/A	N/A	N/A	N/A
2009	2432	N/A	N/A	N/A
2008	2438	100,528,492	41,234	4.9%
2007	2445	97,927,140	40,052	3.7%
2006	2450	94,285,800	38,484	4.0%
2005	2457	88,766,496	36,128	3.7%
2004	2461	85,706,786	34,826	4.6%
2003	2469	83,148,513	33,677	5.1%
2002	2463	79,995,777	32,479	4.9%
2001	2446	72,575,266	29,671	3.5%

Source:

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

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

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

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

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

NOT AVAILABLE

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

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Instruction:										
Regular	22	22	20	22	26	26.0	25	24.0	25	
Special Education	7	7	7	7	6	6.0	7	6.0	5.5	5.5
Other Special Education	6	6	2	2			6	6		
Vocational								6		
Support Services:										
Student & Instruction Related Services	2	2	1	1						3.0
School Administrative Services	1	1	1	1			1.6	1.6	2	
General & Business Administrative Services	2.5	2.5	2.5	2.5	2.5	3				
Plant Operations & Maintenance	3	3	3	3			3.5	2.5	3	
Pupil Transportation							3	4		
Special Schools									2	8.0
<b>Total</b>	<b>44</b>	<b>44</b>	<b>37</b>	<b>37</b>	<b>35</b>	<b>35</b>	<b>45</b>	<b>50</b>	<b>36</b>	<b>17</b>

Source: District Personnel Records

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

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO ELEMENTARY	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2010	253	\$4,211,820	16,648	2.16%	34	7.441	250.8	240.2	-2.49%	95.77%
2009	262	4,269,350	16,295	-0.49%	38	7.280	257.2	246.4	-2.58%	95.80%
2008	267	4,372,130	16,375	8.18%	37	7.320	264.0	253.0	-8.65%	95.83%
2007	288	4,359,428	15,137	10.09%	37	7.730	289.0	278.0	4.90%	96.19%
2006	276	3,794,911	13,750	10.09%	37	7.459	275.5	265.5	4.90%	96.37%
2005	277	3,604,845	13,014	5.65%	32	8.631	271.9	253.8	1.32%	93.34%
2004	276	3,546,803	12,851	1.27%	32	8.625	276.0	267.0	-1.49%	96.74%
2003	289	3,304,832	11,435	12.38%	37	7.810	292.1	286.1	-5.51%	97.95%
2002	303	2,988,158	9,862	15.96%	37	9.470	303.0	290.8	-3.60%	95.97%
2001	325	2,912,280	8,961	10.06%	38	9.280	321.8	307.7	-5.84%	95.62%

Sources: District records

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

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

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DISTRICT BUILDINGS	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Elementary Schools:										
Elementary School:										
Square Feet	52,777	52,777	52,777	52,777	52,777	52,777	52,777	30,924	30,924	30,924
Capacity (Students)	301	301	301	301	301	301	301	242	242	242
Enrollment	253	260	267	289	278	266	254	267	286	291

Number of Schools at June 30, 2010:  
  Elementary = 1

Source: District Facilities Office

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

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

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

	ELEMENTARY SCHOOL
2010	\$60,580
2009	101,710
2008	97,349
2007	51,248
2006	43,435
2005	14,539
2004	10,409
2003	9,145
2002	24,345
Total School Facilities	\$412,760

Source: District records

**INSURANCE SCHEDULE  
JUNE 30, 2010**

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

Source: District records.

**SINGLE AUDIT SECTION**





Certified Public Accountants & Consultants

EXHIBIT K-1

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

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

We have audited the financial statements of the Board of Education of the Gibbsboro Borough School District, County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated August 3, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance; Department of Education, State of New Jersey.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings & Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying *Schedule of Findings & Questioned Costs* as Finding No: 2010-01 to be a material weakness.

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A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying *Schedule of Findings & Questioned Costs* as Finding No's: 2010-02 and 2010-03 to be significant deficiencies.

### Compliance and Other Matters

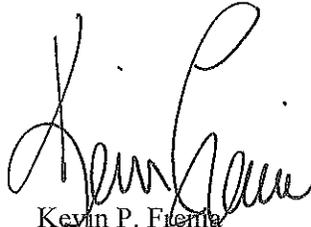
As part of obtaining reasonable assurance about whether the Gibbsboro Borough Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed three instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

We noticed certain matters that we have reported to the Gibbsboro Borough Board of Education in a separate *Independent Auditor's Management Report on Administrative Findings – Financial Compliance and Performance* as Finding No's: 2010-01, 2010-02, and 2010-03, dated August 3, 2010.

This report is intended solely for the information of the audit committee, management, the Gibbsboro Borough Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

HOLMAN & FRENIA, P. C.



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

Medford, New Jersey  
August 3, 2010



Certified Public Accountants & Consultants

EXHIBIT K-2

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

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

**Compliance**

We have audited the compliance of Board of Education of the Gibbsboro Borough School District, in the County of Camden, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey Grants Compliance Supplement* that are applicable to each of its major state programs for the fiscal year ended June 30, 2010. The Board of Education of the Gibbsboro Borough School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of Board of Education of the Gibbsboro Borough School District's management. Our responsibility is to express an opinion on Board of Education of the Gibbsboro Borough School District's compliance based on our audit.

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

In our opinion, the Board of Education of the Gibbsboro Borough School District, in the County of Camden, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 2010.

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## Internal Control Over Compliance

The management of the Board of Education of the Gibbsboro Borough School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered Gibbsboro Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major state programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Gibbsboro Board of Education's internal control over compliance.

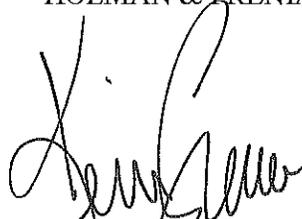
A deficiency in a District's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. Gibbsboro Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Gibbsboro Board of Education's response and, accordingly, we express no opinion on it.

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

Respectfully submitted,

HOLMAN & ERENIA, P. C.



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

Medford, New Jersey  
August 3, 2010

GIBBSBORO BOROUGH BOARD OF EDUCATION  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30,		BUDGETARY EXPENDITURES	REPAYMENT OF BALANCES TO STATE OF NJ	ADJUSTMENTS	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2010	MEMO	
				2009	CASH RECEIVED					BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:											
Equalization Aid	10-495-034-5120-078	\$923,376	7/1/09-6/30/10		659,497	(659,497)				92,164	659,497
Transportation Aid	10-495-034-5120-014	17,456	7/1/09-6/30/10		11,346	(11,346)				1,742	11,346
Special Education Aid	10-495-034-5120-089	124,334	7/1/09-6/30/10		124,334	(124,334)				12,410	124,334
Security Aid	10-495-034-5120-084	20,576	7/1/09-6/30/10		13,374	(13,374)				2,054	13,374
Adjustment Aid	10-495-034-5120-085	403,393	7/1/09-6/30/10		262,205	(262,205)				40,264	262,205
Other State Aid - Transportation	10-495-034-5120-014	846	7/1/09-6/30/10			(846)			(846)		846
Other State Aid - Transportation	09-495-034-5120-014	2,064	7/1/08-6/30/09	(\$2,064)	2,064						
Reimbursed TPAF Social Security Contributions	10-495-034-5095-002	158,797	7/1/09-6/30/10		158,797	(158,797)					158,797
On-Behalf TPAF Pension Contributions	10-495-034-5095-001	133,820	7/1/09-6/30/10		133,820	(133,820)					133,820
Mentor Training	n/a	300	7/1/04-6/30/05	300						(300)	
Nonpublic Technology Aid	09-100-034-5120-373	160	7/1/08-6/30/09	160			(160)				
Nonpublic Textbooks	09-100-034-5120-065	229	7/1/08-6/30/09	229			(229)				
Nonpublic Nursing	09-100-034-5120-070	309	7/1/08-6/30/09	309			(309)				
Character in Education	06-100-034-5120-418	4,000	7/1/05-6/30/06	2,257						(2,257)	
National School Lunch Program (State Share)	09-100-010-3360-067	1,023	7/1/08-6/30/09	(81)	81						
National School Lunch Program (State Share)	10-100-010-3360-067	910	7/1/09-6/30/10		838	(910)				(72)	910
<b>Total State Financial Assistance</b>				<b>\$1,110</b>	<b>1,366,356</b>	<b>(1,365,129)</b>	<b>(698)</b>	<b>(2,557)</b>	<b>(918)</b>	<b>148,634</b>	<b>1,365,129</b>

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



**GIBBSBORO BOROUGH BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
JUNE 30, 2010**

**Note 1. General**

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

**Note 2. Basis of Accounting**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the Board's basic financial statements.

**Note 3. Relationship to Basic Financial Statements**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(2,298) for the general fund and \$ - for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

**GIBBSBORO BOROUGH BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
JUNE 30, 2010**

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

	State
General Fund	\$1,361,921
Food Service Fund	<u>910</u>
Total Financial Assistance	<u>\$1,229,011</u>

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

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

**Note 5. Other**

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2010. TPAF social security contributions represent the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2010.

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

Gibbsboro Borough Board of Education had no loan balances outstanding at June 30, 2010.

**GIBBSBORO BOROUGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2010**

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

**Financial Statements**

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

**State Awards**

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

**Identification of major programs:**

<b>GMIS Number(s)</b>	<b>Name of State Program</b>
10-495-034-5120-078	Equalization Aid

**GIBBSBORO BOROUGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2010**

**Section II – Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

**Finding 2010-01:**

**Criteria or Specific Requirement:**

All deposits within the student activities should have proper supporting documentation.

**Condition:**

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

**Context:**

Only 17% or \$4,966 of the \$29,210 in student funds received contained proper supporting documentation.

**Effect:**

The lack of proper supporting documentation for student fund deposits does not allow for proper reconciliation of funds received to the amount recorded and ultimately deposited into the bank.

**Cause:**

Insufficient internal control procedures related to the documentation of monies received in the student activities fund.

**Recommendation:**

That all deposits within the student activities fund be traceable to definite receipts or groups of receipts with proper detail to allow for proper reconciliation of funds received to the amount recorded and deposited into the bank.

**Views of Responsible Officials and Planned Corrective Actions:**

The District agrees with this finding and will take the appropriate steps to correct this internal control deficiency.

**GIBBSBORO BOROUGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2010**

**Section II – Financial Statement Findings (continued):**

**Finding 2010-02:**

**Criteria or Specific Requirement:**

Proper internal control procedures should be implemented and maintained within the control of student funds.

**Condition:**

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

**Context:**

The same individual is responsible for the receipt, recording, disbursing and reconciliation of student funds with no additional review or approval.

**Effect:**

Insufficient internal controls do not ensure that monies related to student activities are being properly handled and accounted for.

**Cause:**

Insufficient internal controls and more specifically a lack of segregation of duties in the student activities fund.

**Recommendation:**

That the District revisit and improve their internal control procedures related to the receipt, recording, disbursing and reconciliation of student funds.

**Views of Responsible Officials and Planned Corrective Actions:**

The District agrees with this finding and will take the appropriate steps to correct this internal control deficiency.

**GIBBSBORO BOROUGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2010**

**Section II – Financial Statement Findings (continued):**

**Finding 2010-03:**

**Criteria or Specific Requirement:**

Funds collected from students through fund raisers for the support of outside organizations should not be commingled within the student activities account of the school district.

**Condition:**

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

**Context:**

Funds raised for an unaffiliated heart association were deposited into the student activities account and then disbursed to the organization once the fundraiser was complete.

**Effect:**

The deposit of funds raised for outside organizations creates an undesirable commingling of funds.

**Cause:**

The District does not properly segregate the handling of student related funds and monies raised for outside organizations.

**Recommendation:**

That the District disclaims any responsibility for the protection of, and the accounting for, the funds related to outside organizations. Additionally, it should be made clear that any collector of these outside funds is doing so as a voluntary citizen and not as a teacher or pupil.

**Views of Responsible Officials and Planned Corrective Actions:**

The District agrees with this finding and will take the appropriate steps to correct this internal control deficiency.

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

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

None Noted

**GIBBSBORO BOROUGH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
For the Fiscal Year Ended June 30, 2010**

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

**Finding 2007-03:**

**Condition:**

One instance noted during testing of disbursements that a teacher used a personal credit card to purchase tickets to a field trip activity and was reimbursed by the District.

**Current Status:**

This has been corrected.