

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



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

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
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## INTRODUCTORY SECTION



## *Gloucester Township Public Schools*

Thomas D. Seddon  
Superintendent of Schools

**Administrative Offices**  
17 Erial Road • Blackwood, NJ 08012 • 856-227-1400 • FAX 856-228-1422

December 1, 2010

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

Dear Board Members:

The comprehensive annual financial report of the Gloucester Township School District for the fiscal year ended June 30, 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 School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

The District is required to undergo an annual single audit in conformity with the provisions of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

### **REPORTING ENTITY AND ITS SERVICES:**

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

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, as well as special education for handicapped youngsters. The District completed the 2009-2010 fiscal year with an average daily enrollment of 7,429 students, which is 106 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last nine years.

### Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2009-10	7,428.9	(1.41%)
2008-09	7,535.3	(1.13%)
2007-08	7,621.2	(1.70%)
2006-07	7,753.2	(1.15%)
2005-06	7,843.7	(0.98%)
2004-05	7,921.2	(0.76%)
2003-04	7,981.7	(0.44%)
2002-03	8,016.8	(0.14%)
2001-02	8,028.3	0.39%
2000-01	7,997.1	0.89%

### ECONOMIC CONDITION AND OUTLOOK:

The Gloucester Township community continues to experience growth. Northern Section growth is largely in the form of younger families purchasing homes from families whose children have graduated from school. Southern Section growth is primarily in the form of new housing.

### MAJOR INITIATIVES:

The Department of Instruction had a successful 2009-2010 school year with the continuation of several curricular projects, successful implementation of academic programs and numerous staff development activities. The major initiatives commencing and/ or continuing in the 2009-2010 school year included:

#### **Response to Intervention (RTI)**

This initiative combines the need for regular education interventions and the replacement of the discrepancy formula for special education classification. This initiative has resulted in a structure that quantitatively determines the need for, intensity of, and the success of interventions for students with identified needs. It defines benchmarks, frequency and types of assessments, intervention strategies, and staff to implement the strategies. With legislation changing to encourage an RTI model and a great deal of research supporting the use of quantitative monitoring for differentiated instruction, companies in the education field are creating programs to address this model. Our RTI model has now been expanded to include review of records for students that meet the screening benchmarks but still are having difficulties in class, has defined the distinction between the RTI process and the I&RS process, and has expanded to include the 4<sup>th</sup> and 5<sup>th</sup> grades.

The Middle Schools have included Response to Intervention models in their environments, as well. We refer to them as the "Pyramid of Interventions" as they are ever increasing intensity of interventions as needed, but without the formal universal screening tool.

#### **Writer's Workshop – Elementary School**

The District is now fully implemented in Grades K-5 with Writer's Workshop and Kid Writing. Professional development continues to support the model in all classrooms. To take full advantage of the increase in writing skills of our Elementary school students, 6<sup>th</sup> grade classrooms have adopted the Workshop model as well. All classrooms in 6<sup>th</sup> grade are using this model. Pilot classrooms have been selected to move the model up through the remaining grades in 2010-2011.

Writer's Workshop is a structured, workshop format where students write and teachers continue to work to improve skills and strategies through consistent feedback and modeling. Three critical pieces of the workshop are student choice, building student stamina for writing, and building student confidence in writing. Each day begins with a mini-lesson, modeling a new strategy for the children to try. Students write independently and then conference with the teacher.

The teacher gives feedback, offers suggestions, and models the use of strategies with the goal of incrementally increasing the student's stamina and skill. Students are given the opportunity to share their writing, which allows for peer modeling and confidence building.

### **Data Driven Decision Making (DDDM)**

This initiative continues to look to provide concrete tools for analysis of data that are currently generated. By bringing together assessment data and demographic data, staff members can identify trends and areas for targeted assistance. This will make our program creation more effective and efficient. In addition DDDM offers the ability to confidently assess current and future programs by having quantitative data that assesses program effectiveness. The district should be able to confidently identify targeted groups, create programs that address specific needs, and assess the effectiveness of those programs for future modifications. Gloucester Township Public Schools looks to add benchmark assessments to all of its curricula as the standards have recently been renewed.

### **Parental Involvement and Support**

An enormous amount of literature that confirms that parental involvement is key to the success of school improvement. The parental involvement that we are talking about is not participation in the Parent-Teacher Organization but rather parental involvement incident to student achievement. The district's objective is to create an embedded culture based upon a commitment to education. Parent support of teachers and school initiatives, parents educated on the role of the home environment, organizational skills, methods to assist with early literacy and number sense, these are some of the goals of a strong parental involvement program. In addition to parent involvement, our district has recognized that there are a number of parents that need significant support to provide assistance to their children. Certain groups have specific support needs, such as parents of severely disabled children, ESL families, and families in poverty. This initiative is wide in scope as it looks to support and encourage every family to understand their stake in the education of our students. Gloucester Township Schools has made a significant investment in our Title I schools to encourage greater parental involvement as research shows that parental involvement requires greater attention in families from poverty.

### **New Kindergarten through 2<sup>nd</sup> grade Report Card**

In September of 2008, a "report card committee" was formed to evaluate the purpose of reporting student progress. There were many discussions about many topics, but the feedback gave several clear indicators. First, it was important to report both student growth and to report student progress against a grade level standard. Reporting student growth is needed to show how a student was progressing compared to their current abilities, to provide motivation in closing gaps, to ensure that parents realized that progress was being made, and to assess the effectiveness of instructional efforts. Reporting student progress against a grade level standard is needed to measure a student versus "the norm", provide parents with an understanding of the relative strengths and weaknesses of their child's academic performance, and provide benchmarking measures for long term goals. Second, it was important to report behaviors, both positive and negative, separate from academic reporting. Third, reporting needed to reflect skills, knowledge, and abilities that were specific and contributed towards positive discussion about student future growth.

The report card committee used this feedback to guide the process that created the new Kindergarten, 1<sup>st</sup>, and 2<sup>nd</sup> Grade report cards. The new report cards are designed to provide teachers the vehicle to report the strengths and weaknesses of each student. They are designed to provide specific feedback to parents, promote discussion of distinct goals, and encourage a greater understanding of the science of student learning.

It is the district's hope that this report card facilitates deeper and more effective teacher/parent communication and allows teachers to report all that they are seeing in their classrooms.

The major contributing factors to the design of the new report card were the Common Core Standards recently adopted by the State of New Jersey and our own district curricular initiatives, previously established, through curriculum committees.

### **Improvements in the Mathematics Classroom**

In the past seven years, most districts have moved with the direction that is supported by the National Council of Teachers of Mathematics, the State of New Jersey, and an extensive body of research that strongly recommends a hands-on, conceptually based approach to mathematics instruction. The past two years has seen the solidification of *Connected Math* in our middle school instruction and *Everyday Math* in our K-5 Elementary Math instruction. The move to EDM in the Elementary School went exceptionally well due to an aggressive communication plan and sustained professional support.

### **Guided Reading**

Our most significant Literacy initiative surrounds the use of the Guided Reading model of instruction in our Elementary Schools. All K-5 teachers have now had extensive training in the model. The professional development plan for Guided Reading has been very effective. The move away from a basal reader has been challenging but, just as the other initiatives we are implementing, research shows how critical this move is for our students' success. The New Zealand Literacy instruction model has decades of research and refinement that we are benefiting from.

### **Technology Enhancements**

The 2009-2010 school year saw a continuation of district efforts to modernize classrooms with 21<sup>st</sup> century technology. As of the end of the school year there were over 250 classrooms within the district where the teacher has a laptop computer and the classroom has an LCD projector and at least one supporting piece of interactive technology. The technologies that we are supporting are document cameras, interactive whiteboards, and student response systems.

### **Federal Programs**

The Supervisor of Federal Programs oversaw the implementation and continuation of a variety of district activities and programs: Title I Pre-school, Basic Skills instruction, ELL Programs at both the elementary and middle school levels, after school programs, parent-child book clubs, Saturday remedial programs and our intensive early intervention program, First Step. The Department of Instruction writes and monitors several key educational grants, most notably the NCLB Consolidated Grant and the IDEA grant.

These various grants provide the district with the opportunity to supplement a variety of education programs for students, school related assemblies and trips, supplemental instructional materials, professional development workshops for teachers and evening workshops for parents. The Supervisor of Federal Programs also completes the numerous performance reports required by the State.

## **Central Registration of All District Pupils**

Registration of all students new to the district takes place at the Grenloch Building at 1125 South Black Horse Pike, Blackwood, New Jersey. A single site provides a systematic and organized process of gathering information regarding students who are new or are transferring into the district. Two full-time secretaries are employed during the school year and other office staff members provide additional clerical assistance during the summer months.

The registration process is completed on an appointment basis. When a family registers their child(ren) they must present school records, a transfer card, the child's birth certificate and documents – two forms of proof that they are legal residents of the community. At the completion of registration, a parent or guardian receives a packet of information describing school district programs and services available (i.e. latchkey, free/reduced lunch, Excel, Special Education, Bi-lingual, etc.) Parents are encouraged to contact the individual school the child(ren) will be attending to obtain further information.

At the Central Registration office, all pertinent student information is entered into the RealTime Database System. This enrollment and attendance system is on-line in each school; therefore, information is available to the respective school site instantaneously and can be modified at either Central Registration or at the school site. Student information is retrievable in a variety of menu fields relative to the student's database.

## **District Testing**

The Testing Department in the Gloucester Township School District, under the direction of the District Test Coordinator, is responsible for organizing and implementing the District's testing program. Formal "tests of record" include the state-mandated New Jersey Assessment of Skills and Knowledge (NJASK) for grades 3 through 8, the in-district Iowa Algebra Aptitude Test (IAAT) for grade 7, and the Test of Cognitive Skills (TCS) for Grades 2, 5, and 7 which provides aptitude scores (I.Q.). Testing of grades 1 and 2 is handled by the Department of Instruction.

Each spring a calendar is developed for the following school year, designating dates for the administration of tests per state and district criteria. Using the calendar, the department then designates specific dates for pick-up and delivery of testing materials by schools from the district office, coordinates the attendance of state-mandated training to discuss procedures and guidelines, oversees the secure administration of the test, and carries out district return procedures to the designated scoring company. In-house testing (TCS and IAAT) is managed through district procedures and scores are generated through a district scanning and scoring procedure. Discussion of all results is handled by the Department of Instruction.

## **Management Information Technical Services**

The Management Information Technical Services Department of the Gloucester Township Schools installed new computer laboratories in C.W. Lewis, Glen Landing, and Mullen Middle Schools. In addition, several new computer workstations were purchased, imaged, and deployed to various classrooms throughout the district.

Our department also installed administrative file servers throughout the district. All existing file servers are scheduled to be upgraded with new software and operating systems during the ensuing school year. New switches were installed or relocated and system management software was installed to enhance data throughout all locations.

Routine responsibilities of the MITS department included overseeing the input and accuracy of data collected during the past school year. Data collected included student information, inventory control and fixed assets. The department also assumes the responsibility of maintaining thousands of pieces of district equipment including telephones, computer systems, software programs, and printers.

## **Physical Plant**

During the 2009-2010 school year there were several major projects completed. Following is a list of these projects with approximate cost figures:

1. Security Cameras Installations	\$ 41,765.00
2. Intercom System Installations	\$ 70,450.00
3. Fire Panel Replacements	\$ 30,337.00
4. New Windows/Exterior doors	\$ 286,819.00
5. Gas Hot Water Heater Replacements	\$ 19,734.00
6. Refinish Gym Flooring	\$ 90,556.00
7. HVAC Repairs/Upgrades	\$ 14,635.00
8. Roofing Project	\$2,196,700.00

## **BUSINESS OPERATIONS:**

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

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

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

## **INTERNAL ACCOUNTING CONTROLS:**

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

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

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

## **BUDGETARY CONTROLS:**

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

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

## **ACCOUNTING SYSTEM AND REPORTS:**

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

**CASH MANAGEMENT:**

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

**RISK MANAGEMENT:**

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

**OTHER INFORMATION:**

**Independent Audit**

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

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

**Awards**

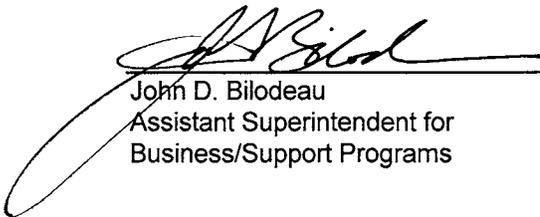
The Gloucester Township School District is recognized throughout New Jersey for our outstanding education programs and staff quality. Our teachers and administrators are actively involved as in-service presenters in other districts. All of our programs, facilities, and support services have been found to be of high quality. We are committed to providing a high quality education at a reasonable cost for our students.

**ACKNOWLEDGEMENTS:**

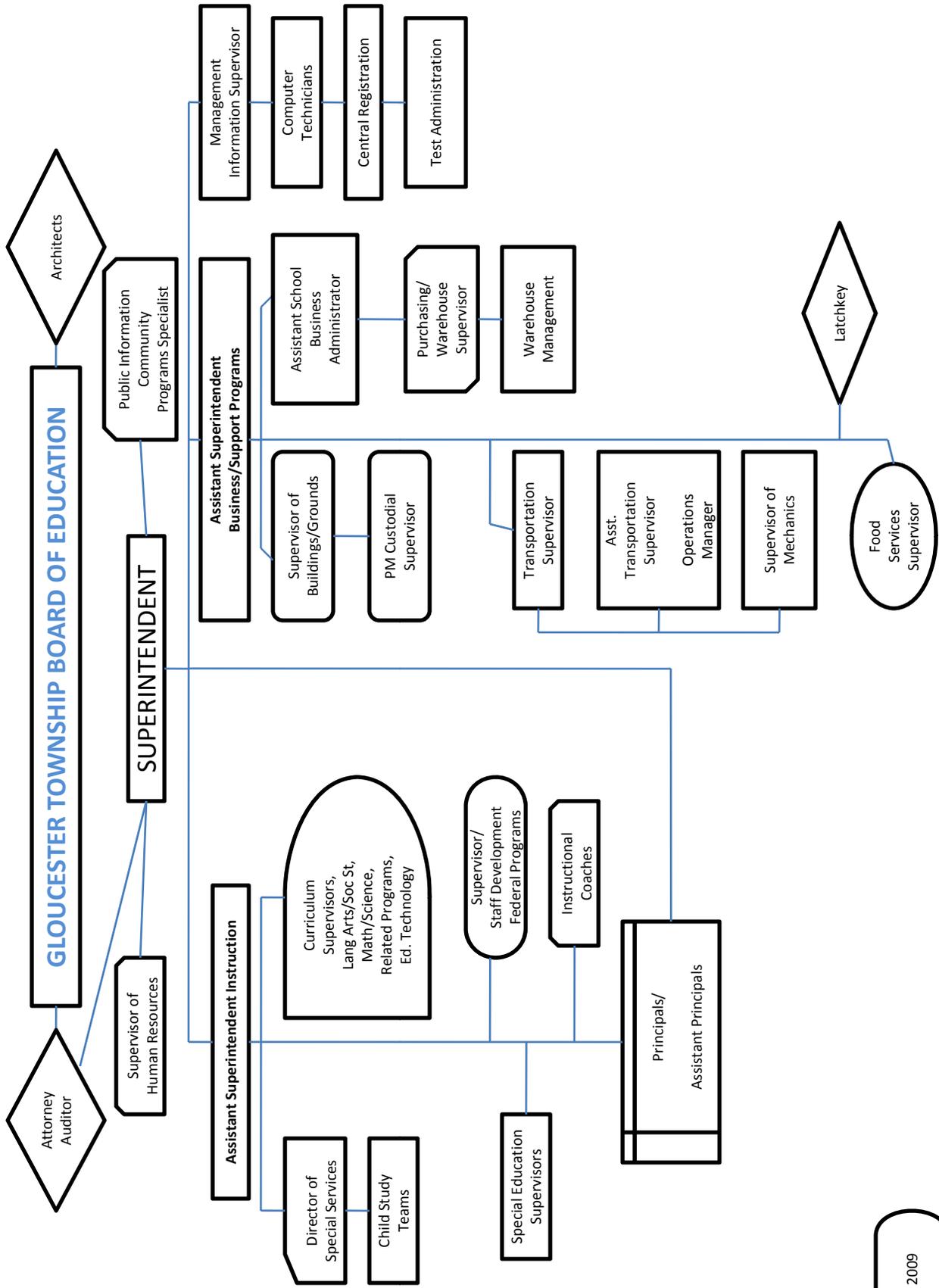
We would like to express our appreciation to the members of the Gloucester Township Board of Education for providing an outstanding educational program that includes fiscal responsibility and accountability to the citizens and taxpayers of Gloucester Township. The preparation of this report could not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



Thomas D. Seddon  
Superintendent of Schools



John D. Bilodeau  
Assistant Superintendent for  
Business/Support Programs



July 2009

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

**ROSTER OF OFFICIALS  
JUNE 30, 2010**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
William G. Collins, President	2013
Linda K. Gilch, Vice President	2013
Ellen Reese	2013
Raymond J. Carr	2012
Edna "Honey" Ceccanecchio	2012
Barry Engelbert	2011
Andrew Lalli	2011
Felicia Reid	2012
Concetta Venuto	2011
 <u>Other Officials</u>	
Thomas D. Seddon, Superintendent	
John Bilodeau, Board Secretary/ Asst. Superintendent for Business	
Mary E. Bakey, Treasurer	
Wade, Long, Wood & Kennedy, LLC, Solicitor	

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

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

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

**ATTORNEY**

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

**OFFICIAL DEPOSITORY**

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

**INSURANCE ADVISOR/BROKER**

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

FINANCIAL SECTION

## **INDEPENDENT AUDITOR'S REPORT**

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

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 and each major fund of the Gloucester Township School District in the County of Camden, State of New Jersey as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 30, 2010 on our consideration of the Gloucester Township School District'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 an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gloucester Township School District's basic financial statements. The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and are not a required part of the financial statements. In addition, the introductory section, combining statements and related major fund supporting statements and schedules, and statistical section listed in the table of contents are also presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedules of Expenditures of Federal Awards and State Financial Assistance, combining statements and related major fund supporting statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Respectfully submitted,

*Bowman : Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Todd R. Saler*

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

Voorhees, New Jersey  
November 30, 2010

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

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Gloucester Township School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated November 30, 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 in compliance with 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 Gloucester Township School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

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

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

**Compliance and Other Matters**

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

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

Respectfully submitted,

*Bowman: Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Todd R. Saler*

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

Voorhees, New Jersey  
November 30, 2010

REQUIRED SUPPLEMENTARY INFORMATION  
PART I

# **Gloucester Township School District**

## **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2010**

This section of the Gloucester Township School District annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2010. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34- Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments 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 the 2009-10 fiscal year include the following:

- Net Assets for Governmental and Business-Type activities were \$31,159,650 and \$1,478,073 respectively.
- Net Assets for both activities increased by \$2,501,843 from July 1, 2009 to June 30, 2010.
- The General Fund, fund balance as of June 30, 2010 was \$5,687,625, a decrease of \$2,749,756 when compared with the beginning balance of \$8,437,381 as of July 1, 2009.

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

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

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

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

**Management's Discussion and Analysis (Continued)  
For the Fiscal Year Ended June 30, 2010**

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

Table A-1

**MAJOR FEATURES OF THE DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS**

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

**District-wide Statements**

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

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

**Management's Discussion and Analysis (Continued)  
For the Fiscal Year Ended June 30, 2010**

**District-wide Statements (Cont'd)**

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

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

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

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

**Fund Financial Statements**

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

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

The District has three kinds of funds:

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

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

**Management's Discussion and Analysis (Continued)  
For the Fiscal Year Ended June 30, 2010**

**FINANCIAL ANALYSIS OF THE GLOUCESTER TOWNSHIP SCHOOL DISTRICT AS A WHOLE**

**Net Assets.** The District's net assets for **governmental and business-type activities** were \$31,159,650 and \$1,478,073, respectively, as of June 30, 2010. (See Table A-2)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and Other Assets	\$ 11,202,458	\$ 14,373,234	\$ 1,541,899	\$ 1,163,783	\$ 12,744,357	\$ 15,537,017
Capital Assets	53,417,606	52,277,505	197,860	245,156	53,615,466	52,522,661
<b>Total Assets</b>	<b>64,620,064</b>	<b>66,650,739</b>	<b>1,739,759</b>	<b>1,408,939</b>	<b>66,359,823</b>	<b>68,059,678</b>
Long-term Liabilities	27,045,142	30,146,665	118,000	118,200	27,163,142	30,264,865
Other Liabilities	6,415,272	7,543,502	143,686	115,431	6,558,958	7,658,933
<b>Total Liabilities</b>	<b>33,460,414</b>	<b>37,690,167</b>	<b>261,686</b>	<b>233,631</b>	<b>33,722,100</b>	<b>37,923,798</b>
Net Assets						
Invested in capital assets, net of related debt	24,224,862	20,037,665	197,860	245,156	24,422,722	20,282,821
Restricted	9,212,440	8,635,537			9,212,440	8,635,537
Unrestricted	(2,277,652)	287,370	1,280,213	930,152	(997,439)	1,217,522
<b>Total Net Assets</b>	<b>\$ 31,159,650</b>	<b>\$ 28,960,572</b>	<b>\$ 1,478,073</b>	<b>\$ 1,175,308</b>	<b>\$ 32,637,723</b>	<b>\$ 30,135,880</b>

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

- Program revenues were \$16,610,001.
  - ✓ Operating Grants & Contributions--\$11,985,832.
  - ✓ Charges for Services--\$4,624,169.
- General revenues, Special Items, Extraordinary Items and Transfers amounted to \$92,866,367.
- Net Expenditures were \$90,364,524.
- Total District revenues and beginning assets are adjusted by net adjusted expenditures resulting in a calculation of net assets of \$32,637,723 as of June 30, 2010.
- Revenues (\$92,866,367) + Beginning assets (\$30,135,880) – Net expenditures (\$90,364,524) = Net Assets of \$32,637,723.

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

**Management's Discussion and Analysis (Continued)  
For the Fiscal Year Ended June 30, 2010**

**Change in Net Assets.** Net assets for governmental and business-type activities increased by \$2,501,843 during the period from July 1, 2009 to June 30, 2010. (See Table A-3)

<b>Table A-3</b>			
<b>Gloucester Township School District's Changes in Net Assets</b>			
	<b>2010</b>	<b>2009</b>	<b>Increase/ Decrease</b>
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 4,624,169	\$ 4,696,488	\$ (72,319)
Operating Grants and Contributions	11,985,832	11,990,347	(4,515)
Capital Grants and Contributions		2,323.00	(2,323.00)
General revenues			
Property taxes	40,843,497	40,870,107	(26,610)
State and Federal Aid	51,536,431	49,070,636	2,465,795
Other	486,439	703,705	(217,266)
<b>Total revenues</b>	<b><u>109,476,368</u></b>	<b><u>107,333,606</u></b>	<b><u>2,142,762</u></b>
<b>Expenses</b>			
Governmental Activities:			
Instruction:			
Regular	34,914,795	36,687,064	(1,772,269)
Special Education	8,566,433	7,739,290	827,143
Other Instruction	2,302,907	1,042,249	1,260,658
Community Service Programs	4,112	5,000	(888)
Support Services:			
Tuition	4,429,492	4,038,304	391,188
Student & Instruction Related Services	8,864,935	7,289,210	1,575,725
School Administrative Services	3,406,533	3,316,860	89,673
General and Business Administrative Services	3,267,739	3,388,368	(120,629)
Plant Operations and Maintenance	6,920,385	6,874,832	45,553
Pupil Transportation	7,564,362	7,584,227	(19,865)
Unallocated Benefits	20,902,949	18,914,151	1,988,798
Special Schools	132,134	69,257	62,877
Transfer to Charter Schools	73,355	39,089	34,266
Interest on Long-term Debt	1,381,975	1,580,531	(198,556)
Amortization of Bond Issuance Costs	26,004	30,323	(4,319)
Total Expenses--Governmental Activities	<u>102,758,110</u>	<u>98,598,755</u>	<u>4,159,355</u>
Business-Type Activities:			
Food Service	2,846,508	3,317,590	(471,082)
Latchkey	1,369,907	1,379,537	(9,630)
Total Expenses--Business-Type Activities	<u>4,216,415</u>	<u>4,697,127</u>	<u>(480,712)</u>
<b>Total Expenses</b>	<b><u>106,974,525</u></b>	<b><u>103,295,882</u></b>	<b><u>3,678,642</u></b>
<b>Net Increase/(Decrease) in Net Assets</b>	<b><u>2,501,843</u></b>	<b><u>4,037,724</u></b>	<b><u>(1,535,881)</u></b>
<b>Net Assets July 1</b>	<b><u>30,135,880</u></b>	<b><u>26,098,156</u></b>	<b><u>4,037,724</u></b>
<b>Net Assets June 30</b>	<b><u>\$ 32,637,723</u></b>	<b><u>\$ 30,135,880</u></b>	<b><u>\$ 2,501,843</u></b>

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

**Management's Discussion and Analysis (Continued)  
For the Fiscal Year Ended June 30, 2010**

Total revenues for the District were \$109,476,368. Government funding of \$63,522,263 was the source of 58.0% of the district's revenues. This includes the State of New Jersey and Federal sources.

Property taxes of \$40,843,497 provided 37.3% of revenues, slightly down from 38.1% in 2009.

Other miscellaneous revenues of \$486,439 represent 0.5% of the district revenues. Miscellaneous revenues were primarily provided from interest, rentals and refunds.

Total revenues exceeded expenses for governmental and business-type activities, increasing net assets by \$2,501,843 from the beginning balance as of July 1, 2009.

The District's expenses for government activities are predominantly related to instruction and support services. Instruction together with tuition totaled \$50,217,739 (48.9%) of total expenditures. Student support services including transportation, exclusive of administration, totaled \$16,429,297 (16.0%) of total expenditures. (See Table A-4)

<b>Table A-4</b>		
<b>Gloucester Township School District's Net Cost of Governmental Activities</b>		
<b>For the Year Ended June 30, 2010</b>		
<b>Governmental Activities:</b>	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
Instruction:		
Regular	\$ 34,914,795	\$ 31,697,630
Special Education	8,566,433	8,566,433
Other Instruction	2,302,907	2,302,907
Community Service Programs	4,112	4,112
Support Services:		
Tuition	4,429,492	4,429,492
Student & Instruction Related Services	8,864,935	8,332,684
School Administrative Services	3,406,533	3,406,533
General and Business Administrative Services	3,267,739	3,267,739
Plant Operations and Maintenance	6,920,385	6,920,385
Pupil Transportation	7,564,362	6,029,124
Unallocated Benefits	20,902,949	14,417,549
Special Schools	132,134	132,134
Transfer to Charter Schools	73,355	73,355
Interest on Long-term Debt	1,381,975	848,906
Amortization of Bond Issuance Costs	26,004	26,004
<b>Total Governmental Activities</b>	<b><u>\$ 102,758,110</u></b>	<b><u>\$ 90,454,987</u></b>

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

**Management's Discussion and Analysis (Continued)  
For the Fiscal Year Ended June 30, 2010**

**Activity Descriptions**

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

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

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

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

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

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

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

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

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

The financial performance of the Gloucester Township School District as a whole is also reflected in the governmental funds which are accounted for using the modified accrual basis of accounting. As the District completed the year, its governmental funds reported a combined fund balance of \$8,052,933. At the end of the 2008-09 school year, the fund balance was \$10,264,736.

All governmental funds had total revenues of \$103,625,312, total expenditures of \$102,534,975 and net other financing uses of \$3,302,139.

**GENERAL FUND BUDGETING HIGHLIGHTS**

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

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

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

**Management's Discussion and Analysis (Continued)  
For the Fiscal Year Ended June 30, 2010**

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

<b>Table A-5</b>				
<b>Gloucester Township School District Summary of General Fund Revenues</b>				
	<b>Year Ended June 30, 2010</b>	<b>Year Ended June 30, 2009</b>	<b>Amount of Increase (Decrease)</b>	<b>Percent Increase (Decrease)</b>
Local sources:				
Local tax levy	\$ 38,400,784	\$ 38,400,784		0.0%
Miscellaneous	<u>463,717</u>	<u>692,458</u>	<u>\$ (228,741)</u>	<u>-33.0%</u>
Total - Local Sources	<u>38,864,501</u>	<u>39,093,242</u>	<u>(228,741)</u>	<u>-0.6%</u>
State Sources	46,789,757	54,237,196	(7,447,439)	-13.7%
Federal Sources	<u>8,498,195</u>	<u>101,876</u>	<u>8,396,319</u>	<u>100.0%</u>
Total - Govt Sources	<u>55,287,952</u>	<u>54,339,072</u>	<u>948,880</u>	<u>1.7%</u>
Total Revenues	<u><b>\$ 94,152,453</b></u>	<u><b>\$ 93,432,314</b></u>	<u><b>\$ 720,139</b></u>	<u><b>0.8%</b></u>

The primary source of funding for the district is received from State sources which accounted for 49.7% of total revenues. Local property taxes accounted for 40.8% of total revenues.

Total General Fund revenue increased by \$720,139, or 0.8% from the previous year.

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

**Management's Discussion and Analysis (Continued)  
For the Fiscal Year Ended June 30, 2010**

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

<b>Table A-6</b>				
<b>Gloucester Township School District</b>				
<b>Summary of General Fund Expenditures</b>				
	<b>Year Ended June 30, 2010</b>	<b>Year Ended June 30, 2009</b>	<b>Amount of Increase/ (Decrease)</b>	<b>Percent Increase/ (Decrease)</b>
Current:				
Regular Instruction	\$ 30,442,509	\$ 32,024,399	\$ (1,581,890)	-4.9%
Special Education Instruction	8,566,433	7,739,290	827,143	10.7%
Other Instruction	2,271,576	1,010,352	1,261,224	124.8%
Community Service Programs/Operations	4,112	5,000	(888)	-17.8%
Support Services and Undistributed Costs:				
Tuition	4,429,492	4,038,304	391,188	9.7%
Student & Instruction Related Services	8,327,266	6,853,380	1,473,886	21.5%
School Administrative Services	3,374,391	3,285,368	89,023	2.7%
Other Administrative Services	3,189,082	3,307,118	(118,036)	-3.6%
Plant Operations and Maintenance	6,655,639	6,833,965	(178,326)	-2.6%
Pupil Transportation	5,803,738	6,229,809	(426,071)	-6.8%
Unallocated Employee Benefits	14,563,136	12,590,815	1,972,321	15.7%
Transfer to Charter Schools	73,355	39,089	34,266	87.7%
Transfer to Enterprise Funds	200,000	400,000	(200,000)	-50.0%
On-Behalf Payments (Non-Budget)	6,485,400	6,281,144	204,256	3.3%
Capital Outlay	2,383,945	3,863,361	(1,479,416)	-38.3%
Special Schools	132,134	69,257	62,877	90.8%
<b>Total Expenditures</b>	<b>\$ 96,902,208</b>	<b>\$ 94,570,651</b>	<b>\$ 2,331,557</b>	<b>2.5%</b>

Total General Fund expenditures increased \$2,331,557, or 2.5% from the previous year. This increase was largely due to the increase of providing Special Education, Other Instruction, Tuition, Student & Instruction Related Services, and Employee Benefits.

The Gloucester Township Board of Education values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during the school year. The amounts of budgeted fund balance designated to support the subsequent year's budgets were \$1,678,847 for the 2010-11 school year and \$2,189,181 for the 2009-10 school year. These fund balance designations were directly related to the defeated 2009-10 and 2008-09 budgets (as determined by voters) and to arbitrary levels of New Jersey State School Aid. During the last ten (10) years, the State of New Jersey has never fully-funded school districts in accordance with its own school aid formula. Accordingly, the district has been proactive in its establishment and use of restricted reserve funds to satisfy capital projects as well as emergent issues as their need arises.

The \$2,189,181 of general fund balance designated to support the 2009-10 budget was deposited into a capital reserve account to fund capital needs of the District. The basis for establishing this reserve was for the continued need to infuse capital improvements to the district's physical plant.

During the course of fiscal year 2010 the District modified the General Fund Budget as needed to ensure no line item was projected to be over-expended.

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

**Management's Discussion and Analysis (Continued)  
For the Fiscal Year Ended June 30, 2010**

**DEBT SERVICE FUND**

The current year obligations for payment of debt service principal and interest amounted to \$4,273,410, of which \$2,442,713 in funding was provided by the local tax levy and \$1,722,356 was received as state aid.

**FOOD SERVICE FUND**

The Food Service Fund had net assets of \$548,865 as of June 30, 2010. This reflects an increase of \$314,893 from June 30, 2009.

**LATCH KEY FUND**

The Latchkey Fund had net assets of \$929,208 as of June 30, 2010. This reflects a decrease of \$12,128 from June 30, 2009.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

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

At the end of 2010, the district had capital assets with a book value of \$53,615,466. This consists of a broad range of capital assets, including land, school buildings, school buses, computer and audio-visual equipment, and administrative offices. Total depreciation expense for the year was \$2,202,859. (See Table A-7)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 902,513	\$ 902,513			\$ 902,513	\$ 902,513
Construction in Progress	2,943,204				2,943,204	
Land Improvements	2,168,767	2,168,767			2,168,767	2,168,767
Buildings and Improvements	69,181,636	68,895,636			69,181,636	68,895,636
Equipment	9,703,084	9,674,688	\$ 1,378,495	\$ 1,377,502	11,081,579	11,052,190
Total Capital Assets	84,899,204	81,641,604	1,378,495	1,377,502	86,277,699	83,019,106
Less:						
Accumulated Depreciation	(31,481,598)	(29,364,099)	(1,180,635)	(1,132,346)	(32,662,233)	(30,496,445)
<b>Net Capital Assets</b>	<b>\$ 53,417,606</b>	<b>\$ 52,277,505</b>	<b>\$ 197,860</b>	<b>\$ 245,156</b>	<b>\$ 53,615,466</b>	<b>\$ 52,522,661</b>

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

**Management's Discussion and Analysis (Continued)  
For the Fiscal Year Ended June 30, 2010**

**Long-term Obligations**

At year-end, the District had \$29,638,158 in general obligation bonds outstanding, a decrease of \$2,950,789 from last year. (See Table A-8)

The District had a liability of \$1,075,413 for compensated absences. This liability represents the District's contractual obligation to compensate employees for accumulated unused sick leave entitlements upon retirement.

<b>Table A-8</b>				
<b>Gloucester Township School District Long Term Debt Schedule</b>				
	<u>Balance at June 30, 2010</u>	<u>Balance at June 30, 2009</u>	<u>Increase/ (Decrease)</u>	<u>% Change</u>
<b>Governmental Activities:</b>				
General Obligation Bonds Payable	\$ 29,638,158	\$ 32,588,947	\$ (2,950,789)	-9.1%
Obligations Under Capital Leases		187,041	(187,041)	-100.0%
Compensated Absences	953,313	1,098,900	(145,587)	-13.2%
	<u>30,591,471</u>	<u>33,874,888</u>	<u>(3,283,417)</u>	<u>-9.7%</u>
<b>Business-type Activities:</b>				
Compensated Absences	122,100	118,200	3,900	3.3%
<b>Total</b>	<u><b>\$ 30,713,571</b></u>	<u><b>\$ 33,993,088</b></u>	<u><b>\$ (3,279,517)</b></u>	<u><b>-9.6%</b></u>

**THE FUTURE OUTLOOK**

The Gloucester Township School District presently maintains a sound financial condition. However, the future financing of public schools in the State of New Jersey is becoming increasingly difficult. This was demonstrated again this fiscal year by the State reducing state aid, establishing tax levy caps, and withholding the last two (2) school aid payments until after the close of the fiscal year. Irrespective of the state's school aid formula New Jersey, in the last decade, has systemically failed to fully-fund school aid to regular operating districts.

The over-reliance on property taxes to support the schools in Gloucester Township is a concern faced by the Board of Education and Administration each year. These factors have resulted in a community which has only supported two school budgets in the last ten (10) budget elections. Recent budgets have been benefited from the infusion of millions of dollars of unreserved fund balance which were a direct result of a Board of Education which has been committed to financial excellence for many years. The Board of Education's system for financial planning, budgeting and internal controls are well regarded. The Board of Education is committed to continuing its sound fiscal management to meet the challenges of the future.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

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

## BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Statement of Net Assets  
June 30, 2010

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 2,439,548.05	\$ 1,427,770.79	\$ 3,867,318.84
Receivables, net (Note 6)	2,221,097.53	89,275.91	2,310,373.44
Inventory (Note 7)		24,852.23	24,852.23
Deferred Charges:			
Debt Issuance Costs (Net of Amortization)	214,306.23		214,306.23
Restricted Assets:			
Restricted Cash and Cash Equivalents	2,704,871.49		2,704,871.49
Capital Reserve Account - Cash	3,622,634.26		3,622,634.26
Capital Assets, net (Note 4)	<u>53,417,606.43</u>	<u>197,860.29</u>	<u>53,615,466.72</u>
<b>Total Assets</b>	<u>64,620,063.99</u>	<u>1,739,759.22</u>	<u>66,359,823.21</u>
<b>LIABILITIES:</b>			
Accounts Payable	574,037.48	12,911.09	586,948.57
Loans Payable	2,000,000.00		2,000,000.00
Internal Balances	(4,354.49)	4,354.49	
Payable to State Government	72,049.58		72,049.58
Estimated Worker's Compensation Claims Payable	197,533.39		197,533.39
Deferred Revenue	30,844.09	122,320.57	153,164.66
Accrued Interest Payable	444,247.54		444,247.54
Noncurrent Liabilities (Note 8):			
Due within One Year	3,100,914.47	4,100.00	3,105,014.47
Due beyond One Year	<u>27,045,142.33</u>	<u>118,000.00</u>	<u>27,163,142.33</u>
<b>Total Liabilities</b>	<u>33,460,414.38</u>	<u>261,686.15</u>	<u>33,722,100.53</u>
<b>NET ASSETS:</b>			
Invested in Capital Assets, Net of Related Debt	24,224,862.13	197,860.29	24,422,722.42
Restricted for:			
Capital Projects	6,165,324.34		6,165,324.34
Other Purposes	3,047,115.02		3,047,115.02
Unrestricted (Deficit)	<u>(2,277,651.89)</u>	<u>1,280,212.78</u>	<u>(997,439.11)</u>
<b>Total Net Assets</b>	<u>\$ 31,159,649.61</u>	<u>\$ 1,478,073.07</u>	<u>\$ 32,637,722.68</u>

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

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2010

Functions / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
Instruction:							
Regular	\$ 34,914,795.29		\$ 3,217,165.35		\$ (31,697,629.94)		\$ (31,697,629.94)
Special Education	8,566,433.24				(8,566,433.24)		(8,566,433.24)
Other Special Instruction	542,624.70				(542,624.70)		(542,624.70)
Other Instruction	1,759,030.38				(1,759,030.38)		(1,759,030.38)
Nonpublic School Programs	1,251.42				(1,251.42)		(1,251.42)
Community Services Programs / Operations	4,112.39				(4,112.39)		(4,112.39)
Support Services:							
Tuition	4,429,491.73				(4,429,491.73)		(4,429,491.73)
Student and Instruction Related Services	8,864,934.80		532,250.78		(8,332,684.02)		(8,332,684.02)
School Administrative Services	3,406,533.37				(3,406,533.37)		(3,406,533.37)
General and Business Administrative Services	3,267,739.08				(3,267,739.08)		(3,267,739.08)
Plant Operations and Maintenance	6,920,384.98				(6,920,384.98)		(6,920,384.98)
Pupil Transportation	7,564,362.49	\$ 1,535,238.00	6,485,400.10		(6,029,124.49)		(6,029,124.49)
Unallocated Benefits	20,902,948.78				(14,417,548.68)		(14,417,548.68)
Special Schools	132,133.67				(132,133.67)		(132,133.67)
Transfer to Charter School	73,355.00				(73,355.00)		(73,355.00)
Interest on Long-Term Debt	1,381,975.05		533,069.24		(848,905.82)		(848,905.82)
Amortization of Bond Issuance Costs	26,004.49				(26,004.49)		(26,004.49)
<b>Total Governmental Activities</b>	<b>102,758,110.86</b>	<b>1,535,238.00</b>	<b>10,767,885.47</b>	<b>-</b>	<b>(90,454,987.39)</b>	<b>-</b>	<b>(90,454,987.39)</b>
<b>Business-Type Activities:</b>							
Food Service	2,846,507.98	1,739,488.51	1,217,946.47			\$ 110,927.00	110,927.00
Latchkey	1,369,906.66	1,349,442.61				(20,464.05)	(20,464.05)
<b>Total Business-Type Activities</b>	<b>4,216,414.64</b>	<b>3,088,931.12</b>	<b>1,217,946.47</b>	<b>-</b>	<b>-</b>	<b>90,462.95</b>	<b>90,462.95</b>
<b>Total Primary Government</b>	<b>\$ 106,974,525.50</b>	<b>\$ 4,624,169.12</b>	<b>\$ 11,985,831.94</b>	<b>\$ -</b>	<b>(90,454,987.39)</b>	<b>90,462.95</b>	<b>(90,364,524.44)</b>
<b>General Revenues:</b>							
Taxes:							
Property Taxes, Levied for General Purposes, net					38,400,784.00		38,400,784.00
Taxes Levied for Debt Service					2,442,713.00		2,442,713.00
Federal and State Aid not Restricted					51,536,431.10		51,536,431.10
Investment Earnings					121,471.42	12,301.81	133,773.23
Miscellaneous Income					356,026.65		356,026.65
Special Items:					(3,360.55)		(3,360.55)
Gain/(Loss) on Disposal of Capital Assets					(200,000.00)	200,000.00	
Transfers					92,654,065.62	212,301.81	92,866,367.43
<b>Total General Revenues, Special Items, Extraordinary Items and Transfers</b>					<b>92,654,065.62</b>	<b>212,301.81</b>	<b>92,866,367.43</b>
Change in Net Assets					2,199,078.23	302,764.76	2,501,842.99
Net Assets -- July 1					28,960,571.38	1,175,308.31	30,135,879.69
Net Assets -- June 30					\$ 31,159,649.61	\$ 1,478,073.07	\$ 32,637,722.68

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

FUND FINANCIAL STATEMENTS

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**

Balance Sheet  
Governmental Funds  
June 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 3,337,557.58		\$ 1,701,679.37	\$ 36,924.10	\$ 5,076,161.05
Interfund Accounts Receivable	875,151.80		513,251.00		1,388,402.80
Receivables from Other Governments	970,585.22	\$ 1,035,272.83	153,415.48		2,159,273.53
Other Accounts Receivable		61,824.00			61,824.00
Restricted Cash and Cash Equivalents	3,622,634.26				3,622,634.26
<b>Total Assets</b>	<b>\$ 8,805,928.86</b>	<b>\$ 1,097,096.83</b>	<b>\$ 2,368,345.85</b>	<b>\$ 36,924.10</b>	<b>\$ 12,308,295.64</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 407,519.01	\$ 126,382.49	\$ 39,962.00		\$ 573,863.50
Loans Payable	2,000,000.00				2,000,000.00
Interfund Accounts Payable	513,251.00	867,820.67			1,381,071.67
Estimated Worker's Compensation Claims Payable	197,533.39				197,533.39
Payable to State Government		72,049.58			72,049.58
Deferred Revenue		30,844.09			30,844.09
<b>Total Liabilities</b>	<b>3,118,303.40</b>	<b>1,097,096.83</b>	<b>39,962.00</b>	<b>-</b>	<b>4,255,362.23</b>
<b>Fund Balances:</b>					
Reserved for:					
Encumbrances	330,943.20				330,943.20
Capital Reserve Account	3,622,634.26		977,890.95		3,622,634.26
Maintenance Reserve Account	661,092.39				661,092.39
Emergency Reserve Account	305,175.63				305,175.63
Tuition	402,000.00				402,000.00
Excess Surplus--Designated for Subsequent Year's Expenditures	1,678,847.00				1,678,847.00

(Continued)

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Balance Sheet  
Governmental Funds  
June 30, 2010

**LIABILITIES AND FUND BALANCES (CONTINUED):**

Fund Balances (Continued):					
Unreserved, Reported in:					
Designated for Subsequent Year's Expenditures					
Undesignated	\$ (1,313,067.02)				
Total Fund Balances	<u>5,687,625.46</u>	-	2,328,383.85	36,924.10	8,052,933.41
Total Liabilities and Fund Balances	<u>\$ 8,805,928.86</u>	<u>\$ 1,097,096.83</u>	<u>\$ 2,368,345.85</u>	<u>\$ 36,924.10</u>	<u>\$ 1,373,635.90</u> <u>(1,299,285.92)</u>

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

The Internal Service Fund is used to account for the financing of student transportation services to the district and other school districts. Student transportation services are governmental activities. This amount is the unrestricted net assets in the Internal Service Fund.

Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.  
Unamortized Bond Issuance Costs

Interest on long-term debt in the statement of activities is accrued, regardless of when due.

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$84,899,204.87, and the accumulated depreciation is \$31,481,598.44.

Long-term liabilities, including bonds and capital leases payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Net assets of governmental activities

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

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 For the Fiscal Year Ended June 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local Tax Levy	\$ 38,400,784.00			\$ 2,442,713.00	\$ 40,843,497.00
Miscellaneous	463,717.42		13,780.65		477,498.07
State Sources	46,789,757.30	\$ 474,503.38	1,544,592.33	1,722,356.00	50,531,209.01
Federal Sources	8,498,194.81	3,274,912.75			11,773,107.56
<b>Total Revenues</b>	<b>94,152,453.53</b>	<b>3,749,416.13</b>	<b>1,558,372.98</b>	<b>4,165,069.00</b>	<b>103,625,311.64</b>
<b>EXPENDITURES:</b>					
Current:					
Regular Instruction	30,442,509.08	3,217,165.35			33,659,674.43
Special Education Instruction	8,566,433.24				8,566,433.24
Other Special Instruction	512,546.40				512,546.40
Other Instruction	1,759,030.38				1,759,030.38
Community Service Programs/Operations	4,112.39				4,112.39
Support Services and Undistributed Costs:					
Tuition	4,429,491.73				4,429,491.73
Student and Instruction Related Services	8,327,266.02				8,859,516.80
School Administrative Services	3,374,390.56	532,250.78			3,374,390.56
Other Administrative Services	3,189,082.24				3,189,082.24
Plant Operations and Maintenance	6,655,638.89				6,655,638.89
Pupil Transportation	2,701,599.05				2,701,599.05
Unallocated Benefits	21,048,536.28				21,048,536.28
Special Schools	132,133.67				132,133.67
Transfer to Charter School	73,355.00				73,355.00
Debt Service:					
Principal				2,950,789.47	2,950,789.47
Interest and Other Charges				1,322,620.53	1,322,620.53
Capital Outlay	352,819.85		2,943,204.03		3,296,023.88
<b>Total Expenditures</b>	<b>91,568,944.78</b>	<b>3,749,416.13</b>	<b>2,943,204.03</b>	<b>4,273,410.00</b>	<b>102,534,974.94</b>

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 For the Fiscal Year Ended June 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Excess (Deficiency) of Revenues over Expenditures	\$ 2,583,508.75	-	\$ (1,384,831.05)	\$ (108,341.00)	\$ 1,090,336.70
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating Transfers In	(5,333,263.89)	-	2,031,125.00	13,780.65	2,044,905.65
Operating Transfers Out	(5,333,263.89)	-	(13,780.65)	-	(5,347,044.54)
Total Other Financing Sources and Uses	(2,749,755.14)	-	2,017,344.35	13,780.65	(3,302,138.89)
Net Change in Fund Balances	8,437,380.60	-	632,513.30	(94,560.35)	(2,211,802.19)
Fund Balance -- July 1	5,687,625.46	-	1,695,870.55	131,484.45	10,264,735.60
Fund Balance -- June 30	\$ 5,687,625.46	\$ -	\$ 2,328,383.85	\$ 36,924.10	\$ 8,052,933.41

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

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Reconciliation of the Statement of Revenues, Expenditures  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2010

Total Net Change in Fund Balances - Governmental Funds		\$ (2,211,802.19)
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$ (1,722,911.86)	
Capital Outlays	3,296,023.88	1,573,112.02
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
		2,950,789.47
<p>The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
		(116,738.31)
<p>The Internal Service Fund is used by management to charge the costs of providing student transportation services to the district and other school districts. This amount is the change in net assets for the Internal Service fund, exclusive of any gain/(loss) on disposal of Internal Service Fund capital assets.</p>		
		(177,501.56)
<p>Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.</p>		
		38,991.85
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., disposals and donations) is to decrease net assets.</p>		
		(3,360.55)
<p>In the statement of activities, certain operating expenses, (e.g., compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). This amount is the net effect of the difference in treatment of compensated absences.</p>		
		145,587.50
Change in Net Assets of Governmental Activities		\$ 2,199,078.23

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

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Statement of Net Assets  
Proprietary Funds  
June 30, 2010

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	Latchkey	Totals	
<b>ASSETS:</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 385,695.74	\$ 1,042,075.05	\$ 1,427,770.79	\$ 68,258.49
Accounts Receivable:				
State	4,598.98		4,598.98	
Federal	81,836.95		81,836.95	
Other	2,839.98		2,839.98	
Inventories	24,852.23		24,852.23	
Total Current Assets	<u>499,823.88</u>	<u>1,042,075.05</u>	<u>1,541,898.93</u>	<u>68,258.49</u>
Noncurrent Assets:				
Furniture, Machinery and Equipment	1,279,475.08	99,020.33	1,378,495.41	5,903,281.86
Less Accumulated Depreciation	<u>(1,117,925.88)</u>	<u>(62,709.24)</u>	<u>(1,180,635.12)</u>	<u>(3,892,008.24)</u>
Total Noncurrent Assets	<u>161,549.20</u>	<u>36,311.09</u>	<u>197,860.29</u>	<u>2,011,273.62</u>
Total Assets	<u>661,373.08</u>	<u>1,078,386.14</u>	<u>1,739,759.22</u>	<u>2,079,532.11</u>
<b>LIABILITIES :</b>				
Current Liabilities:				
Accounts Payable	2,052.28	10,858.81	12,911.09	173.98
Interfund Accounts Payable	4,354.49		4,354.49	2,976.64
Compensated Absences Payable	4,100.00		4,100.00	
Deferred Revenue	19,076.16	103,244.41	122,320.57	
Total Current Liabilities	<u>29,582.93</u>	<u>114,103.22</u>	<u>143,686.15</u>	<u>3,150.62</u>
Noncurrent Liabilities:				
Compensated Absences Payable	<u>82,925.00</u>	<u>35,075.00</u>	<u>118,000.00</u>	
Total Noncurrent Liabilities	<u>82,925.00</u>	<u>35,075.00</u>	<u>118,000.00</u>	<u>-</u>
Total Liabilities	<u>112,507.93</u>	<u>149,178.22</u>	<u>261,686.15</u>	<u>3,150.62</u>
<b>NET ASSETS:</b>				
Invested in Capital Assets Net of Related Debt	161,549.20	36,311.09	197,860.29	2,011,273.62
Unrestricted	<u>387,315.95</u>	<u>892,896.83</u>	<u>1,280,212.78</u>	<u>65,107.87</u>
Total Net Assets	<u>\$ 548,865.15</u>	<u>\$ 929,207.92</u>	<u>\$ 1,478,073.07</u>	<u>\$ 2,076,381.49</u>

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

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2010

	Business-Type Activities - Enterprise Fund			Governmental Activities - Internal Service Fund
	Food Service	Latchkey	Total Enterprise	
<b>OPERATING REVENUES:</b>				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$1,134,687.25		\$1,134,687.25	
Daily Sales - Non-Reimbursable Programs	530,348.47		530,348.47	
Special Functions	57,189.79		57,189.79	
Community Service Activities		\$1,349,442.61	1,349,442.61	
Transportation Fees from LEA				\$3,102,138.89
Transportation Fees from Other LEA's Within the State				1,535,238.00
Miscellaneous	17,263.00		17,263.00	
<b>Total Operating Revenues</b>	<b>1,739,488.51</b>	<b>1,349,442.61</b>	<b>3,088,931.12</b>	<b>4,637,376.89</b>
<b>OPERATING EXPENSES:</b>				
Salaries	902,236.84	704,052.41	1,606,289.25	2,017,359.60
Employee Benefits	752,086.04	421,660.75	1,173,746.79	1,190,307.33
Purchased Professional Services	17,868.00	9,000.00	26,868.00	17,097.11
Cleaning, Repair and Maintenance Services	62,088.45		62,088.45	24,675.22
Other Purchased Services:				
Contracted Services (Between Home and School)				256,208.64
Contracted Services (Other Than Between Home and School)				222,581.73
Insurance				180,688.16
Purchased Property Services		150,000.00	150,000.00	
Other Purchased Services		6,177.25	6,177.25	
Communications/Telephone		13,494.60	13,494.60	
Travel	855.90		855.90	
General Supplies	58,183.45	49,599.65	107,783.10	395.98
Transportation Supplies				118,027.99
Gasoline				348,623.85
Depreciation	41,449.24	8,848.15	50,297.39	429,649.94
Cost of Sales	1,010,802.02		1,010,802.02	
Miscellaneous Expense	938.04	7,073.85	8,011.89	1,650.35
<b>Total Operating Expenses</b>	<b>2,846,507.98</b>	<b>1,369,906.66</b>	<b>4,216,414.64</b>	<b>4,807,265.90</b>
Operating Income (Loss)	(1,107,019.47)	(20,464.05)	(1,127,483.52)	(169,889.01)
<b>NONOPERATING REVENUES (EXPENSES):</b>				
State Sources:				
State School Lunch Program	44,529.42		44,529.42	
State School Breakfast Aid	16,164.50		16,164.50	
Federal Sources:				
National School Lunch Program	862,841.33		862,841.33	
National School Breakfast Program	183,678.66		183,678.66	
After School Snack Program	8,279.17		8,279.17	
Special Milk Program	8,569.64		8,569.64	
Food Distribution Program	93,883.75		93,883.75	
Interest on Capital Leases				(7,612.55)
Interest and Investment Revenue	3,965.67	8,336.14	12,301.81	
<b>Total Nonoperating Revenues (Expenses)</b>	<b>1,221,912.14</b>	<b>8,336.14</b>	<b>1,230,248.28</b>	<b>(7,612.55)</b>
Income (Loss) before Contributions and Transfers	114,892.67	(12,127.91)	102,764.76	(177,501.56)
Operating Transfers In (Out) - General Fund	200,000.00	-	200,000.00	-
Change in Net Assets	314,892.67	(12,127.91)	302,764.76	(177,501.56)
Total Net Assets -- July 1	233,972.48	941,335.83	1,175,308.31	2,253,883.05
Total Net Assets -- June 30	<u>\$ 548,865.15</u>	<u>\$ 929,207.92</u>	<u>\$1,478,073.07</u>	<u>\$2,076,381.49</u>

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

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2010

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	Latchkey	Total Enterprise	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from Customers	\$ 1,755,724.69	\$ 1,398,321.26	\$ 3,154,045.95	\$ 4,898,600.89
Payments to Employees	(902,236.84)	(701,427.41)	(1,603,664.25)	(2,017,359.60)
Payments for Employee Benefits	(794,648.90)	(421,660.75)	(1,216,309.65)	(1,187,330.69)
Payments to Suppliers	(1,104,482.39)	(237,359.07)	(1,341,841.46)	(1,172,318.03)
Net Cash Provided by (used for) Operating Activities	<u>(1,045,643.44)</u>	<u>37,874.03</u>	<u>(1,007,769.41)</u>	<u>521,592.57</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
State Sources	56,094.94		56,094.94	
Federal Sources	1,075,415.60		1,075,415.60	
Interfunds Receivable				(258,681.02)
Operating Subsidies and Transfers to Other Funds	200,000.00		200,000.00	
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,331,510.54</u>	<u>-</u>	<u>1,331,510.54</u>	<u>(258,681.02)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchases of Capital Assets		(3,002.00)	(3,002.00)	
Principal Paid on Capital Leases				(187,040.51)
Interest Paid on Capital Leases				(7,612.55)
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>-</u>	<u>(3,002.00)</u>	<u>(3,002.00)</u>	<u>(194,653.06)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest and Dividends	3,965.67	8,336.14	12,301.81	-
Net Cash Provided by (used for) Investing Activities	<u>3,965.67</u>	<u>8,336.14</u>	<u>12,301.81</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	289,832.77	43,208.17	333,040.94	68,258.49
Balances -- July 1	95,862.97	998,866.88	1,094,729.85	-
Balances -- June 30	<u>\$ 385,695.74</u>	<u>\$ 1,042,075.05</u>	<u>\$ 1,427,770.79</u>	<u>\$ 68,258.49</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ (1,107,019.47)	\$ (20,464.05)	\$ (1,127,483.52)	\$ (169,889.01)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:				
Depreciation and Net Amortization	41,449.24	8,848.15	50,297.39	429,649.94
(Increase) Decrease in Inventories	44,201.19		44,201.19	
Increase (Decrease) in Accounts Payable	2,052.28	10,103.49	12,155.77	(2,369.00)
Increase (Decrease) in Accrued Salaries Benefits	1,275.00	2,625.00	3,900.00	
(Increase) Decrease in Accounts Receivable, net	(2,839.98)		(2,839.98)	261,224.00
Increase (Decrease) in Deferred Revenue	19,076.16	48,878.65	67,954.81	
Increase (Decrease) in Interfund Accounts Payable	(43,837.86)	(12,117.21)	(55,955.07)	2,976.64
Total Adjustments	<u>61,376.03</u>	<u>58,338.08</u>	<u>119,714.11</u>	<u>691,481.58</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,045,643.44)</u>	<u>\$ 37,874.03</u>	<u>\$ (1,007,769.41)</u>	<u>\$ 521,592.57</u>

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

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2010

	<u>Trust Funds</u>	<u>Agency Funds</u>	
	<u>Unemployment Compensation</u>	<u>Student Activity</u>	<u>Payroll</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,638,126.31	\$ 152,044.36	\$ 271,207.06
Intrafund Accounts Receivable	31,653.58		
Accounts Receivable			4,871.66
	<u>1,669,779.89</u>	<u>152,044.36</u>	<u>276,078.72</u>
<b>LIABILITIES:</b>			
Accounts Payable	31,648.43		
Intrafund Accounts Payable			31,653.58
Payable to Student Groups		152,044.36	
Payroll Deductions and Withholdings			244,425.14
	<u>31,648.43</u>	<u>\$ 152,044.36</u>	<u>\$ 276,078.72</u>
<b>NET ASSETS:</b>			
Held in Trust for Unemployment Claims and Other Purposes	<u>1,638,131.46</u>		
Total Net Assets	<u>\$ 1,638,131.46</u>		

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

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2010

	<u>Unemployment Compensation Trust</u>
<b>ADDITIONS:</b>	
Contributions:	
Board Contributions	\$ 1,000,000.00
Employee Salary Deductions	101,035.72
Investment Earnings:	
Interest	<u>6,840.60</u>
Total Additions	<u>1,107,876.32</u>
<b>DEDUCTIONS:</b>	
Unemployment Claims	<u>159,407.54</u>
Total Deductions	<u>159,407.54</u>
Change in Net Assets	948,468.78
Net Assets -- July 1	<u>689,662.68</u>
Net Assets -- June 30	<u><u>\$ 1,638,131.46</u></u>

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

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2010

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

**Description of the Reporting Entity** – The Gloucester Township School District (hereafter referred to as the “School District”) is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to educate students in grades K-8 at the District's eight elementary and three middle schools. The School District had an approximate enrollment at June 30, 2010 of 7,421.

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

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

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

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

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

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

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

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

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

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

In addition to the capital outlay sub-fund, the School District is accountable for two additional sub-funds resulting from federal legislation signed into law on February 17, 2009. This federal law requires the tracking and separate reporting of American Recovery and Reinvestment Act (ARRA) funds. ARRA State Fiscal Stabilization Funds were provided to districts to be used for general fund expenses. The New Jersey State Department of Education requires that the ARRA - Education Stabilization Fund (ESF) and the ARRA - Government Services Fund (GSF) be recorded as separate sub-funds.

**Special Revenue Fund** - The special revenue fund is used to account for the proceeds of specific revenues from the federal and state 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 financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

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

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

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

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

The School District's enterprise funds are:

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

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

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

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

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

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

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

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

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

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

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

**Basis of Accounting**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Tuition Payable** - Tuition charges for the fiscal years ended June 30, 2010 and 2009 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

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

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

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

**Prepaid Expenses** - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2010.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Operating and Non-Operating Revenues and Expenses** - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program, tuition fees for the latchkey program and transportation fees for the internal service fund. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and federal and state subsidy reimbursements for the food service program. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

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

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

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. Of the School District's bank balance of \$14,628,899.09 as of June 30, 2010, \$943,950.52 was uninsured and uncollateralized.

**Note 3: CAPITAL RESERVE ACCOUNT**

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

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

The activity of the capital reserve for the July 1, 2009 to June 30, 2010 fiscal year is as follows:

Balance July 1, 2009		\$ 3,430,900.45
Increased by:		
Interest Earnings	\$ 33,677.81	
Deposits:		
Budgeted Increase in 2009-10 Budget Certified for Taxes	<u>2,189,181.00</u>	
		<u>2,222,858.81</u>
		5,653,759.26
Decreased by:		
Withdrawals:		
Board Resolution (4-26-10)	513,251.00	
Appropriated in 2009-10 Budget Certified for Taxes:		
Transferred to Capital Projects Fund	<u>1,517,874.00</u>	
		<u>2,031,125.00</u>
Balance June 30, 2010		<u><u>\$ 3,622,634.26</u></u>

The June 30, 2010 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

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

**Note 4: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2010 was as follows:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
<b>Governmental Activities:</b>				
Land	\$ 902,513.48			\$ 902,513.48
Construction in Progress		\$ 2,943,204.03		2,943,204.03
Total Capital Assets not being Depreciated	902,513.48	2,943,204.03	-	3,845,717.51
Land Improvements	2,168,766.62			2,168,766.62
Building and Improvements	68,895,636.38	286,000.00		69,181,636.38
Equipment	9,674,687.58	66,819.85	\$ (38,423.07)	9,703,084.36
Total Historical Cost	81,641,604.06	3,296,023.88	(38,423.07)	84,899,204.87
Less Accumulated Depreciation:				
Land Improvements	(2,245,904.78)	(105,390.74)		(2,351,295.52)
Building and Improvements	(21,285,094.20)	(1,376,178.05)		(22,661,272.25)
Equipment	(5,833,100.18)	(670,993.01)	35,062.52	(6,469,030.67)
Total Accumulated Depreciation	(29,364,099.16)	(2,152,561.80) *	35,062.52	(31,481,598.44)
Governmental Activities Capital Assets, Net	\$ 52,277,504.90	\$ 1,143,462.08	\$ (3,360.55)	\$ 53,417,606.43
<b>Business-Type Activities:</b>				
Equipment	\$ 1,377,502.41	\$ 3,002.00	\$ (2,009.00)	\$ 1,378,495.41
Less Accumulated Depreciation	(1,132,346.73)	(50,297.39)	2,009.00	(1,180,635.12)
Business-Type Activities Capital Assets, Net	\$ 245,155.68	\$ (47,295.39)	\$ -	\$ 197,860.29

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

Instruction Regular Programs	\$ 1,255,120.86
Instruction Special Programs	30,078.30
Instruction Nonpublic School Programs	1,251.42
Support Services Students	5,418.00
Support Services General Administration	12,905.90
Support Services School Administration	32,142.81
Support Services Plant Operations and Maintenance	264,746.09
Support Services Pupil Transportation	485,147.48
Support Services Business and Other Support Services	65,750.94
Total Depreciation Expense	\$ 2,152,561.80

**Note 5: TRANSFERS TO CAPITAL OUTLAY**

During the fiscal year ending June 30, 2010, the School District transferred \$16,000.00 to the capital outlay accounts. The transfer was approved by the executive county superintendent to support an emergent circumstance pursuant to N.J.A.C. 6A:23A-13.3(h).

**Note 6: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2010 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
Intergovernmental	\$ 970,585.22	\$ 1,035,272.83	\$ 153,415.48	\$ 86,435.93	\$ 2,245,709.46
Other		<u>61,824.00</u>		<u>2,839.98</u>	<u>64,663.98</u>
Total	<u>\$ 970,585.22</u>	<u>\$ 1,097,096.83</u>	<u>\$ 153,415.48</u>	<u>\$ 89,275.91</u>	<u>\$ 2,310,373.44</u>

**Note 7: INVENTORY**

Inventory in the food service fund at June 30, 2010 consisted of the following:

Food	\$ 21,779.13
Supplies	<u>3,073.10</u>
	<u>\$ 24,852.23</u>

**Note 8: LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2010, the following changes occurred in long-term obligations:

	<u>Outstanding July 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding June 30, 2010</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 32,588,947.42		\$ (2,950,789.47)	\$ 29,638,157.95	\$ 3,060,789.47
Obligations under Capital Lease	187,040.51		(187,040.51)		
Compensated Absences	1,098,900.00	\$ 209,530.00	(355,117.50)	953,312.50	40,125.00
Premium on Bonds	622,879.01		(93,907.15)	528,971.86	
Deferred Amount on Refunding	(1,159,026.49)	184,640.98		(974,385.51)	
	<u>\$ 33,338,740.45</u>	<u>\$ 394,170.98</u>	<u>\$ (3,586,854.63)</u>	<u>\$ 30,146,056.80</u>	<u>\$ 3,100,914.47</u>
Governmental Activity Long-term Liabilities					
<b>Business-Type Activities:</b>					
Compensated Absences	<u>\$ 118,200.00</u>	<u>\$ 3,900.00</u>	<u>\$ -</u>	<u>\$ 122,100.00</u>	<u>\$ 4,100.00</u>

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

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 3,060,789.47	\$ 1,194,791.20	\$ 4,255,580.67
2012	3,285,789.47	1,047,554.36	4,333,343.83
2013	3,500,789.47	893,836.26	4,394,625.73
2014	2,865,789.54	752,961.92	3,618,751.46
2015	2,965,000.00	627,556.00	3,592,556.00
2016-2020	11,719,000.00	1,420,852.52	13,139,852.52
2021-2022	2,241,000.00	131,052.52	2,372,052.52
	<u>\$ 29,638,157.95</u>	<u>\$ 6,068,604.78</u>	<u>\$ 35,706,762.73</u>

**Bonds Authorized But Not Issued** - As of June 30, 2010, the School District had no authorizations to issue additional bonded debt.

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

**Note 9: SHORT-TERM OBLIGATIONS – LOAN PAYABLE**

**State School Aid Anticipation Note** - N.J.S.A. 18A:22-44.2 states that if a board of education of a school district is notified by the Commissioner of Education that one or more June State school aid payments will not be made until the following school budget year, and the district demonstrates through a written application to the Commissioner the need to borrow and the Commissioner approves that application, the board may borrow on or before June 30 of the current school budget year, but not earlier than June 8 of the current school budget year, a sum not exceeding the amount of the delayed State school aid payments, and may execute and deliver promissory notes therefor through private sale or delivery thereof. In accordance with this statute, on June 22, 2010, the School District issued a State School Aid Anticipation Note in the amount of \$2,000,000.00, at an annual interest rate of 2%, maturing on July 8, 2010. The State of New Jersey shall pay, on behalf of the School District, the required interest due on the Note.

The following represents changes in short-term debt obligations for the fiscal year ended June 30, 2010:

	<b>Principal Outstanding July 1, 2009</b>	<b>Additions</b>	<b>Reductions</b>	<b>Principal Outstanding June 30, 2010</b>
State School Aid Anticipation Note	<u>\$ 2,800,000.00</u>	<u>\$ 2,000,000.00</u>	<u>\$ 2,800,000.00</u>	<u>\$ 2,000,000.00</u>

**Note 10: OPERATING LEASES**

At June 30, 2010, the School District had lease agreements in effect for the following:

Operating:  
Copiers

Operating Leases - Future minimum rental payments under operating lease agreements are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Amount</b>
2011	\$ 95,152.80
2012	95,152.80
2013	<u>47,576.40</u>
	<u>\$ 237,882.00</u>

Rental payments under operating leases for the fiscal year ended June 30, 2010 were \$142,359.66.

**Note 11: PENSION PLANS**

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

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

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

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

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

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability.

**Note 11: PENSION PLANS (CONT'D)**

**Public Employees' Retirement System (Cont'd)** - The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by Excess Pension Asset Credit</u>	<u>Paid by School District</u>
2010	\$430,192.00	\$ 419,746.00	\$849,938.00	-	\$ 849,938.00
2009	385,261.00	351,402.00	736,663.00	-	736,663.00
2008	407,634.00	314,140.00	721,774.00	\$144,354.80	577,419.20

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

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

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2010	\$ 2,816.80	\$ -	\$ 2,816.80	\$ 2,816.80
2009	-	-	-	-
2008	-	-	-	-

**Note 12: POST-RETIREMENT BENEFITS**

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

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

**Note 13: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2010, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement costs were \$149,709.00 and \$2,811,752.00, respectively.

**Note 14: RISK MANAGEMENT**

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

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

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

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

<b><u>Fiscal Year Ended June 30,</u></b>	<b><u>District Contributions</u></b>	<b><u>Employee Contributions</u></b>	<b><u>Amount Reimbursed</u></b>	<b><u>Ending Balance</u></b>
2010	\$ 1,000,000.00	\$ 101,035.72	\$ 159,407.54	\$ 1,638,131.46
2009	-	100,328.88	54,672.08	689,662.68
2008	-	95,491.29	90,440.36	635,372.63

**Note 14: RISK MANAGEMENT (CONT'D)**

**Self-Insurance Plan** - The Township of Gloucester School District has adopted a plan of self-insurance for workers' compensation insurance claims up to \$350,000.00 per any one accident. Claims greater than this amount are covered by an excess workers' compensation insurance policy. The records of the Administrator of the plan indicate \$197,533.39 of pending claims which have been recorded and are included in accounts payable as of June 30, 2010. Any additional funds required for claims in excess of these pending claims will be paid and charged to the 2010-2011 or future budgets.

**Note 15: DEFERRED COMPENSATION**

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

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

**Note 16: COMPENSATED ABSENCES**

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2010, the liability for compensated absences in the governmental activities and proprietary fund types was \$953,312.50 and \$122,100.00, respectively.

**Note 17: INTERFUND BALANCES AND TRANSFERS**

The following interfund balances were recorded on the various balance sheets as June 30, 2010:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General Fund	\$ 875,151.80	\$ 513,251.00
Special Revenue Fund		867,820.67
Capital Projects Fund	513,251.00	
Enterprise Funds		4,354.49
Internal Service Fund		2,976.64
	<u>\$ 1,388,402.80</u>	<u>\$ 1,388,402.80</u>

**Note 18: DEFICIT FUND BALANCE**

The School District has a deficit fund balance of \$1,313,067.02 in the general fund as of June 30, 2010 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$1,313,067.02 is less than the June state aid payments.

**Note 19: DEFICIT UNRESTRICTED NET ASSETS**

As of June 30, 2010, a deficit of \$2,277,651.89 existed in the Unrestricted Net Assets of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Assets reported on Exhibit A-1 is as follows:

Balances, June 30, 2010:

Fund Balance (Deficit) (Exclusive of Capital Projects Fund):		
Unreserved	\$ (1,276,142.92)	Exhibit B-1
Reserved for Encumbrances	330,943.20	Exhibit B-1
Unrestricted Net Assets--Internal Service Fund	65,107.87	Exhibit B-4
Liabilities:		
Accrued Interest on Bonds	(444,247.54)	Exhibit A-1
Compensated Absences	<u>(953,312.50)</u>	Exhibit A-1
Unrestricted Net Assets (Deficit)	<u>\$ (2,277,651.89)</u>	Exhibit A-1

**Note 20: FUND BALANCES****RESERVED**

Reservations of fund balances of governmental funds are established to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Specific reservations of the fund balance are summarized below:

**Reserved for Encumbrances** - The reserve for encumbrances was created to represent encumbrances outstanding at the end of the fiscal year based on purchase orders and contracts signed by the School District but not completed as of the close of the fiscal year. As of June 30, 2010, \$1,308,834.15 has been reserved in the governmental funds for this purpose.

**Reserved for Tuition** - In accordance with N.J.A.C. 6A:23-3.1(f)(8), the School District has restricted fund balance in the amount of \$402,000.00 in a legal reserve for tuition adjustments. This reserve represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated tuition cost of the respective contract year. As of June 30, 2010, \$402,000.00 has been reserved as follows:

<b><u>Year Ending June 30,</u></b>	<b><u>Amount Reserved</u></b>
2010	\$ 135,000.00
2009	115,000.00 (1)
2008	152,000.00 (1)
	<u>\$ 402,000.00</u>

(1) Designated for utilization in the 2010-2011 budget.

**Reserved for Excess Surplus** - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of reserved fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2010 is \$1,488,990.81 presented on the budgetary basis of accounting (Exhibit C-1). Additionally, \$1,678,847.00 of excess fund balance generated during 2008-2009 has been restricted and designated for utilization in the 2010-2011 budget.

**Reserved for Capital Reserve Account** - As of June 30, 2010, the balance in the capital reserve account was \$3,622,634.26 (See Note 3). These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**Reserved for Maintenance Reserve Account** - As of June 30, 2010, the balance in the maintenance reserve account was \$661,092.39. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

**Reserved for Emergency Reserve** - As of June 30, 2010, the balance in the emergency reserve was \$305,175.63. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1).

**Note 20: FUND BALANCES (CONT'D)****UNRESERVED**

**General Fund** - The \$2,285,186.17 unreserved General Fund fund balance at June 30, 2010, presented on the budgetary basis of accounting (Exhibit C-1), is undesignated.

**Debt Service Fund** - Of the \$36,924.10 unreserved Debt Service Fund fund balance at June 30, 2010, \$23,143.00 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2011 and \$13,781.10 is undesignated.

**Note 21: LITIGATION**

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

REQUIRED SUPPLEMENTARY INFORMATION  
PART II

BUDGETARY COMPARISON SCHEDULES

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 38,400,784.00		\$ 38,400,784.00	\$ 38,400,784.00	
Unrestricted Miscellaneous	387,836.00		387,836.00	463,717.42	\$ 75,881.42
<b>Total - Local Sources</b>	<b>38,788,620.00</b>	<b>-</b>	<b>38,788,620.00</b>	<b>38,864,501.42</b>	<b>75,881.42</b>
State Sources:					
Equalization Aid	45,682,637.00	\$ (8,288,934.00)	37,393,703.00	34,303,951.00	(3,089,752.00)
Transportation Aid	1,919,052.00		1,919,052.00	1,247,384.00	(671,668.00)
Special Education Categorical Aid	3,733,583.00		3,733,583.00	3,733,583.00	
Security Aid	952,115.00		952,115.00	618,875.00	(333,240.00)
Tuition Reimbursements for Homeless Students				277,457.20	277,457.20
Extraordinary Special Education Costs Aid				440,609.00	440,609.00
Nonpublic School Transportation Aid				36,241.00	36,241.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				3,523,939.10	3,523,939.10
On-behalf TPAF Pension Contributions (non-budgeted)				2,961,461.00	2,961,461.00
<b>Total - State Sources</b>	<b>52,287,387.00</b>	<b>(8,288,934.00)</b>	<b>43,998,453.00</b>	<b>47,143,500.30</b>	<b>3,145,047.30</b>
Federal Sources:					
Special Education Medicaid Initiative	83,300.00		83,300.00	209,260.81	125,960.81
Equalization Aid - ARRA ESF		7,980,016.00	7,980,016.00	7,980,016.00	
Equalization Aid - ARRA GSF		308,918.00	308,918.00	308,918.00	
<b>Total - Federal Sources</b>	<b>83,300.00</b>	<b>8,288,934.00</b>	<b>8,372,234.00</b>	<b>8,498,194.81</b>	<b>125,960.81</b>
<b>Total Revenues</b>	<b>91,159,307.00</b>	<b>-</b>	<b>91,159,307.00</b>	<b>94,506,196.53</b>	<b>3,346,889.53</b>
<b>EXPENDITURES:</b>					
<b>GENERAL CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool/Kindergarten	1,399,486.00	(30,000.00)	1,369,486.00	1,339,238.00	30,248.00
Grades 1 - 5	16,402,037.00	(1,179,075.00)	15,222,962.00	15,137,368.41	85,593.59
Grades 6 - 8	11,458,394.00	(252,425.00)	11,205,969.00	11,184,088.37	21,880.63
Regular Programs - Home Instruction:					
Salaries of Teachers	12,500.00	25,500.00	38,000.00	37,654.00	346.00
Purchased Professional Educational Services	15,000.00	(9,000.00)	6,000.00	5,639.78	360.22
Other Salaries for Instruction	1,316,941.00	56,230.00	1,373,171.00	1,347,118.58	26,052.42
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	27,000.00		27,000.00	21,737.00	5,263.00
Travel	7,500.00		7,500.00	4,100.88	3,399.12
General Supplies	1,673,330.00	(218,505.40)	1,454,824.60	1,186,684.60	268,140.00
Textbooks	179,577.00	800.00	180,377.00	162,319.90	18,057.10
Other Objects	33,000.00		33,000.00	16,559.56	16,440.44
<b>Total Regular Programs</b>	<b>32,524,765.00</b>	<b>(1,606,475.40)</b>	<b>30,918,289.60</b>	<b>30,442,509.08</b>	<b>475,780.52</b>

(Continued)

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Behavioral Disabilities:					
Salaries of Teachers	\$ 216,508.00		\$ 216,508.00	\$ 205,387.50	\$ 11,120.50
Other Salaries for Instruction	27,261.00	600.00	27,861.00	27,860.00	1.00
General Supplies	2,200.00	1,500.00	3,700.00	3,514.95	185.05
Textbooks	2,200.00	(1,500.00)	700.00	700.00	0.00
Other Objects	2,000.00		2,000.00	1,394.85	605.15
<b>Total - Behavioral Disabilities</b>	<b>250,169.00</b>	<b>600.00</b>	<b>250,769.00</b>	<b>238,157.30</b>	<b>12,611.70</b>
Multiple Disabilities:					
Salaries of Teachers	694,789.00	103,000.00	797,789.00	797,778.75	10.25
Other Salaries for Instruction	187,883.00		187,883.00	180,517.01	7,365.99
General Supplies	30,000.00	3,200.00	33,200.00	25,217.73	7,982.27
Textbooks	7,150.00	(4,200.00)	2,950.00	2,519.47	430.53
Other Objects	7,250.00	(1,000.00)	6,250.00	781.25	5,468.75
<b>Total - Multiple Disabilities</b>	<b>927,072.00</b>	<b>101,000.00</b>	<b>1,028,072.00</b>	<b>1,006,814.21</b>	<b>21,257.79</b>
Resource Room/Center					
Salaries of Teachers	5,788,257.00	(290,000.00)	5,498,257.00	5,494,931.94	3,325.06
Other Salaries for Instruction	235,711.00	1,000.00	236,711.00	226,118.55	10,592.45
General Supplies	82,000.00	(20,000.00)	62,000.00	59,558.12	2,441.88
Textbooks	16,049.00	(8,000.00)	8,049.00	7,912.40	136.60
<b>Total - Resource Room/Center</b>	<b>6,122,017.00</b>	<b>(317,000.00)</b>	<b>5,805,017.00</b>	<b>5,788,521.01</b>	<b>16,495.99</b>
Autism					
Salaries of Teachers	287,239.00		287,239.00	285,717.50	1,521.50
Other Salaries for Instruction	449,236.00	195,400.00	644,636.00	644,118.75	517.25
General Supplies	18,500.00	9,500.00	28,000.00	23,169.18	4,830.82
Other Objects	2,000.00	(1,000.00)	1,000.00	600.84	399.16
<b>Total - Autism</b>	<b>756,975.00</b>	<b>203,900.00</b>	<b>960,875.00</b>	<b>953,606.27</b>	<b>7,268.73</b>
Preschool Disabilities - Part-time:					
Salaries of Teachers	302,373.00	53,000.00	355,373.00	348,253.02	7,119.98
Other Salaries for Instruction	127,159.00	17,000.00	144,159.00	142,576.06	1,582.94
General Supplies	16,000.00	(6,000.00)	10,000.00	9,136.49	863.51
Other Objects	2,400.00		2,400.00	1,687.33	712.67
<b>Total - Preschool Disabilities - Part-Time</b>	<b>447,932.00</b>	<b>64,000.00</b>	<b>511,932.00</b>	<b>501,652.90</b>	<b>10,279.10</b>

(Continued)

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Special Education (Cont'd):					
Home Instruction	\$ 25,000.00	\$ 43,000.00	\$ 68,000.00	\$ 67,768.75	\$ 231.25
Salaries of Teachers	10,000.00		10,000.00	9,912.80	87.20
Purchased Professional - Educational Services	35,000.00	43,000.00	78,000.00	77,681.55	318.45
Total - Home Instruction	8,539,165.00	95,500.00	8,634,665.00	8,566,433.24	68,231.76
Total - Special Education					
Basic Skills/Remedial:					
Salaries of Teachers	258,847.00	(64,000.00)	194,847.00	179,075.00	15,772.00
Other Salaries for Instruction	111,508.00		111,508.00	90,407.96	21,100.04
Total - Basic Skills/Remedial	370,355.00	(64,000.00)	306,355.00	269,482.96	36,872.04
Bilingual Education:					
Salaries of Teachers	328,176.00	(86,000.00)	242,176.00	232,295.00	9,881.00
Other Salaries for Instruction	10,559.00	1,000.00	11,559.00	10,569.44	989.56
General Supplies	6,000.00		6,000.00	6,000.00	6,000.00
Other Objects	500.00		500.00	199.00	301.00
Total - Bilingual Education	345,235.00	(85,000.00)	260,235.00	243,063.44	17,171.56
School Sponsored Co-curricular Activities - Instruction:					
Salaries	357,077.00	-	357,077.00	316,258.76	40,818.24
School Sponsored Athletics - Instruction:					
Salaries	212,493.00	2,300.00	214,793.00	214,378.80	414.20
Other Purchased Services	39,000.00		39,000.00	25,167.40	13,832.60
General Supplies	39,000.00	3,200.00	42,200.00	37,754.63	4,445.37
Total - School-Sponsored Athletics - Instruction	290,493.00	5,500.00	295,993.00	277,300.83	18,692.17
Other Supplemental/At-Risk Programs - Instruction:					
Salaries of Reading Specialists	1,180,850.00	-	1,180,850.00	1,165,479.79	15,379.21
Total - Instruction	43,607,940.00	(1,654,475.40)	41,953,464.60	41,280,519.10	672,945.50

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Community Service Programs/Operations:					
General Supplies	\$ 6,000.00	-	\$ 6,000.00	\$ 4,112.39	\$ 1,887.61
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs within the State - Regular	100,000.00	\$ 56,000.00	156,000.00	147,556.22	8,443.78
Tuition to Other LEAs within the State - Special	130,000.00	74,000.00	204,000.00	171,099.35	32,900.65
Tuition to CSSD & Regional Day Schools	1,700,000.00	280,000.00	1,980,000.00	1,868,353.64	111,646.36
Tuition to Private School for the Disabled within the State	2,500,000.00	(343,750.00)	2,156,250.00	2,145,254.02	10,995.98
Tuition to Private School for the Disabled - Special O/S the State	22,000.00	34,750.00	34,750.00	34,624.50	125.50
Tuition - State Facilities	60,000.00	(20,000.00)	2,000.00	2,000.00	2,000.00
Tuition - Other	87,000.00	27,000.00	87,000.00	62,604.00	24,396.00
<b>Total Undistributed Expenditures - Instruction</b>	<b>4,512,000.00</b>	<b>108,000.00</b>	<b>4,620,000.00</b>	<b>4,429,491.73</b>	<b>190,508.27</b>
Undistributed Expenditures - Attendance and Social Work Services:					
Other Salaries	14,908.00	3,000.00	17,908.00	16,353.00	1,555.00
Purchased Professional and Technical Services	4,000.00		4,000.00	4,000.00	4,000.00
General Supplies	1,500.00		1,500.00	1,202.21	297.79
Other Objects	5,000.00		5,000.00	5,000.00	5,000.00
<b>Total Undistributed Expenditures - Attendance and Social Work</b>	<b>25,408.00</b>	<b>3,000.00</b>	<b>28,408.00</b>	<b>17,555.21</b>	<b>10,852.79</b>
Undistributed Expenditures - Health Services:					
Salaries	796,314.00	40,000.00	836,314.00	789,035.65	47,278.35
Purchased Professional and Technical Services	490,000.00	(3,245.00)	446,755.00	367,397.40	79,357.60
General Supplies	4,800.00		4,800.00	4,327.69	472.31
<b>Total Undistributed Expenditures - Health Services</b>	<b>1,251,114.00</b>	<b>36,755.00</b>	<b>1,287,869.00</b>	<b>1,160,760.74</b>	<b>127,108.26</b>
Undistributed Expenditures - Other Support Services Students - Related Services:					
Salaries	1,197,858.00	86,000.00	1,283,858.00	1,262,737.47	21,120.53
Purchased Professional Educational Services	22,000.00		22,000.00	18,411.65	3,588.35
General Supplies	8,000.00	(3,000.00)	5,000.00	4,749.65	250.35
<b>Total Undistributed Expenditures - Other Support Services Students - Rel. Serv.</b>	<b>1,227,858.00</b>	<b>83,000.00</b>	<b>1,310,858.00</b>	<b>1,285,898.77</b>	<b>24,959.23</b>
Undistributed Expenditures - Other Support Students - Regular					
Salaries of Other Professional Staff	1,556,376.00		1,556,376.00	1,545,751.54	10,624.46
Salaries of Secretarial and Clerical Assistants	81,732.00		81,732.00	78,497.17	3,234.83
Other Salaries	44,334.00	(5,300.00)	39,034.00	37,936.59	1,097.41
Other Purchased Professional and Technical Services	17,500.00		17,500.00	14,687.25	2,812.75
General Supplies	17,000.00		17,000.00	15,003.08	1,996.92
<b>Total Undistributed Expenditures - Other Support Students - Regular</b>	<b>1,716,942.00</b>	<b>(5,300.00)</b>	<b>1,711,642.00</b>	<b>1,691,875.63</b>	<b>19,766.37</b>

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenses - Other Support Students - Special Services:					
Salaries of Other Professional Staff	\$ 1,655,144.00	\$ 43,300.00	\$ 1,698,444.00	\$ 1,628,348.27	\$ 70,095.73
Other Purchased Professional and Technical Services	50,000.00		50,000.00	24,681.50	25,318.50
Miscellaneous Purchased Services	40,000.00	(3,500.00)	36,500.00	21,533.14	18,466.86
General Supplies	69,750.00		69,750.00	53,811.11	12,438.89
<b>Total Undistributed Expenditures - Other Support Students - Special Services</b>	<b>1,814,894.00</b>	<b>39,800.00</b>	<b>1,854,694.00</b>	<b>1,728,374.02</b>	<b>126,319.98</b>
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Other Professional Staff	583,762.00	3,000.00	586,762.00	579,938.88	6,823.12
Salaries of Secretarial and Clerical Assistants	166,244.00		166,244.00	166,079.76	164.24
Salaries of Facilitators, Math and Literacy Coaches	658,768.00		658,768.00	655,525.00	3,243.00
Other Purchased Services	10,000.00		10,000.00	4,762.00	5,238.00
General Supplies	8,670.00	(5,500.00)	3,170.00	1,551.95	1,618.05
Other Objects	1,800.00		1,800.00	1,650.00	150.00
<b>Total Undistributed Expenditures - Improvement of Instruction Services</b>	<b>1,429,244.00</b>	<b>(2,500.00)</b>	<b>1,426,744.00</b>	<b>1,409,507.59</b>	<b>17,236.41</b>
Undistributed Expenditures - Educational Media/Library:					
Salaries of Other Professional Staff	814,776.00	77,000.00	891,776.00	886,891.24	4,884.76
General Supplies	102,273.00	8,000.00	110,273.00	105,998.01	4,274.99
<b>Total Undistributed Expenditures - Educational Media/Library</b>	<b>917,049.00</b>	<b>85,000.00</b>	<b>1,002,049.00</b>	<b>992,889.25</b>	<b>9,159.75</b>
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional Education Services	43,500.00		43,500.00	28,417.87	15,082.13
Travel	7,500.00		7,500.00	4,287.94	3,212.06
Other Purchased Services	29,000.00		29,000.00	7,534.00	21,466.00
General Supplies	1,200.00		1,200.00	165.00	1,035.00
<b>Total Undistributed Expenditures - Instructional Staff Training Services</b>	<b>81,200.00</b>	<b>-</b>	<b>81,200.00</b>	<b>40,404.81</b>	<b>40,795.19</b>

(Continued)

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures - Support Services General Administration:					
Salaries	\$ 294,814.00	\$ (4,000.00)	\$ 294,814.00	\$ 243,946.08	\$ 50,867.92
Legal Services	200,000.00		196,000.00	107,070.07	88,929.93
Audit Fees	80,000.00		80,000.00	80,000.00	
Architectural/Engineering Services	182,000.00	(12,000.00)	170,000.00	25,915.38	144,084.62
Other Professional Services		25,115.75	25,115.75	20,430.00	4,685.75
Other Purchased Services	6,000.00		6,000.00	2,928.50	3,071.50
Insurance	85,000.00		85,000.00	37,753.75	47,246.25
Communications/Telephone	191,000.00	25,000.00	216,000.00	182,045.57	33,954.43
Travel	1,000.00		1,000.00		1,000.00
BOE Other Purchased Services	20,000.00		20,000.00	3,520.00	16,480.00
General Supplies	6,500.00		6,500.00	1,158.04	5,341.96
Miscellaneous Expenditures	29,000.00	85,000.00	114,000.00	23,680.82	90,319.18
BOE Membership Dues and Fees	30,000.00		30,000.00	29,033.44	966.56
<b>Total Undistributed Expenditures - Support Services General Administration</b>	<b>1,125,314.00</b>	<b>119,115.75</b>	<b>1,244,429.75</b>	<b>757,481.65</b>	<b>486,948.10</b>
Undistributed Expenditures - Support Services School Administration:					
Salaries of Principals/Assistant Principals	2,541,965.00	2,000.00	2,543,965.00	2,539,325.44	4,639.56
Salaries of Other Professional Staff	135,304.00		135,304.00	135,300.00	4.00
Salaries of Secretarial and Clerical Assistants	710,692.00	(2,000.00)	708,692.00	677,476.24	31,215.76
Other Purchased Services	17,500.00		17,500.00	16,931.00	569.00
Travel	7,500.00		7,500.00	5,357.88	2,142.12
Miscellaneous Expenditures		340,000.00	340,000.00		340,000.00
<b>Total Undistributed Expenditures - Support Services School Administration</b>	<b>3,412,961.00</b>	<b>340,000.00</b>	<b>3,752,961.00</b>	<b>3,374,390.56</b>	<b>378,570.44</b>
Undistributed Expenditures - Central Services					
Salaries	1,034,111.00	13,170.00	1,047,281.00	1,016,414.50	30,866.50
Purchased Professional Services	50,000.00		50,000.00	28,850.00	21,150.00
Miscellaneous Purchased Services	288,100.00	(20,000.00)	248,100.00	224,599.75	23,500.25
General Supplies	44,800.00		44,800.00	20,904.59	23,895.41
Miscellaneous Expenditures	8,500.00	230,000.00	238,500.00	21,934.77	216,565.23
<b>Total Undistributed Expenditures - Central Services</b>	<b>1,405,511.00</b>	<b>223,170.00</b>	<b>1,628,681.00</b>	<b>1,312,703.61</b>	<b>315,977.39</b>

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures - Admin. Info. Technology					
Salaries	\$ 598,212.00	\$ 3,100.00	\$ 601,312.00	\$ 577,835.88	\$ 23,476.12
Purchased Technical Services	304,081.00	35,816.00	339,897.00	336,240.32	3,656.68
Cleaning Repair and Maintenance	10,500.00		10,500.00	2,148.05	8,351.95
Other Purchased Services	150,000.00	(13,000.00)	137,000.00	116,650.06	20,349.94
Travel	8,000.00		8,000.00	5,652.59	2,347.41
General Supplies	50,000.00	51,413.15	101,413.15	80,370.08	21,043.07
<b>Total Undistributed Expenditures - Admin. Info. Technology</b>	<b>1,120,793.00</b>	<b>77,329.15</b>	<b>1,198,122.15</b>	<b>1,118,896.98</b>	<b>79,225.17</b>
Undistributed Expenditures - Required Maint. for School Facilities:					
Other Salaries	235,127.00	5,000.00	240,127.00	227,563.41	12,563.59
Cleaning, Repair & Maintenance Services	118,724.00	32,027.50	150,751.50	101,871.20	48,880.30
General Supplies	60,500.00	16,000.00	76,500.00	75,029.90	1,470.10
Other Objects	15,000.00	(6,000.00)	9,000.00	8,995.85	4.15
<b>Total Undistributed Expenditures - Required Maint. for School Facilities</b>	<b>429,351.00</b>	<b>47,027.50</b>	<b>476,378.50</b>	<b>413,460.36</b>	<b>62,918.14</b>
Undistributed Expenditures - Other Oper. and Maint. of Plant Services:					
Salaries	2,440,285.00	(72,300.00)	2,367,985.00	2,291,222.03	76,762.97
Salaries of Non-Instructional Aides	16,632.00	300.00	16,932.00	16,793.60	138.40
Purchased Professional and Technical Services	81,445.00	3,000.00	84,445.00	83,894.24	550.76
Cleaning, Repair & Maintenance Services	273,230.00	(34,000.00)	239,230.00	214,678.65	24,551.35
Rental of Land and Building Other Than Lease Purchase	8,000.00		8,000.00	7,154.88	845.12
Other Purchased Property Services	320,000.00	(3,000.00)	320,000.00	308,073.78	11,926.22
Insurance	300,000.00	(4,000.00)	297,000.00	288,748.87	8,251.13
Travel	6,500.00	(4,000.00)	2,500.00	66.96	2,433.04
General Supplies	17,750.00	(3,000.00)	14,750.00	13,973.29	776.71
General Supplies - Custodial	154,000.00	38,155.47	192,155.47	190,062.93	2,092.54
General Supplies - Building Materials	93,000.00	28,000.00	121,000.00	120,745.62	254.38
Energy (Heat & Electricity)	1,512,000.00		1,512,000.00	1,382,035.26	129,964.74
Energy (Natural Gas)	888,000.00		888,000.00	646,460.39	241,539.61
Other Objects	24,800.00		24,800.00	15,627.68	9,172.32
<b>Total - Other Operation and Maintenance of Plant Services</b>	<b>6,135,642.00</b>	<b>(46,844.53)</b>	<b>6,088,797.47</b>	<b>5,579,538.18</b>	<b>509,259.29</b>
Undistributed Expenditures - Care and Upkeep of Grounds:					
Salaries	146,364.00		146,364.00	141,370.56	4,993.44
Cleaning, Repair & Maintenance Services	30,000.00		30,000.00	1,353.58	28,646.42
General Supplies	45,000.00		45,000.00	35,798.77	9,201.23
<b>Total Undistributed Expenditures - Care and Upkeep of Grounds</b>	<b>221,364.00</b>	<b>-</b>	<b>221,364.00</b>	<b>178,522.91</b>	<b>42,841.09</b>

(Continued)

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures - Security:					
Salaries	\$ 289,801.00	\$ (30,000.00)	\$ 259,801.00	\$ 255,731.98	\$ 4,069.02
Purchased Professional and Technical Services	100,555.00		100,555.00	99,393.33	1,161.67
Cleaning, Repair & Maintenance Services	134,546.00	22,000.00	156,546.00	123,312.25	33,233.75
General Supplies	23,000.00		23,000.00	5,679.88	17,320.12
<b>Total Undistributed Expenditures - Security</b>	<b>547,902.00</b>	<b>(8,000.00)</b>	<b>539,902.00</b>	<b>484,117.44</b>	<b>55,784.56</b>
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation (Between Home & School) - Regular	140,000.00		140,000.00	111,241.55	28,758.45
Salaries for Pupil Transportation (Between Home & School) - Special Education	520,000.00	43,000.00	563,000.00	516,218.45	46,781.55
Salaries for Pupil Transportation (Between Home & School) - Nonpublic	105,000.00		105,000.00	65,775.00	39,225.00
Group Insurance	203,356.00		203,356.00	107,326.32	96,029.68
Social Security Contributions	58,523.00		58,523.00	49,401.16	9,121.84
Other Retirement Contributions - Regular	40,000.00		40,000.00		40,000.00
Other Employee Benefits	23,042.00		23,042.00	13,786.84	9,255.16
Cleaning, Repair & Maintenance Services	17,000.00	17,000.00	17,000.00	6,366.19	10,633.81
Lease Purchase Payments - School Buses	35,000.00	(31,000.00)	4,000.00		4,000.00
Contracted Services (Between Home & School) - Vendors	360,000.00	(64,500.00)	295,500.00	192,003.30	103,496.70
Contracted Services (Other Than Between Home & School) - Vendors	35,000.00	30,000.00	65,000.00	61,514.85	3,485.15
Contracted Services (Spec. Ed. Students) - Vendors	20,000.00	7,000.00	27,000.00	25,696.50	1,303.50
Contracted Services (Special Ed. Students) - ESC/CTSA	1,250,000.00	500.00	1,250,500.00	1,250,480.96	19.04
Contracted Services - Aid in Lieu Payments - Nonpublic	230,000.00	(62,000.00)	168,000.00	162,116.89	5,883.11
Miscellaneous Purchased Services - Transportation	50,000.00		50,000.00	42,151.75	7,848.25
Transportation Supplies	86,000.00	29,000.00	115,000.00	97,419.29	17,580.71
Miscellaneous Expenditures	1,000.00		1,000.00	100.00	900.00
<b>Total Undistributed Expenditures - Student Transportation Services</b>	<b>3,156,921.00</b>	<b>(31,000.00)</b>	<b>3,125,921.00</b>	<b>2,701,599.05</b>	<b>424,321.95</b>
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	886,137.00		886,137.00	882,796.21	3,340.79
Other Retirement Contributions - Regular	575,000.00		575,000.00	570,449.33	4,550.67
Unemployment Compensation	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	
Workmen's Compensation	430,000.00	375,000.00	805,000.00	415,140.55	389,859.45
Health Benefits	10,469,485.00	150,500.00	10,619,985.00	10,409,013.55	210,971.45
Tuition Reimbursement	141,500.00	23,000.00	164,500.00	133,322.95	31,177.05
Other Employee Benefits	1,164,911.00	1,500.00	1,166,411.00	1,152,413.59	13,997.41
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>13,667,033.00</b>	<b>1,550,000.00</b>	<b>15,217,033.00</b>	<b>14,563,136.18</b>	<b>653,896.82</b>

(Continued)

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures - Transfer to Charter Schools	\$ 41,520.00	\$ 32,000.00	\$ 73,520.00	\$ 73,355.00	\$ 165.00
Undistributed Expenditures- Non-budgeted:					
On-behalf TPAF Pension Contributions	-	-	-	2,961,461.00	(2,961,461.00)
Undistributed Expenditures - Non-budgeted					
Reimbursed TPAF Social Security Contributions	44,240,021.00	2,650,552.87	46,890,573.87	49,799,359.77	(3,523,939.10)
Total Undistributed Expenses	87,853,961.00	996,077.47	88,850,038.47	91,083,991.26	(2,233,952.79)
Total Current Expense					
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Grades 6-8	15,466.00	4,900.00	20,366.00	20,191.85	174.15
Resource Room/Resource Center	10,000.00	5,000.00	15,000.00	14,243.00	757.00
Undistributed Expenditures:					
Central Services		15,000.00	15,000.00		15,000.00
Operation and Maintenance of Plant Services		33,000.00	33,000.00	23,786.00	9,214.00
Care and Upkeep of Grounds		10,000.00	10,000.00	8,599.00	1,401.00
Special Schools (All Programs)	23,000.00	(23,000.00)			
Total - Equipment	48,466.00	44,900.00	93,366.00	66,819.85	26,546.15
Facilities Acquisition and Construction Services:					
Construction Services	-	286,000.00	286,000.00	286,000.00	-
Total - Facilities Acquisition and Construction Services	-	286,000.00	286,000.00	286,000.00	-
Total Capital Outlay	48,466.00	330,900.00	379,366.00	352,819.85	26,546.15

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONTD):</b>					
<b>SPECIAL SCHOOLS:</b>					
Summer School - Instruction:					
Salaries of Teachers	\$ 132,416.00		\$ 132,416.00	\$ 132,108.67	\$ 307.33
General Supplies	7,250.00		7,250.00	25.00	7,225.00
Total - Summer School - Instruction	139,666.00	-	139,666.00	132,133.67	7,532.33
Total Special Schools	139,666.00	-	139,666.00	132,133.67	7,532.33
Total Expenditures	88,042,093.00	\$ 1,326,977.47	89,369,070.47	91,568,944.78	(2,199,874.31)
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,117,214.00	(1,326,977.47)	1,790,236.53	2,937,251.75	1,147,015.22
Other Financing Sources (Uses):					
Transfers to Capital Projects Fund - Capital Reserve Transfer	(1,966,949.00)	(513,251.00)	(2,480,200.00)	(2,031,125.00)	449,075.00
Transfers to Food Service Fund - Board Contribution	(200,000.00)		(200,000.00)	(200,000.00)	
Transfers to Internal Service Fund - Board Contribution	(3,071,214.00)	(31,000.00)	(3,102,214.00)	(3,102,138.89)	75.11
Total - Other Financing Sources (Uses)	(5,238,163.00)	(544,251.00)	(5,782,414.00)	(5,333,263.89)	449,150.11
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,120,949.00)	(1,871,228.47)	(3,992,177.47)	(2,396,012.14)	1,596,165.33
Fund Balances, July 1	13,170,881.60	-	13,170,881.60	13,170,881.60	-
Fund Balances, June 30	\$ 11,049,932.60	\$ (1,871,228.47)	\$ 9,178,704.13	\$ 10,774,869.46	\$ 1,596,165.33
<b>Recapitulation:</b>					
Reserve for Encumbrances				\$ 330,943.20	
Capital Reserve				3,622,634.26	
Maintenance Reserve				661,092.39	
Emergency Reserve				305,175.63	
Reserve for Tuition:					
2007-08				152,000.00	
2008-09				115,000.00	
2009-10				135,000.00	
Excess Surplus				1,488,990.81	
Designated for Subsequent Year's Expenditures:					
Excess Surplus (2008-09)				1,678,847.00	
Unrestricted Fund Balance				2,285,186.17	
Reconciliation to Governmental Funds Statements (GAAP):				10,774,869.46	
Last State Aid Payments Not Recognized on GAAP Basis				(5,087,244.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 5,687,625.46	

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule - ARRA ESF  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>REVENUES:</b>					
Federal Sources:					
Equalization Aid - ARRA ESF	-	\$ 7,980,016.00	\$ 7,980,016.00	\$ 7,980,016.00	-
Total - Federal Sources	-	7,980,016.00	7,980,016.00	7,980,016.00	-
Total Revenues	-	7,980,016.00	7,980,016.00	7,980,016.00	-
<b>EXPENDITURES:</b>					
<b>GENERAL CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of Teachers:					
Grades 1 - 5		7,181,941.00	7,181,941.00	7,181,941.00	
Grades 6 - 8		798,075.00	798,075.00	798,075.00	
Total Regular Programs - Instruction	-	7,980,016.00	7,980,016.00	7,980,016.00	-
Total Current Expense	-	7,980,016.00	7,980,016.00	7,980,016.00	-
Total Expenditures	-	7,980,016.00	7,980,016.00	7,980,016.00	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	-	-	-
Fund Balances, July 1	-	-	-	-	-
Fund Balances, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule - ARRA GSF  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>REVENUES:</b>					
Federal Sources:					
Equalization Aid - ARRA GSF	-	\$ 308,918.00	\$ 308,918.00	\$ 308,918.00	-
Total - Federal Sources	-	308,918.00	308,918.00	308,918.00	-
Total Revenues	-	308,918.00	308,918.00	308,918.00	-
<b>EXPENDITURES:</b>					
<b>GENERAL CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of Teachers:					
Grades 1 - 5	-	308,918.00	308,918.00	308,918.00	-
Total Regular Programs - Instruction	-	308,918.00	308,918.00	308,918.00	-
Total Current Expense	-	308,918.00	308,918.00	308,918.00	-
Total Expenditures	-	308,918.00	308,918.00	308,918.00	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	-	-	-
Fund Balances, July 1	-	-	-	-	-
Fund Balances, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**

Required Supplementary Information  
 Budgetary Comparison Schedule  
 SPECIAL REVENUE FUND

For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
State Sources:					
Nonpublic Aid	\$ 507,000.00	\$ 15,032.00	\$ 522,032.00	\$ 450,056.42	\$ (71,975.58)
Municipal Drug Alliance		25,880.03	25,880.03	24,446.96	(1,433.07)
<b>Total - State Sources</b>	<b>507,000.00</b>	<b>40,912.03</b>	<b>547,912.03</b>	<b>474,503.38</b>	<b>(73,408.65)</b>
Federal Sources:					
N.C.L.B.:					
Title I	518,404.00	530,051.02	1,048,455.02	989,907.04	(58,547.98)
Title I - ARRA		615,674.00	615,674.00	66,739.79	(548,934.21)
Title II - Part A	186,000.00	69,269.00	255,269.00	241,819.45	(13,449.55)
Title II - Part D	5,000.00	4,319.00	9,319.00	7,351.00	(1,968.00)
Title III	19,000.00	(1,045.00)	17,955.00	15,353.74	(2,601.26)
Title IV	20,000.00	2,097.00	22,097.00	22,089.64	(7.36)
I.D.E.I.A. Part B:					
Basic	1,503,039.00	304,302.00	1,807,341.00	1,788,020.60	(19,320.40)
Basic - ARRA		1,914,478.00	1,914,478.00	68,338.00	(1,846,140.00)
Preschool		69,525.00	69,525.00	63,397.00	(6,128.00)
Preschool - ARRA		69,076.00	69,076.00		(69,076.00)
<b>Total - Federal Sources</b>	<b>2,251,443.00</b>	<b>3,577,746.02</b>	<b>5,829,189.02</b>	<b>3,263,016.26</b>	<b>(2,566,172.76)</b>
<b>Total Revenues</b>	<b>2,758,443.00</b>	<b>3,618,658.05</b>	<b>6,377,101.05</b>	<b>3,737,519.64</b>	<b>(2,639,581.41)</b>

(Continued)

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**

Required Supplementary Information  
 Budgetary Comparison Schedule  
 SPECIAL REVENUE FUND

For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	\$ 563,523.00	\$ 368,234.50	\$ 931,757.50	\$ 899,550.40	\$ 32,207.10
Purchased Professional Educational Services	372,000.00	41,455.00	413,455.00	351,705.00	61,750.00
Purchased Professional and Technical Services		74,500.00	74,500.00	142,346.32	(67,846.32)
Other Purchased Services	1,503,039.00	235,474.00	1,738,513.00	1,729,116.85	9,396.15
General Supplies	76,000.00	177,901.94	253,901.94	38,243.82	215,658.12
Textbooks	45,000.00	4,672.00	49,672.00	40,405.97	9,266.03
Other Objects		4,700.00	4,700.00	3,900.50	799.50
<b>Total Instruction</b>	<b>2,559,562.00</b>	<b>906,937.44</b>	<b>3,466,499.44</b>	<b>3,205,268.86</b>	<b>261,230.58</b>
Support Services:					
Personal Services-Salaries		44,648.00	44,648.00	44,357.03	290.97
Personal Services-Employee Benefits	140,881.00	147,160.91	288,041.91	287,662.13	379.78
Purchased Professional Educational Services		82,048.70	82,048.70	50,476.40	31,572.30
Purchased Professional and Technical Services	58,000.00	494,702.00	552,702.00	131,736.53	420,965.47
Travel		2,000.00	2,000.00	539.53	1,460.47
Miscellaneous Purchased Services		16,795.00	16,795.00	15,843.00	952.00
General Supplies		16,900.00	16,900.00	1,636.16	15,263.84
Other Objects		1,555.00	1,555.00		1,555.00
<b>Total Support Services</b>	<b>198,881.00</b>	<b>805,809.61</b>	<b>1,004,690.61</b>	<b>532,250.78</b>	<b>472,439.83</b>
Facilities Acquisition and Construction Services:					
Instructional Equipment		1,905,911.00	1,905,911.00	-	1,905,911.00
Buildings		1,905,911.00	1,905,911.00	-	1,905,911.00
<b>Total Facilities Acquisition and Construction Services</b>		<b>3,618,658.05</b>	<b>6,377,101.05</b>	<b>3,737,519.64</b>	<b>2,639,581.41</b>
<b>Total Expenditures</b>	<b>2,758,443.00</b>	<b>3,618,658.05</b>	<b>6,377,101.05</b>	<b>3,737,519.64</b>	<b>2,639,581.41</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Note to Required Supplementary Information  
 For the Fiscal Year Ended June 30, 2010

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 94,506,196.53	\$ 3,737,519.64
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		11,896.49
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	4,733,501.00	
State aid payment recognized as revenue for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(5,087,244.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 94,152,453.53</u>	<u>\$ 3,749,416.13</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 91,568,944.78	\$ 3,737,519.64
Differences - Budget to GAAP:		
Encumbrances for goods or services ordered but not received are reported in the year the orders are placed for budgetary purposes, but in the year the goods or services are received for financial reporting purposes.		<u>11,896.49</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 91,568,944.78</u>	<u>\$ 3,749,416.13</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2010

	N.C.L.B.							Total Brought Forward
	Total	Title I	ARRA Title I	Title II Part A	Title II Part D	Title III	Title IV	
<b>REVENUES:</b>								
Federal Sources	\$ 3,263,016.26	\$ 989,907.04	\$ 66,739.79	\$ 241,819.45	\$ 7,351.00	\$ 15,353.74	\$ 22,089.64	\$ 1,919,755.60
State Sources	474,503.38							474,503.38
<b>Total Revenues</b>	<b>3,737,519.64</b>	<b>989,907.04</b>	<b>66,739.79</b>	<b>241,819.45</b>	<b>7,351.00</b>	<b>15,353.74</b>	<b>22,089.64</b>	<b>2,394,258.98</b>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers	899,550.40	663,350.50		186,529.51		13,157.89	17,300.00	19,212.50
Purchased Professional Educational Services	351,705.00							351,705.00
Purchased Professional and Technical Services	142,346.32	13,458.32	60,550.00					68,338.00
Other Purchased Services	1,729,116.85							1,729,116.85
General Supplies	38,243.82	23,333.46	4,563.79		5,152.00	1,189.27	1,999.64	2,005.66
Textbooks	40,405.97							40,405.97
Other Objects	3,900.50	1,502.50						2,398.00
<b>Total Instruction</b>	<b>3,205,268.86</b>	<b>701,644.78</b>	<b>65,113.79</b>	<b>186,529.51</b>	<b>5,152.00</b>	<b>14,347.16</b>	<b>19,299.64</b>	<b>2,213,181.98</b>
Support Services:								
Personal Services-Salaries	44,357.03							44,357.03
Personal Services-Employee Benefits	287,662.13	227,466.33		53,051.94		1,006.58	1,326.00	4,811.28
Purchased Professional Educational Services	50,476.40	46,612.40	1,626.00					
Purchased Professional and Technical Services	131,736.53							130,272.53
Travel	539.53	539.53						
Miscellaneous Purchased Services	15,843.00	13,644.00			2,199.00			1,636.16
General Supplies	1,636.16							
<b>Total Support Services</b>	<b>532,250.78</b>	<b>288,262.26</b>	<b>1,626.00</b>	<b>55,289.94</b>	<b>2,199.00</b>	<b>1,006.58</b>	<b>2,790.00</b>	<b>181,077.00</b>
Facilities Acquisition and Construction Services:								
Instructional Equipment								
Non-Instructional Equipment								
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 3,737,519.64</b>	<b>\$ 989,907.04</b>	<b>\$ 66,739.79</b>	<b>\$ 241,819.45</b>	<b>\$ 7,351.00</b>	<b>\$ 15,353.74</b>	<b>\$ 22,089.64</b>	<b>\$ 2,394,258.98</b>

(Continued)

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2010

	I.D.E.I.A. Part B		N.J. Nonpublic Auxiliary Services, Ch. 192, L. 1977				Total Brought Forward
	Total Carried Forward	ARRA Basic	Basic	Preschool	Compensatory Education	Home Instruction	
<b>REVENUES:</b>							
Federal Sources	\$ 1,919,755.60	\$ 68,338.00	\$ 1,788,020.60	\$ 63,397.00	\$ 224,893.00	\$ 74.00	\$ 2,411,958.38
State Sources	474,503.38						
Total Revenues	2,394,258.98	68,338.00	1,788,020.60	63,397.00	224,893.00	74.00	2,411,958.38
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers	19,212.50						19,212.50
Purchased Professional Educational Services	351,705.00				224,893.00	74.00	119,160.00
Purchased Professional and Technical Services	68,338.00	68,338.00	1,665,719.85	63,397.00			2,005.66
Other Purchased Services	1,729,116.85						40,405.97
General Supplies	2,005.66						2,398.00
Textbooks	40,405.97						
Other Objects	2,398.00						
Total Instruction	2,213,181.98	68,338.00	1,665,719.85	63,397.00	224,893.00	74.00	183,182.13
Support Services:							
Personal Services-Salaries	44,357.03						44,357.03
Personal Services-Employee Benefits	4,811.28						4,811.28
Purchased Professional Educational Services							
Purchased Professional and Technical Services	130,272.53		122,300.75				7,971.78
Travel							
Miscellaneous Purchased Services	1,636.16						1,636.16
General Supplies							
Total Support Services	181,077.00		122,300.75				58,776.25
Facilities Acquisition and Construction Services:							
Instructional Equipment							
Non-Instructional Equipment							
Total Facilities Acquisition and Construction Services							
Total Expenditures	\$ 2,394,258.98	\$ 68,338.00	\$ 1,788,020.60	\$ 63,397.00	\$ 224,893.00	\$ 74.00	\$ 2,411,958.38

(Continued)

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2010

	Total Carried Forward	NJ Non-Public Textbook Aid	NJ Non-Public Nursing Services Aid	Examination and Classification	Corrective Speech	Supplementary Instruction	Municipal Drug Alliance
<b>REVENUES:</b>							
Federal Sources							
State Sources	\$ 241,958.38	\$ 40,405.97	\$ 57,945.45	\$ 41,907.00	\$ 61,437.00	\$ 15,816.00	\$ 24,446.96
Total Revenues	<u>241,958.38</u>	<u>40,405.97</u>	<u>57,945.45</u>	<u>41,907.00</u>	<u>61,437.00</u>	<u>15,816.00</u>	<u>24,446.96</u>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers	19,212.50						19,212.50
Purchased Professional and Technical Services	119,160.00			41,907.00	61,437.00	15,816.00	
Other Purchased Services							
General Supplies	2,005.66						2,005.66
Textbooks	40,405.97	40,405.97	590.00				1,808.00
Other Objects	2,398.00						
Total Instruction	<u>183,182.13</u>	<u>40,405.97</u>	<u>590.00</u>	<u>41,907.00</u>	<u>61,437.00</u>	<u>15,816.00</u>	<u>23,026.16</u>
Support Services:							
Personal Services-Salaries	44,357.03		44,357.03				
Personal Services-Employee Benefits	4,811.28		3,390.48				1,420.80
Purchased Professional and Technical Services	7,971.78		7,971.78				
Travel							
Miscellaneous Purchased Services	1,636.16		1,636.16				
General Supplies	58,776.25		57,355.45				1,420.80
Total Support Services	<u>117,572.40</u>	<u>-</u>	<u>113,710.80</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,420.80</u>
Facilities Acquisition and Construction Services:							
Instructional Equipment							
Non-Instructional Equipment							
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 241,958.38</u>	<u>\$ 40,405.97</u>	<u>\$ 57,945.45</u>	<u>\$ 41,907.00</u>	<u>\$ 61,437.00</u>	<u>\$ 15,816.00</u>	<u>\$ 24,446.96</u>

CAPITAL PROJECTS FUND

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
 Summary Statement of Project Expenditures  
 For the Fiscal Year Ended June 30, 2010

Project Title/Issue	Original Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2010
			Prior Years	Current Year	
a. (i) Construction of an addition to the Glen Landing Middle School, including the acquisition of furniture, fixtures and equipment for said addition	3-12-02	\$ 279,468.15	\$ 279,468.15		
Other Purchased Professional and Technical Services		2,989,616.59	2,951,408.59	\$ 38,208.00	
Construction Services		42,170.26	42,170.26		
Other Objects					
		3,311,255.00	3,273,047.00	38,208.00	-
(ii) Construction of an addition to the C. W. Lewis Middle School, including the acquisition of furniture, fixtures and equipment for said addition	3-12-02	163,918.00	163,918.00		
Other Purchased Professional and Technical Services		1,668,502.89	1,668,502.89		
Construction Services		22,886.19	22,886.19		
Other Objects					
		1,855,307.08	1,855,307.08	-	-
(iii) Construction of an addition to the Ann Mullen Middle School, including the acquisition of furniture, fixtures and equipment for said addition	3-12-02	378,174.81	365,453.97	12,720.84	
Other Purchased Professional and Technical Services		4,479,019.73	4,463,156.73	15,863.00	
Construction Services		53,751.67	53,751.67		
Other Objects					
		4,910,946.21	4,882,362.37	28,583.84	-
(iv) Installation of air conditioning and electrical upgrades at various schools	3-12-02	110,290.57	110,290.57		
Other Purchased Professional and Technical Services		1,579,132.82	1,579,132.82		
Construction Services		13,088.37	13,088.37		
Other Objects					
		1,702,511.76	1,702,511.76	-	-
<b>Total 3-12-02 Project Authorized</b>		<b>11,780,020.05</b>	<b>11,713,228.21</b>	<b>66,791.84</b>	<b>-</b>

(Continued)

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
 Summary Statement of Project Expenditures  
 For the Fiscal Year Ended June 30, 2010

Project Title/Issue	Original Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2010
			Prior Years	Current Year	
b. (i) Emergent replacement and reconstruction of the roof at the Charles Lewis Middle School	12-12-06				
Legal Services		\$ 15,000.00	\$ 11,782.60	\$	3,217.40
Other Purchased Professional and Technical Services		258,048.00	245,059.07		12,988.93
Construction Services		2,600,600.00	2,435,154.16		165,445.84
Other Objects		377,102.00	286.92		376,815.08
		<u>3,250,750.00</u>	<u>2,692,282.75</u>	-	<u>558,467.25</u>
(ii) Emergent replacement and reconstruction of the roof at the Glen Landing Middle School	12-12-06				
Legal Services		15,000.00	11,782.61		3,217.39
Other Purchased Professional and Technical Services		314,353.00	287,789.45		26,563.55
Construction Services		2,524,412.00	2,328,981.00		195,431.00
Other Objects		339,279.00	978.65		338,300.35
		<u>3,193,044.00</u>	<u>2,629,531.71</u>	-	<u>563,512.29</u>
(iii) Emergent replacement and reconstruction of the roof at the J.W. Lilley Elementary School	12-12-06				
Legal Services		5,000.00	4,408.93		591.07
Other Purchased Professional and Technical Services		111,589.00	107,160.98		4,428.02
Construction Services		1,090,417.00	743,178.00		347,239.00
Other Objects		155,200.00	358.92		154,841.08
		<u>1,362,206.00</u>	<u>855,106.83</u>	-	<u>507,099.17</u>
Total 12-12-06 Project Authorized		<u>7,806,000.00</u>	<u>6,176,921.29</u>	-	<u>1,629,078.71</u>
c. (i) Replacement of Roof at the Erial Elementary School	6-1-10				
Other Purchased Professional and Technical Services		232,000.00	\$ 222,866.04		9,133.96
Construction Services		2,388,000.00	2,197,195.00		190,805.00
Other Objects		92,591.00			92,591.00
Total 6-1-10 Project Authorized		<u>2,712,591.00</u>	<u>-</u>	<u>2,420,061.04</u>	<u>292,529.96</u>

(Continued)

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
 Summary Statement of Project Expenditures  
 For the Fiscal Year Ended June 30, 2010

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Prior Years</u>	<u>Expenditures to Date</u> <u>Current Year</u>	<u>Unexpended Balance</u> <u>June 30, 2010</u>
d. (i) Replacement of Windows and Doors at the Loring-Fleming Elementary School	6-1-10				
Other Purchased Professional and Technical Services		\$ 73,000.00		\$ 67,613.50	\$ 5,386.50
Construction Services		345,000.00		266,761.15	78,238.85
Other Objects		147,656.00			147,656.00
Total 6-1-10 Project Authorized		565,656.00	-	334,374.65	231,281.35
e. (i) Replacement of Roof at the Loring-Fleming Elementary School	6-3-10				
Other Purchased Professional and Technical Services		121,976.50		121,976.50	
Construction Services		961,700.00			961,700.00
Other Objects		24,823.50			24,823.50
Total 6-3-10 Project Authorized		1,108,500.00	-	121,976.50	986,523.50
Total Projects Authorized		\$ 23,972,767.05	\$ 17,890,149.50	\$ 2,943,204.03	\$ 3,139,413.52

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Revenues, Expenditures and Changes in Fund Balance--Budgetary Basis  
For the Fiscal Year Ended June 30, 2010

**Revenues:**

State Sources--SCC Grant	\$ 2,355,622.00
Transfer form Capital Reserve	2,031,125.00
Interest Earned on Deposits	<u>13,780.65</u>
 Total Revenues	 <u>4,400,527.65</u>

**Expenditures:**

Other Purchased Professional and Technical Services	425,176.88
Construction Services	<u>2,518,027.15</u>
 Total Expenditures	 <u>2,943,204.03</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures 1,457,323.62

## Other Financing Sources (Uses):

Transfer to Debt Service Fund--Interest Earned on Deposits	<u>(13,780.65)</u>
--	--------------------

Excess (Deficiency) of Revenues and Other Financing Sources  
Over (Under) Expenditures and Other Financing Uses 1,443,542.97

Fund Balance -- July 1 1,695,870.55

Fund Balance -- June 30 \$ 3,139,413.52

## Reconciliation to Governmental Funds Statements (GAAP):

Fund Balance (Budgetary Basis)	\$ 3,139,413.52
NJ Schools Development Authority Projects Revenue Not Recognized on GAAP Basis	<u>(811,029.67)</u>

Fund Balance per Governmental Funds (GAAP) \$ 2,328,383.85

Reserved for Encumbrances \$ 977,890.95

Designated for Subsequent Year's Expenditures 1,350,492.90

\$ 2,328,383.85

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Addition to the Glen Landing Middle School  
From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--SCC Grant	\$ 1,428,776.00		\$ 1,428,776.00	\$ 1,428,776.00
Bond Proceeds and Transfers	<u>1,855,302.00</u>	<u>\$ 27,177.00</u>	<u>1,882,479.00</u>	<u>1,882,479.00</u>
Total Revenues	<u>3,284,078.00</u>	<u>27,177.00</u>	<u>3,311,255.00</u>	<u>3,311,255.00</u>
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services	279,468.15		279,468.15	279,468.15
Construction Services	2,951,408.59	38,208.00	2,989,616.59	2,989,616.59
Other Objects	<u>42,170.26</u>		<u>42,170.26</u>	<u>42,170.26</u>
Total Expenditures	<u>3,273,047.00</u>	<u>38,208.00</u>	<u>3,311,255.00</u>	<u>3,311,255.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 11,031.00</u>	<u>\$ (11,031.00)</u>	<u>\$ -</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	SP202303
Grant Date	5-30-2002
Bond Authorization Date	3-12-2002
Bonds Authorized	3,044,078.00
Bonds Issued	1,615,302.00
Original Authorized Cost	3,044,078.00
Additional Authorized Cost	267,177.00
Revised Authorized Cost	3,311,255.00
Percentage Increase over Original Authorized Cost	8.78%
Percentage Completion	100.00%
Original Target Completion Date	9-01-03
Revised Target Completion Date	12-31-09

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Addition to the C.W. Lewis Middle School  
From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--SCC Grant	\$ 807,520.00		\$ 807,520.00	\$ 807,520.00
Bond Proceeds and Transfers	1,049,903.00	\$ (2,115.92)	1,047,787.08	1,047,787.08
Total Revenues	<u>1,857,423.00</u>	<u>(2,115.92)</u>	<u>1,855,307.08</u>	<u>1,855,307.08</u>
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services	163,918.00		163,918.00	163,918.00
Construction Services	1,668,502.89		1,668,502.89	1,668,502.89
Other Objects	22,886.19		22,886.19	22,886.19
Total Expenditures	<u>1,855,307.08</u>	<u>-</u>	<u>1,855,307.08</u>	<u>1,855,307.08</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,115.92</u>	<u>\$ (2,115.92)</u>	<u>\$ -</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	SP202304
Grant Date	5-30-2002
Bond Authorization Date	3-12-2002
Bonds Authorized	1,797,423.00
Bonds Issued	989,903.00
Original Authorized Cost	1,797,423.00
Additional Authorized Cost	57,884.08
Revised Authorized Cost	1,855,307.08
Percentage Increase over Original Authorized Cost	3.22%
Percentage Completion	100.00%
Original Target Completion Date	9-01-03
Revised Target Completion Date	12-31-09

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Addition to the Ann Mullen Middle School  
From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--SCC Grant	\$ 2,599,724.05		\$ 2,599,724.05	\$ 2,599,724.05
Bond Proceeds and Transfers	<u>2,335,321.00</u>	<u>\$ (24,098.84)</u>	<u>2,311,222.16</u>	<u>2,311,222.16</u>
Total Revenues	<u>4,935,045.05</u>	<u>(24,098.84)</u>	<u>4,910,946.21</u>	<u>4,910,946.21</u>
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services	365,453.97	12,720.84	378,174.81	378,174.81
Construction Services	4,463,156.73	15,863.00	4,479,019.73	4,479,019.73
Other Objects	<u>53,751.67</u>		<u>53,751.67</u>	<u>53,751.67</u>
Total Expenditures	<u>4,882,362.37</u>	<u>28,583.84</u>	<u>4,910,946.21</u>	<u>4,910,946.21</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 52,682.68</u>	<u>\$ (52,682.68)</u>	<u>\$ -</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	SP202305
Grant Date	5-30-2002
Bond Authorization Date	3-12-2002
Bonds Authorized	5,789,589.00
Bonds Issued	3,034,321.00
Original Authorized Cost	5,789,589.00
Additional Authorized Cost	(878,642.79)
Revised Authorized Cost	4,910,946.21
Percentage Increase over Original Authorized Cost	-15.18%
Percentage Completion	100.00%
Original Target Completion Date	9-01-03
Revised Target Completion Date	12-31-09

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Air Conditioning and Electrical Upgrades at Various Schools  
From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds and Transfers	\$ 1,703,474.00	\$ (962.24)	\$ 1,702,511.76	\$ 1,702,511.76
Total Revenues	<u>1,703,474.00</u>	<u>(962.24)</u>	<u>1,702,511.76</u>	<u>1,702,511.76</u>
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services	110,290.57		110,290.57	110,290.57
Construction Services	1,579,132.82		1,579,132.82	1,579,132.82
Other Objects	13,088.37		13,088.37	13,088.37
Total Expenditures	<u>1,702,511.76</u>	<u>-</u>	<u>1,702,511.76</u>	<u>1,702,511.76</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 962.24</u>	<u>\$ (962.24)</u>	<u>\$ -</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	3-12-2002
Bonds Authorized	1,304,474.00
Bonds Issued	1,304,474.00
Original Authorized Cost	1,304,474.00
Additional Authorized Cost	398,037.76
Revised Authorized Cost	1,702,511.76
Percentage Increase over Original Authorized Cost	30.51%
Percentage Completion	100.00%
Original Target Completion Date	9-01-03
Revised Target Completion Date	12-31-09

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Emergent Replacement and Reconstruction of the Roof at the Charles Lewis Middle School  
From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds and Transfers	\$ 3,250,750.00	_____	\$ 3,250,750.00	\$ 3,250,750.00
Total Revenues	<u>3,250,750.00</u>	<u>-</u>	<u>3,250,750.00</u>	<u>3,250,750.00</u>
<b>Expenditures and Other Financing Uses</b>				
Legal Services	11,782.60	_____	11,782.60	15,000.00
Other Purchased Professional and Technical Services	245,059.07	_____	245,059.07	258,048.00
Construction Services	2,435,154.16	_____	2,435,154.16	2,600,600.00
Other Objects	286.92	_____	286.92	377,102.00
Total Expenditures	<u>2,692,282.75</u>	<u>-</u>	<u>2,692,282.75</u>	<u>3,250,750.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 558,467.25</u>	<u>\$ -</u>	<u>\$ 558,467.25</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	12-12-2006
Bonds Authorized	3,250,750.00
Bonds Issued	3,250,750.00
Original Authorized Cost	3,250,750.00
Additional Authorized Cost	-
Revised Authorized Cost	3,250,750.00
Percentage Increase over Original Authorized Cost	
Percentage Completion	82.82%
Original Target Completion Date	6-30-08
Revised Target Completion Date	6-30-09

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Emergent Replacement and Reconstruction of the Roof at the Glen Landing Middle School  
From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds and Transfers	\$ 3,193,044.00	_____	\$ 3,193,044.00	\$ 3,193,044.00
Total Revenues	<u>3,193,044.00</u>	<u>-</u>	<u>3,193,044.00</u>	<u>3,193,044.00</u>
<b>Expenditures and Other Financing Uses</b>				
Legal Services	11,782.61	_____	11,782.61	15,000.00
Other Purchased Professional and Technical Services	287,789.45	_____	287,789.45	314,353.00
Construction Services	2,328,981.00	_____	2,328,981.00	2,524,412.00
Other Objects	978.65	_____	978.65	339,279.00
Total Expenditures	<u>2,629,531.71</u>	<u>-</u>	<u>2,629,531.71</u>	<u>3,193,044.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 563,512.29</u>	<u>\$ -</u>	<u>\$ 563,512.29</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	12-12-2006
Bonds Authorized	3,193,044.00
Bonds Issued	3,193,044.00
Original Authorized Cost	3,193,044.00
Additional Authorized Cost	-
Revised Authorized Cost	3,193,044.00
Percentage Increase over Original Authorized Cost	
Percentage Completion	82.35%
Original Target Completion Date	6-30-08
Revised Target Completion Date	6-30-09

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Emergent Replacement and Reconstruction of the Roof at the J.W. Lilley Elementary School  
From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds and Transfers	\$ 1,362,206.00	_____	\$ 1,362,206.00	\$ 1,362,206.00
Total Revenues	<u>1,362,206.00</u>	<u>-</u>	<u>1,362,206.00</u>	<u>1,362,206.00</u>
<b>Expenditures and Other Financing Uses</b>				
Legal Services	4,408.93	_____	4,408.93	5,000.00
Other Purchased Professional and Technical Services	107,160.98	_____	107,160.98	111,589.00
Construction Services	743,178.00	_____	743,178.00	1,090,417.00
Other Objects	358.92	_____	358.92	155,200.00
Total Expenditures	<u>855,106.83</u>	<u>-</u>	<u>855,106.83</u>	<u>1,362,206.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 507,099.17</u>	<u>\$ -</u>	<u>\$ 507,099.17</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	12-12-2006
Bonds Authorized	1,362,851.00
Bonds Issued	1,362,206.00
Original Authorized Cost	1,362,206.00
Additional Authorized Cost	-
Revised Authorized Cost	1,362,206.00

Percentage Increase over Original Authorized Cost

Percentage Completion	62.77%
Original Target Completion Date	6-30-08
Revised Target Completion Date	6-30-09

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Replacement of Roof at the Erial Elementary School  
From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--SCC Grant		\$ 1,456,624.00	\$ 1,456,624.00	\$ 1,456,624.00
Transfer from Capital Reserve		1,255,967.00	1,255,967.00	1,255,967.00
Total Revenues	-	2,712,591.00	2,712,591.00	2,712,591.00
<b>Expenditures and Other Financing Uses</b>				
Legal Services				
Other Purchased Professional and Technical Services		222,866.04	222,866.04	232,000.00
Construction Services		2,197,195.00	2,197,195.00	2,388,000.00
Other Objects				92,591.00
Total Expenditures	-	2,420,061.04	2,420,061.04	2,712,591.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 292,529.96	\$ 292,529.96	\$ -

**Additional Project Information:**

Project Numbers	1780-050-09-0MAK
Grant Date	6-1-2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	2,712,591.00
Additional Authorized Cost	-
Revised Authorized Cost	2,712,591.00
Percentage Increase over Original Authorized Cost	
Percentage Completion	89.22%
Original Target Completion Date	12-31-10
Revised Target Completion Date	N/A

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Replacement of Windows and Doors at the Loring-Fleming Elementary School  
From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--SCC Grant		\$ 303,749.00	\$ 303,749.00	\$ 303,749.00
Transfer from Capital Reserve		261,907.00	261,907.00	261,907.00
Total Revenues	-	565,656.00	565,656.00	565,656.00
<b>Expenditures and Other Financing Uses</b>				
Legal Services				
Other Purchased Professional and Technical Services		67,613.50	67,613.50	73,000.00
Construction Services		266,761.15	266,761.15	345,000.00
Other Objects				147,656.00
Total Expenditures	-	334,374.65	334,374.65	565,656.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 231,281.35	\$ 231,281.35	\$ -

**Additional Project Information:**

Project Numbers	1780-090-09-0MAL
Grant Date	6-1-2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	565,656.00
Additional Authorized Cost	-
Revised Authorized Cost	565,656.00
Percentage Increase over Original Authorized Cost	
Percentage Completion	59.11%
Original Target Completion Date	3-31-11
Revised Target Completion Date	N/A

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Replacement of Roof at the Loring-Fleming Elementary School  
From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--SCC Grant		\$ 595,249.00	\$ 595,249.00	\$ 595,249.00
Transfer from Capital Reserve		513,251.00	513,251.00	513,251.00
<b>Total Revenues</b>	-	1,108,500.00	1,108,500.00	1,108,500.00
<b>Expenditures and Other Financing Uses</b>				
Legal Services				
Other Purchased Professional and Technical Services		121,976.50	121,976.50	121,976.50
Construction Services				961,700.00
Other Objects				24,823.50
<b>Total Expenditures</b>	-	121,976.50	121,976.50	1,108,500.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 986,523.50	\$ 986,523.50	\$ -

**Additional Project Information:**

Project Numbers	1780-090-09-0ZRO
Grant Date	6-3-2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	1,108,500.00
Additional Authorized Cost	-
Revised Authorized Cost	1,108,500.00
Percentage Increase over Original Authorized Cost	
Percentage Completion	11.00%
Original Target Completion Date	3-31-11
Revised Target Completion Date	N/A

PROPRIETARY FUNDS

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**ENTERPRISE FUNDS**  
 Combining Statement of Net Assets  
 June 30, 2010

	<u>Food Service</u>	<u>Latchkey</u>	<u>Total</u>
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 385,695.74	\$ 1,042,075.05	\$ 1,427,770.79
Accounts Receivable:			
State	4,598.98		4,598.98
Federal	81,836.95		81,836.95
Other	2,839.98		2,839.98
Inventories	24,852.23		24,852.23
Total Current Assets	<u>499,823.88</u>	<u>1,042,075.05</u>	<u>1,541,898.93</u>
Noncurrent Assets:			
Furniture, Machinery and Equipment	1,279,475.08	99,020.33	1,378,495.41
Less Accumulated Depreciation	<u>(1,117,925.88)</u>	<u>(62,709.24)</u>	<u>(1,180,635.12)</u>
Total Noncurrent Assets	<u>161,549.20</u>	<u>36,311.09</u>	<u>197,860.29</u>
Total Assets	<u>661,373.08</u>	<u>1,078,386.14</u>	<u>1,739,759.22</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts Payable	2,052.28	10,858.81	12,911.09
Interfund Accounts Payable	4,354.49		4,354.49
Compensated Absences Payable	4,100.00		4,100.00
Deferred Revenue	19,076.16	103,244.41	122,320.57
Total Current Liabilities	<u>29,582.93</u>	<u>114,103.22</u>	<u>143,686.15</u>
Noncurrent Liabilities:			
Compensated Absences Payable	<u>82,925.00</u>	<u>35,075.00</u>	<u>118,000.00</u>
Total Liabilities	<u>112,507.93</u>	<u>149,178.22</u>	<u>261,686.15</u>
<b>NET ASSETS:</b>			
Invested in Capital Assets, Net of Related Debt	161,549.20	36,311.09	197,860.29
Unrestricted	<u>387,315.95</u>	<u>892,896.83</u>	<u>1,280,212.78</u>
Total Net Assets	<u>\$ 548,865.15</u>	<u>\$ 929,207.92</u>	<u>\$ 1,478,073.07</u>

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**ENTERPRISE FUNDS**  
 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
 For the Fiscal Year Ended June 30, 2010

	<u>Food Service</u>	<u>Latchkey</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 1,134,687.25		\$ 1,134,687.25
Daily Sales - Non-Reimbursable Programs	530,348.47		530,348.47
Special Functions	57,189.79		57,189.79
Community Service Activities		\$ 1,349,442.61	1,349,442.61
Miscellaneous	17,263.00		17,263.00
Total Operating Revenues	<u>1,739,488.51</u>	<u>1,349,442.61</u>	<u>3,088,931.12</u>
<b>OPERATING EXPENSES:</b>			
Salaries	902,236.84	704,052.41	1,606,289.25
Employee Benefits	752,086.04	421,660.75	1,173,746.79
Purchased Professional Services	17,868.00	9,000.00	26,868.00
Purchased Property Services		150,000.00	150,000.00
Cleaning, Repair and Maintenance Services	62,088.45		62,088.45
Other Purchased Services		6,177.25	6,177.25
Communications/Telephone		13,494.60	13,494.60
Travel	855.90		855.90
General Supplies	58,183.45	49,599.65	107,783.10
Depreciation	41,449.24	8,848.15	50,297.39
Cost of Sales	1,010,802.02		1,010,802.02
Miscellaneous	938.04	7,073.85	8,011.89
Total Operating Expenses	<u>2,846,507.98</u>	<u>1,369,906.66</u>	<u>4,216,414.64</u>
Operating Income (Loss)	<u>(1,107,019.47)</u>	<u>(20,464.05)</u>	<u>(1,127,483.52)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
State Sources:			
State School Lunch Program	44,529.42		44,529.42
State School Breakfast Program	16,164.50		16,164.50
Federal Sources:			
National School Lunch Program	862,841.33		862,841.33
National School Breakfast Program	183,678.66		183,678.66
After School Snack Program	8,279.17		8,279.17
Special Milk Program	8,569.64		8,569.64
Food Distribution Program	93,883.75		93,883.75
Interest and Investment Revenue	3,965.67	8,336.14	12,301.81
Total Nonoperating Revenues (Expenses)	<u>1,221,912.14</u>	<u>8,336.14</u>	<u>1,230,248.28</u>
Income (Loss) before Contributions and Transfers	114,892.67	(12,127.91)	102,764.76
Operating Transfer In - General Fund	200,000.00	-	200,000.00
Change in Net Assets	314,892.67	(12,127.91)	302,764.76
Net Assets -- July 1	<u>233,972.48</u>	<u>941,335.83</u>	<u>1,175,308.31</u>
Net Assets -- June 30	<u>\$ 548,865.15</u>	<u>\$ 929,207.92</u>	<u>\$ 1,478,073.07</u>

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**ENTERPRISE FUNDS**  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2010

	<u>Food Service</u>	<u>Latchkey</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 1,755,724.69	\$ 1,398,321.26	\$ 3,154,045.95
Payments to Employees	(902,236.84)	(701,427.41)	(1,603,664.25)
Payments for Employee Benefits	(794,648.90)	(421,660.75)	(1,216,309.65)
Payments to Suppliers	<u>(1,104,482.39)</u>	<u>(237,359.07)</u>	<u>(1,341,841.46)</u>
Net Cash Provided by (used for) Operating Activities	<u>(1,045,643.44)</u>	<u>37,874.03</u>	<u>(1,007,769.41)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
State Sources	56,094.94		56,094.94
Federal Sources	1,075,415.60		1,075,415.60
Operating Subsidies and Transfers to Other Funds	<u>200,000.00</u>		<u>200,000.00</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,331,510.54</u>	<u>-</u>	<u>1,331,510.54</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchases of Capital Assets		<u>(3,002.00)</u>	<u>(3,002.00)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>-</u>	<u>(3,002.00)</u>	<u>(3,002.00)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest and Dividends	<u>3,965.67</u>	<u>8,336.14</u>	<u>12,301.81</u>
Net Cash Provided by (used for) Investing Activities	<u>3,965.67</u>	<u>8,336.14</u>	<u>12,301.81</u>
Net Increase (Decrease) in Cash and Cash Equivalents	289,832.77	43,208.17	333,040.94
Cash and Cash Equivalents -- July 1	<u>95,862.97</u>	<u>998,866.88</u>	<u>1,094,729.85</u>
Cash and Equivalents -- June 30	<u>\$ 385,695.74</u>	<u>\$ 1,042,075.05</u>	<u>\$ 1,427,770.79</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (1,107,019.47)	\$ (20,464.05)	\$ (1,127,483.52)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	41,449.24	8,848.15	50,297.39
(Increase) Decrease in Inventories	44,201.19		44,201.19
(Increase) Decrease in Accounts Receivable, net	(2,839.98)		(2,839.98)
Increase (Decrease) in Accounts Payable	2,052.28	10,103.49	12,155.77
Increase (Decrease) in Interfund Accounts Payable	(43,837.86)	(12,117.21)	(55,955.07)
Increase (Decrease) in Deferred Revenue	19,076.16	48,878.65	67,954.81
Increase (Decrease) in Accrued Salaries Benefits	<u>1,275.00</u>	<u>2,625.00</u>	<u>3,900.00</u>
Total Adjustments	<u>61,376.03</u>	<u>58,338.08</u>	<u>119,714.11</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,045,643.44)</u>	<u>\$ 37,874.03</u>	<u>\$ (1,007,769.41)</u>

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
INTERNAL SERVICE FUND  
Transportation Services  
Statement of Net Assets  
June 30, 2010

**ASSETS:**

Current Assets:	
Cash and Cash Equivalents	\$ 68,258.49
Total Current Assets	<u>68,258.49</u>
Noncurrent Assets:	
Machinery and Equipment	5,903,281.86
Less Accumulated Depreciation	<u>(3,892,008.24)</u>
Total Noncurrent Assets	<u>2,011,273.62</u>
Total Assets	<u>2,079,532.11</u>

**LIABILITIES:**

Current Liabilities:	
Accounts Payable	173.98
Interfund Accounts Payable	<u>2,976.64</u>
Total Current Liabilities	<u>3,150.62</u>
Total Liabilities	<u>3,150.62</u>

**NET ASSETS:**

Invested in Capital Assets, Net of Related Debt	2,011,273.62
Unrestricted	<u>65,107.87</u>
Total Net Assets	<u>\$ 2,076,381.49</u>

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**INTERNAL SERVICE FUND**  
 Transportation Services  
 Statement of Revenues, Expenses and Changes in Fund Net Assets  
 For the Fiscal Year Ended June 30, 2010

**OPERATING REVENUES:**

Charges for Service:	
Transportation Fees from LEA	\$ 3,102,138.89
Transportation Fees from Other LEAs Within the State	<u>1,535,238.00</u>
Total Operating Revenues	<u>4,637,376.89</u>

**OPERATING EXPENSES:**

Salaries	2,017,359.60
Employee Benefits	1,190,307.33
Purchased Professional Services	17,097.11
Cleaning, Repair and Maintenance Services	24,675.22
Other Purchased Services:	
Contracted Services (Between Home and School) - Vendors	256,208.64
Contracted Services (Other Than Between Home & School) - Vendors	222,581.73
Miscellaneous	180,688.16
General Supplies	395.98
Transportation Supplies	118,027.99
Gasoline	348,623.85
Depreciation	429,649.94
Miscellaneous	<u>1,650.35</u>
Total Operating Expenses	<u>4,807,265.90</u>
Operating Income (Loss)	(169,889.01)

**NONOPERATING REVENUES (EXPENSES):**

Interest on Capital Leases	<u>(7,612.55)</u>
Total Nonoperating Revenues (Expenses)	<u>(7,612.55)</u>
Change in Net Assets	(177,501.56)
Net Assets--July 1	<u>2,253,883.05</u>
Net Assets--June 30	<u>\$ 2,076,381.49</u>

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
INTERNAL SERVICE FUND  
Transportation Services  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2010

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Receipts from Customers	\$ 4,898,600.89
Payments to Employees	(2,017,359.60)
Payments for Employee Benefits	(1,187,330.69)
Payments to Suppliers	(1,172,318.03)
	<u>521,592.57</u>
Net Cash Provided by (used for) Operating Activities	<u>521,592.57</u>

**CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:**

Interfunds Payable	(258,681.02)
	<u>(258,681.02)</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>(258,681.02)</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:**

Principal Paid on Capital Leases	(187,040.51)
Interest Paid on Capital Leases	(7,612.55)
	<u>(194,653.06)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(194,653.06)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	68,258.49
Cash and Cash Equivalents -- July 1	<u>-</u>
Cash and Equivalents -- June 30	<u>\$ 68,258.49</u>

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

Operating Income (Loss)	\$ (169,889.01)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	429,649.94
(Increase) Decrease in Accounts Receivable, net	261,224.00
Increase (Decrease) in Accounts Payable	(2,369.00)
Increase (Decrease) in Interfund Accounts Payable	2,976.64
	<u>691,481.58</u>
Total Adjustments	<u>691,481.58</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ 521,592.57</u>

FIDUCIARY FUNDS

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
Combining Statement of Fiduciary Net Assets  
June 30, 2010

	<u>Trust Fund</u>	<u>Agency Funds</u>		
	Unemployment Compensation <u>Trust</u>	Student <u>Activity</u>	<u>Payroll</u>	<u>Total</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 1,638,126.31	\$ 152,044.36	\$ 271,207.06	\$ 2,061,377.73
Intrafund Accounts Receivable	31,653.58			31,653.58
Accounts Receivable			4,871.66	4,871.66
	<u>1,669,779.89</u>	<u>152,044.36</u>	<u>276,078.72</u>	<u>2,097,902.97</u>
<b>LIABILITIES:</b>				
Accounts Payable	31,648.43			31,648.43
Intrafund Accounts Payable			31,653.58	31,653.58
Payable to Student Groups		152,044.36		152,044.36
Payroll Deductions and Withholdings			244,425.14	244,425.14
	<u>31,648.43</u>	<u>\$ 152,044.36</u>	<u>\$ 276,078.72</u>	<u>459,771.51</u>
<b>NET ASSETS:</b>				
Held in Trust for Unemployment Claims and Other Purposes	<u>1,638,131.46</u>			<u>1,638,131.46</u>
Total Net Assets	<u>\$ 1,638,131.46</u>			<u>\$ 1,638,131.46</u>

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
 Statement of Changes in Fiduciary Net Assets  
 For the Fiscal Year Ended June 30, 2010

	<u>Unemployment Compensation Trust</u>
<b>ADDITIONS:</b>	
Contributions:	
Board Contributions	\$ 1,000,000.00
Employee Salary Deductions	101,035.72
Investment Earnings:	
Interest	<u>6,840.60</u>
Total Additions	<u>1,107,876.32</u>
<b>DEDUCTIONS:</b>	
Unemployment Claims	<u>159,407.54</u>
Total Deductions	<u>159,407.54</u>
Change in Net Assets	948,468.78
Net Assets -- July 1	<u>689,662.68</u>
Net Assets -- June 30	<u><u>\$ 1,638,131.46</u></u>

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
 Student Activity Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2010

	<u>Balance</u> <u>June 30, 2009</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2010</u>
<b>ELEMENTARY SCHOOLS:</b>				
Blackwood Elementary	\$ 4,405.85	\$ 16,367.09	\$ 11,972.20	\$ 8,800.74
Chews Elementary	9,653.48	21,786.05	23,225.93	8,213.60
Erial Elementary	16,930.18	23,975.88	23,744.53	17,161.53
Glendora Elementary	7,542.19	6,702.34	9,807.36	4,437.17
Union Valley Elementary	2,742.77	31,222.05	30,625.31	3,339.51
Gloucester Township Elementary	1,013.09	11,395.53	10,635.01	1,773.61
Loring-Flemming Elementary	3,521.93	17,229.84	17,245.65	3,506.12
James W. Lilley, Jr. Elementary	9,864.58	25,462.65	28,641.58	6,685.65
<b>MIDDLE SCHOOLS:</b>				
Glen Landing Middle School	48,877.79	96,942.74	108,408.22	37,412.31
Charles W. Lewis, Jr. Middle School	32,546.25	104,788.50	98,176.19	39,158.56
Ann Mullen Middle School	<u>20,669.20</u>	<u>142,624.34</u>	<u>141,737.98</u>	<u>21,555.56</u>
Total All Schools	<u>\$ 157,767.31</u>	<u>\$ 498,497.01</u>	<u>\$ 504,219.96</u>	<u>\$ 152,044.36</u>

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
 Payroll Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2010

	<u>Balance</u> <u>June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 263,818.57	\$ 67,731,180.08	\$ 67,723,791.59	\$ 271,207.06
Accounts Receivable		4,871.66		4,871.66
	<u>\$ 263,818.57</u>	<u>\$ 67,736,051.74</u>	<u>\$ 67,723,791.59</u>	<u>\$ 276,078.72</u>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	\$ 230,617.45	\$ 27,342,606.37	\$ 27,328,798.68	\$ 244,425.14
Net Payroll		40,284,427.45	40,284,427.45	
Intrafund Accounts Payable	32,030.24	101,035.72	101,412.38	31,653.58
Interfund Accounts Payable: Due to General Fund	<u>1,170.88</u>	<u>7,982.20</u>	<u>9,153.08</u>	
Total Liabilities	<u>\$ 263,818.57</u>	<u>\$ 67,736,051.74</u>	<u>\$ 67,723,791.59</u>	<u>\$ 276,078.72</u>

LONG-TERM DEBT

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Schedule of Serial Bonds  
 For the Fiscal Year Ended June 30, 2010

	Date of Issue	Amount of Issue	Date	Annual Maturities		Interest Rate	Balance	
				Date	Amount		June 30, 2009	June 30, 2010
Construction of a New Middle School and Additions to Blackwood, Chews and Erial Elementary Schools	3-11-94	\$ 300,000.00	7-15-10/012	\$ 15,789.47	1.500%	\$ 78,947.42	\$ 15,789.47	
			7-15-13	15,789.54				
Construction of an Addition to the J.W. Lilley School, Roof and Intercom System Replacement at Various Schools, and Replacement of Windows at Glendora Elementary School	8-1-96	1,595,000.00	N/A	-	-	145,000.00	145,000.00	
Acquisition of Land and the Construction thereon of a New Elementary School, Construction of an Addition to the existing Gymnasium at the J.W. Lilley School, Door and Window Improvements at Various Schools, and the completion of such other work as may be necessary or desirable to complete said projects	8-1-99	17,449,000.00	N/A	-	-	900,000.00	900,000.00	
Construction of Additions to the Middle Schools and Installation of Air Conditioning and Electrical Upgrades to various schools	6-1-02	6,944,000.00	8-1-10	400,000.00	4.125%	5,944,000.00	350,000.00	
			8-1-11	500,000.00				
			8-1-12	600,000.00				
			8-1-13	700,000.00				
			8-1-14	800,000.00				
			8-1-15	850,000.00				
			8-1-16	894,000.00				
8-1-17								



**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Schedule of Obligations Under Capital Leases  
 For the Fiscal Year Ended June 30, 2010

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u> <u>Principal</u>	<u>Interest</u>	<u>Interest Rate Payable</u>	<u>Amount Outstanding July 1, 2009</u>	<u>Retired</u>
Seven 54 Passenger Buses; One 40 Passenger Bus	10-01-07	3 years	\$ 557,574.00	\$ 26,385.18	4.070%	\$ 187,040.51	\$ 187,040.51
Internal Service Fund						\$ 187,040.51	\$ 187,040.51

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 DEBT SERVICE FUND  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 2,442,713.00		\$ 2,442,713.00	\$ 2,442,713.00	
Debt Service Aid Type II	1,722,356.00		1,722,356.00	1,722,356.00	
Total Revenues	4,165,069.00	-	4,165,069.00	4,165,069.00	-
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest on Bonds	1,322,621.00	(0.47)	1,322,620.53	1,322,620.53	
Redemption of Principal	2,950,789.00	0.47	2,950,789.47	2,950,789.47	
Total Regular Debt Service	4,273,410.00	-	4,273,410.00	4,273,410.00	-
Total Expenditures	4,273,410.00	-	4,273,410.00	4,273,410.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(108,341.00)	-	(108,341.00)	(108,341.00)	
Other Financing Sources (Uses):					
Operating Transfers In:					
Interest Earned in Capital Projects Fund	-	-	-	13,780.65	\$ 13,780.65
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(108,341.00)	-	(108,341.00)	(94,560.35)	13,780.65
Fund Balance, July 1	131,484.45	-	131,484.45	131,484.45	-
Fund Balance, June 30	\$ 23,143.45	-	\$ 23,143.45	\$ 36,924.10	\$ 13,780.65
<b>Recapitulation:</b>					
Designated for Subsequent Year's Expenditures				\$ 23,143.00	
Unrestricted Fund Balance				13,781.10	
				\$ 36,924.10	

STATISTICAL SECTION

## Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. Note that Exhibits J-1 and J-2 are only presented for the last eight fiscal years as the School District's first year of implementation of the Governmental Accounting Standards Board Statement No. 34 was for the fiscal year ended June 30, 2003; thus, ten year comparative financial information is unavailable.

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

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

Source: CAFR Exhibit A-1

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

	Fiscal Year Ended June 30,							
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Expenses:</b>								
Governmental Activities:								
Instruction:								
Regular	\$ 34,914,795	\$ 36,687,064	\$ 35,543,903	\$ 33,376,307	\$ 32,911,503	\$ 32,601,004	\$ 31,988,770	\$ 30,076,868
Special Education	8,566,433	7,739,290	7,158,935	5,971,133	5,253,810	5,081,440	4,231,949	4,360,225
Other Instruction	2,301,655	1,041,211	1,036,544	997,812	881,539	836,112	886,485	860,517
Nonpublic School Programs	1,251	1,038	1,408	1,537	1,537	1,333	1,150	1,037
Community Service Programs	4,112	5,000	5,073	5,218	5,127	5,029	4,933	4,670
Support Services:								
Tuition	4,429,492	4,038,304	4,452,388	5,644,048	5,236,052	5,054,470	4,793,660	3,811,915
Student and Instruction Related Services	8,864,935	7,289,210	6,949,211	6,822,323	6,804,431	6,853,589	6,581,659	6,622,703
School Administrative Services	3,406,533	3,316,860	3,224,783	3,119,234	2,820,997	2,697,140	2,522,094	2,436,914
General and Business Administrative Services	3,267,739	3,388,368	3,352,928	2,826,467	2,842,466	2,978,130	2,898,774	2,721,122
Plant Operations and Maintenance	6,920,385	6,874,832	6,604,800	6,519,187	5,760,362	5,611,145	5,468,576	5,283,157
Pupil Transportation	7,564,362	7,584,227	7,758,031	7,070,077	6,902,266	6,776,056	5,942,930	6,219,871
Unallocated Benefits	20,902,949	18,914,151	20,779,423	20,429,844	17,159,920	14,394,710	14,158,101	13,750,028
Special Schools	132,134	69,257	86,549	87,389	80,396	84,581	59,485	59,306
Transfer to Charter Schools	73,355	39,089	4,478	16,886	10,420	32,509	25,214	16,468
Interest on Long-term Debt	1,381,975	1,580,531	1,546,381	1,499,000	1,496,900	1,601,321	1,312,809	1,773,560
Amortization of Bond Issuance Costs	26,004	30,323	30,983	24,387	22,409	22,409	24,914	26,705
<b>Total Governmental Activities Expenses</b>	<b>102,758,111</b>	<b>98,598,755</b>	<b>98,535,818</b>	<b>94,410,849</b>	<b>88,190,135</b>	<b>84,630,978</b>	<b>80,901,503</b>	<b>78,025,066</b>
Business-type Activities:								
Food Service	2,846,508	3,317,590	3,302,840	3,000,304	3,116,690	2,746,124	2,543,760	2,432,398
Latchkey	1,369,907	1,379,537	1,482,746	1,250,267	1,100,426	1,032,288	983,738	1,004,088
<b>Total Business-type Activities Expense</b>	<b>4,216,415</b>	<b>4,697,127</b>	<b>4,785,586</b>	<b>4,250,571</b>	<b>4,217,116</b>	<b>3,778,412</b>	<b>3,527,498</b>	<b>3,436,486</b>
<b>Total District Expenses</b>	<b>\$ 106,974,525</b>	<b>\$ 103,295,883</b>	<b>\$ 103,321,404</b>	<b>\$ 98,661,420</b>	<b>\$ 92,407,251</b>	<b>\$ 88,409,390</b>	<b>\$ 84,429,001</b>	<b>\$ 81,461,552</b>

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

	Fiscal Year Ended June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
<b>Program Revenues:</b>								
Governmental Activities:								
Charges for Services	\$ 1,535,238	\$ 1,659,218	\$ 1,503,322	\$ 1,521,309	\$ 1,317,263.00	\$ 1,586,121	\$ 1,176,849	\$ 1,573,656
Operating Grants and Contributions	10,767,885	10,800,091	14,407,133	12,488,143	9,908,755	9,778,537	9,351,515	8,632,710
Capital Grants and Contributions		2,323				5,502		
<b>Total Governmental Activities Program Revenues</b>	<b>12,303,123</b>	<b>12,461,632</b>	<b>15,910,455</b>	<b>14,009,452</b>	<b>11,226,018</b>	<b>11,370,159</b>	<b>10,528,364</b>	<b>10,206,367</b>
Business-type activities:								
Charges for Services:								
Food service	1,739,489	1,705,853	1,644,698	1,755,169	1,706,631	1,707,426	1,648,061	1,496,328
Latchkey	1,349,443	1,331,417	1,376,169	1,299,640	1,304,360	1,137,789	1,101,030	1,003,289
Capital Grants and Contributions								
Operating Grants and Contributions	1,217,946	1,190,256	1,167,965	1,040,857	1,006,168	898,791	766,347	711,635
<b>Total Business-type Activities Program Revenues</b>	<b>4,306,878</b>	<b>4,227,526</b>	<b>4,188,832</b>	<b>4,095,666</b>	<b>4,017,159</b>	<b>3,744,006</b>	<b>3,515,438</b>	<b>3,211,252</b>
<b>Total District Program Revenues</b>	<b>\$ 16,610,001</b>	<b>\$ 16,689,158</b>	<b>\$ 20,099,287</b>	<b>\$ 18,105,118</b>	<b>\$ 15,243,177</b>	<b>\$ 15,114,165</b>	<b>\$ 14,043,802</b>	<b>\$ 13,417,619</b>
<b>Net (Expense)/Revenue:</b>								
Governmental Activities	\$ (90,454,987)	\$ (86,137,123)	\$ (82,625,363)	\$ (80,401,397)	\$ (76,964,117)	\$ (73,260,819)	\$ (70,373,139)	\$ (67,818,699)
Business-type Activities	90,463	(469,601)	(596,754)	(154,906)	(199,957)	(34,406)	(12,060)	(225,234)
<b>Total District-wide Net Expense</b>	<b>\$ (90,364,524)</b>	<b>\$ (86,606,724)</b>	<b>\$ (83,222,117)</b>	<b>\$ (80,556,303)</b>	<b>\$ (77,164,074)</b>	<b>\$ (73,295,225)</b>	<b>\$ (70,385,199)</b>	<b>\$ (68,043,933)</b>

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

	Fiscal Year Ended June 30,							
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>General Revenues and Other Changes in Net Assets:</b>								
Governmental Activities:								
Property Taxes Levied for General Purposes, Net	\$ 38,400,784	\$ 38,400,784	\$ 39,707,454	\$ 39,712,435	36,981,817	\$ 36,855,105	\$ 29,682,807	\$ 28,530,568
Taxes Levied for Debt Service	2,442,713	2,469,323	2,188,166	2,183,185	2,132,634	2,096,685	1,890,787	1,610,684
Unrestricted Grants and Contributions	51,536,431	49,070,636	41,468,248	40,578,550	40,291,293	39,245,307	38,518,304	35,203,791
Investment Earnings	121,471	144,421	596,176	815,683	421,059	161,395	71,764	173,968
Other	356,027	581,179	559,911	749,478	774,532	162,898	147,323	57,376
Disposal of Assets	(3,361)	(33,305)	(5,714)	(19,653)	(20,768)	(31,214)	(112,227)	
Arbitrage Rebate					(155,544)		(266,781)	
EDA Grant Receivable Canceled				(300,000)		(192,000)	(387,000)	(250,000)
Transfers	(200,000)	(400,000)	(335,000)	(300,000)				
<b>Total Governmental Activities</b>	<b>92,654,066</b>	<b>90,233,038</b>	<b>84,179,241</b>	<b>83,719,478</b>	<b>80,425,023</b>	<b>78,298,175</b>	<b>69,544,977</b>	<b>65,326,387</b>
Business-type Activities:								
Investment Earnings	12,302	12,117	49,430	68,687	54,254	37,995	12,433	11,508
Other							(29,280)	(662)
Disposal of Assets	200,000	(707)		300,000		192,000	387,000	250,000
Transfers								
<b>Total Business-type Activities</b>	<b>212,302</b>	<b>411,410</b>	<b>384,430</b>	<b>368,687</b>	<b>54,254</b>	<b>229,995</b>	<b>370,153</b>	<b>260,846</b>
<b>Total District-wide</b>	<b>\$ 92,866,367</b>	<b>\$ 90,644,448</b>	<b>\$ 84,563,671</b>	<b>\$ 84,088,165</b>	<b>\$ 80,479,277</b>	<b>\$ 78,528,170</b>	<b>\$ 69,915,130</b>	<b>\$ 65,587,233</b>
<b>Change in Net Assets:</b>								
Governmental Activities	\$ 2,199,078	\$ 4,095,915	\$ 1,553,878	\$ 3,318,081	\$ 3,460,906	\$ 5,037,357	\$ (828,162)	\$ (2,492,312)
Business-type Activities	302,765	(58,191)	(212,324)	213,781	(145,703)	195,589	358,093	35,612
<b>Total District</b>	<b>\$ 2,501,843</b>	<b>\$ 4,037,724</b>	<b>\$ 1,341,554</b>	<b>\$ 3,531,863</b>	<b>\$ 3,315,203</b>	<b>\$ 5,232,945</b>	<b>\$ (470,069)</b>	<b>\$ (2,456,700)</b>

Source: CAFR Exhibit A-2

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**

Fund Balances, Governmental Funds  
Last Eight Fiscal Years (Modified Accrual Basis of Accounting)

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

Source: CAFR Exhibit B-1

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

	Fiscal Year Ended June 30,									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Revenues:</b>										
Tax Levy	\$ 40,843,497	\$ 40,870,107	\$ 41,895,620	\$ 41,895,620	\$ 39,114,451	\$ 38,951,790	\$ 31,573,594	\$ 30,141,252	\$ 26,943,384	\$ 26,597,790
Other Local Revenue	477,498	715,600	1,155,547	1,628,935	1,195,591	324,292	218,906	231,344	247,698	1,060,733
State Sources	50,531,209	56,571,208	52,792,299	50,515,534	47,184,255	46,222,245	45,019,387	41,438,425	47,079,897	38,906,575
Federal Sources	11,773,108	3,301,841	3,083,082	2,551,159	3,015,794	2,807,101	2,850,613	2,463,013	2,665,942	2,191,032
<b>Total Revenue</b>	<b>103,625,312</b>	<b>101,458,757</b>	<b>98,926,548</b>	<b>96,591,248</b>	<b>90,510,090</b>	<b>88,305,428</b>	<b>79,662,500</b>	<b>74,274,035</b>	<b>76,936,921</b>	<b>68,756,129</b>
<b>Expenditures:</b>										
Instruction										
Regular Instruction	33,659,674	35,384,271	34,203,059	32,028,247	31,788,087	31,459,037	30,832,787	28,911,077	28,171,584	25,782,007
Special Education Instruction	8,568,433	7,739,290	7,158,935	5,971,133	5,253,810	5,081,440	4,231,949	4,360,225	4,131,448	4,093,393
Other	512,546	421,003	443,977	441,811	333,077	324,212	341,948	331,088	468,319	358,154
School-Sponsored/Other Instructional	1,759,030	589,350	561,221	524,653	516,848	479,418	511,926	487,046	487,466	411,367
Community Services	4,112	5,000	5,073	5,218	5,127	5,029	4,933	4,670	6,000	1,000
Support Services:										
Tuition	4,429,492	4,038,304	4,452,388	5,644,048	5,236,052	5,054,470	4,793,660	3,811,915	3,668,477	3,121,385
Student and Instruction Related Services	8,859,517	7,285,902	6,946,488	6,819,636	6,801,827	6,851,512	6,580,414	6,622,631	6,431,562	5,798,049
School Administrative Services	3,374,391	3,285,368	3,192,978	3,088,577	2,791,174	2,668,492	2,495,618	2,412,582	2,445,606	2,138,138
Other Administrative Services	3,189,082	3,307,118	3,271,177	2,774,694	2,774,694	2,911,142	2,844,160	2,677,335	2,653,280	2,662,213
Plant Operations and Maintenance	6,655,639	6,833,966	6,573,787	6,490,768	6,023,808	5,874,861	5,662,373	5,365,486	5,347,134	4,654,683
Pupil Transportation	2,701,599	2,814,058	3,123,922	2,736,960	2,893,198	2,036,742	1,602,373	1,602,373	1,602,373	1,602,373
Unallocated Benefits	21,048,536	18,871,959	20,840,078	20,232,199	17,132,536	15,355,259	14,089,142	12,373,457	10,470,046	10,047,367
Special Schools	132,134	69,257	86,549	87,389	80,395	84,581	59,485	59,306	51,785	68,075
Transfer to Charter Schools	73,355	39,089	4,478	16,886	10,420	32,509	25,214	16,468	16,406	17,800
Debt Service:										
Principal	2,950,789	2,750,789	2,450,789	2,320,789	2,180,789	2,010,789	1,875,789	1,370,789	1,345,789	1,369,789
Interest and Other Charges	1,322,621	1,734,282	1,228,338	1,314,966	1,410,138	1,524,646	1,558,062	1,502,066	1,671,914	2,197,556
Capital Outlay	3,296,024	4,075,815	3,830,272	2,572,618	645,578	334,949	4,907,108	7,110,085	3,985,067	12,451,586
<b>Total Expenditures</b>	<b>102,534,975</b>	<b>98,244,821</b>	<b>98,353,509</b>	<b>93,054,738</b>	<b>85,877,560</b>	<b>82,089,088</b>	<b>80,814,570</b>	<b>77,426,225</b>	<b>71,351,884</b>	<b>75,172,563</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,090,337	2,213,936	573,039	3,536,511	4,632,531	6,216,340	(1,152,070)	(3,152,190)	5,585,037	(6,416,434)
<b>Other Financing Sources (Uses):</b>										
Capital Leases (Non-budgeted)										
Sale of Bonds				7,806,000		38,164	453,248	9,165,000	6,944,000	27,193
Premium on Sale of Bonds							699,401	378,579		
Payment to Refunded Debt Escrow Agent							(14,007,381)	(9,502,171)		
Arbitrage Rebate							(266,781)			
Accrued Interest on Sale of Bonds							(157,020)	13,628	20,268	
Costs of Issuance								(122,408)		
Accounts Receivable/Payable Canceled					(155,544)					
Transfers In	2,044,906	3,672,865	108,340	124,288	6,944	11,575	11,575	341,061	42,000	140,009
Transfers Out	(5,347,045)	(7,488,616)	(3,477,644)	(3,326,786)	(2,680,996)	(3,386,106)	(5,214,574)	(5,426,845)	(4,828,929)	(4,566,753)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,302,139)</b>	<b>(3,815,751)</b>	<b>(3,369,304)</b>	<b>4,603,502</b>	<b>(2,829,596)</b>	<b>(3,347,942)</b>	<b>(5,316,531)</b>	<b>(5,153,155)</b>	<b>2,204,533</b>	<b>(4,426,744)</b>
<b>Net Change in Fund Balances</b>	<b>(2,211,802)</b>	<b>(1,601,815)</b>	<b>(2,796,265)</b>	<b>8,140,013</b>	<b>1,802,935</b>	<b>2,868,399</b>	<b>(6,468,601)</b>	<b>(8,305,345)</b>	<b>7,789,569</b>	<b>(10,843,178)</b>
Debt Service as a Percentage of Noncapital Expenditures	4.3%	4.7%	3.9%	4.0%	4.2%	4.3%	4.5%	4.1%	4.5%	5.7%

Source: CAFR Exhibit B-2

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

	Fiscal Year Ended June 30,									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Tuition	\$ 12,351.57	\$ 60,138.64	\$ 21,568.00	\$ 7,160.00	\$ 58,950.26	\$ 453.00	\$ 9,356.24	\$ 17,742.70	\$ 13,631.39	\$ 9,003.60
Prior Year Tuition Adjustments		7,594.00		30,407.41	2,670.00					
Homeless Tuition		4,410.24	40,566.83	12,790.88	39,547.52	23,455.88	12,787.62			
Printing							39.00			
Property Transfer	8,792.11	8,305.23		4,777.57	1.00	237.00		1.00		2.00
Sale of Surplus Items					8,685.67			559.69		278.00
Book Sale								452.95	230.00	1,150.00
Rentals	150,000.00	153,700.00	183,300.00	125,000.00	25,000.00	25,000.00	20,000.00			1,000.00
Bid Specifications/OPRA	460.06	857.50	130.00	115.00	136.00	136.00	80.00	219.00	100.00	595.00
Cancellation of Accounts Payable	1,012.47	33,918.69	2,696.31	110,891.26	150.50	354.59		3,841.40	10,413.05	5,815.49
Cancellation of Unexpended Grant Balances							298.40			
Various Refunds	50,294.95	143,703.30	175,049.15	418,783.08	589,104.79	99,456.34	90,280.91	25,400.98	37,814.93	15,638.97
Refund of Prior Year Expense	76,965.49	19,929.00	20,542.67							
Special Education Self Assessment Reimbursement										12,000.00
Administrative Fees	3,550.03	6,605.43	2,605.69	4,017.92		197.40	685.49	169.18	518.91	488.22
Unallocated Payroll Deductions	899.00	619.23	1,273.85	16,951.34	13,677.05				65.58	363.21
Cancellation of Prior Year Outstanding Checks	3,049.04	5,784.73	6,497.19	2,054.26	2,026.73	1,447.94	1,276.09	2,052.40		35,498.79
Various Fines and Fees		4,190.00				6,259.28		6,937.15		
Settlements										
Unexpended Escrow Funds										
Summer School Fees	5,575.00		10,350.00	4,025.00	1,360.56	3,300.00	7,913.49	4,425.00		
Cancellation of Department of Instruction Account						2,600.00				
Crossing Control Arm										
E-Rate	43,076.93	121,423.10	94,771.59	26,379.28	14,671.77	25.86	12.48	15.91	8.82	
Interest Earned on Capital Reserve Funds	33,677.81	28,783.71	35,131.57							
Interest Earned on Maintenance Reserve Funds	6,942.99	4,149.40								
Interest Earned on Emergency Reserve Funds	3,205.03	1,970.60								
Interest Earned on Deposits	63,864.94	86,375.37	452,704.17	665,015.57	414,115.16	158,343.76	61,062.95	77,751.22	141,073.01	335,258.74
Total Miscellaneous Revenues	\$ 463,717.42	\$ 692,458.17	\$ 1,047,207.02	\$ 1,428,368.57	\$ 1,188,646.73	\$ 321,267.05	\$ 208,217.67	\$ 135,143.58	\$ 203,855.69	\$ 417,092.02

Source: District Records

## Revenue Capacity Information

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

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

Year Ended Dec. 31	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Taxable Value of Partial Exemptions and Abatements	Real Property Exempt from Taxation	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2010 (3)	\$ 48,611,000.00	\$ 3,922,541,150.00	\$ 7,735,800.00	\$ 317,979,100.00	\$ 60,852,900.00	\$ 166,205,500.00	4,523,925,450.00	\$ 11,677,300.00	\$ 4,535,602,750.00	\$ 2,842,050.00	\$ 777,355,900.00	\$ 4,619,464,477.00	0.922
2009	25,485,900.00	2,145,192,600.00	4,312,600.00	153,492,500.00	32,643,200.00	85,262,700.00	2,446,389,500.00	5,923,640.00	2,452,313,140.00	1,545,300.00	418,139,400.00	4,685,905,072.00	1.667
2008	25,716,200.00	2,140,088,300.00	4,313,700.00	151,720,300.00	32,694,200.00	85,262,700.00	2,439,795,400.00	5,820,631.00	2,445,316,031.00	1,602,200.00	410,586,000.00	4,820,589,508.00	1.692
2007	24,462,900.00	2,125,453,500.00	4,277,200.00	148,503,800.00	33,918,700.00	82,508,000.00	2,419,124,100.00	6,055,577.00	2,425,179,677.00	1,430,600.00	404,633,900.00	4,764,384,192.00	1.727
2006	27,896,100.00	2,094,399,900.00	4,306,400.00	142,600,400.00	34,229,100.00	83,623,300.00	2,387,157,200.00	6,561,812.00	2,393,719,012.00	29,266,200.00	357,221,532.00	4,355,545,698.00	1.693
2005	30,229,100.00	2,070,257,700.00	4,669,300.00	145,046,600.00	34,200,800.00	83,623,300.00	2,368,026,800.00	8,338,470.00	2,376,365,270.00	29,440,900.00	355,692,286.00	3,900,558,720.00	1.643
2004	32,768,701.00	2,033,132,300.00	4,165,500.00	137,553,300.00	34,828,300.00	83,623,300.00	2,326,071,401.00	9,521,991.00	2,335,593,392.00	12,913,300.00	354,306,483.00	3,201,605,703.00	1.510
2003	31,655,601.00	2,009,770,400.00	4,408,500.00	139,050,900.00	32,061,900.00	83,623,300.00	2,299,570,601.00	10,977,715.00	2,310,548,316.00	15,712,400.00	344,077,775.00	2,813,964,796.00	1.336
2002	33,215,500.00	1,972,531,500.00	4,746,200.00	136,240,800.00	32,061,900.00	83,623,300.00	2,262,419,200.00	10,819,925.00	2,273,239,125.00	8,569,100.00	344,510,029.00	2,549,725,996.00	1.256
2001	36,812,300.00	1,933,195,200.00	4,785,000.00	128,546,000.00	28,549,300.00	83,400,900.00	2,215,288,700.00	10,708,167.00	2,226,996,867.00	19,778,800.00	340,179,910.00	2,356,169,999.00	1.204

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

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

(3) Revaluation

Source: Camden County Board of Taxation

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(Rate per \$100 of Assessed Value)

*Unaudited*

Year Ended Dec. 31	District Direct Rate			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Regional High School District	Township of Gloucester	Township of Gloucester Fire Districts	Camden County	
2010 (1)	0.865	0.058	0.922	0.499	0.887	0.708	0.682	3.698
2009	1.567	0.100	1.667	0.888	1.448	1.294	1.239	6.536
2008	1.597	0.095	1.692	0.939	1.116	1.259	1.257	6.263
2007	1.636	0.090	1.727	0.981	1.040	1.211	1.287	6.246
2006	1.603	0.090	1.693	0.924	0.927	1.187	1.336	6.067
2005	1.554	0.089	1.643	0.867	1.009	1.085	1.139	5.743
2004	1.424	0.085	1.510	0.745	0.920	1.006	1.080	5.261
2003	1.260	0.076	1.336	0.617	0.799	0.994	1.088	4.834
2002	1.196	0.060	1.256	0.560	0.725	0.978	1.024	4.543
2001	1.151	0.053	1.204	0.477	0.675	1.049	0.974	4.379

(1) Revaluation

Source: Municipal Tax Collector

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

Taxpayer	2010 (1)			2001		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Autumn Ridge Apartments	\$ 39,043,100.00	1	0.86%	\$ 19,168,000.00	1	0.86%
Lakeview Apartments	33,022,700.00	2	0.73%	17,402,000.00	2	0.78%
Millbridge Apartments	30,841,600.00	3	0.68%	15,480,300.00	3	0.70%
Group IV Equities	20,255,200.00	4	0.45%	12,464,800.00	4	0.56%
Korman Cherrywood Apartments	19,872,000.00	5	0.44%	10,914,600.00	5	0.49%
Inland Western Gloucester Cross Keys	18,165,200.00	6	0.40%			
Chews Landing Investors (Market Place)	16,209,900.00	7	0.36%	7,800,000.00	6	0.35%
Fairways Apartments	16,145,500.00	8	0.36%	5,625,800.00	8	0.25%
Benderson Development	13,976,600.00	9	0.31%			
Clinton Blackwood	13,288,900.00	10	0.29%	6,602,900.00	7	0.30%
Pine Run Commerce Center				4,350,600.00	9	0.20%
Zallies Supermarket (Shop Rite)				3,522,000.00	10	0.16%
Jamestown Square Apartments						
<b>Total</b>	<b>\$ 220,820,700.00</b>		<b>4.87%</b>	<b>\$ 103,331,000.00</b>		<b>4.64%</b>

(1) Revaluation

Source: Municipal Tax Assessor

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

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<u>Fiscal Year Ended June 30,</u>	<u>School District Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2010	\$ 40,843,497.00	\$ 40,843,497.00	100.00%	-
2009	40,870,107.00	40,870,107.00	100.00%	-
2008	41,895,620.00	41,895,620.00	100.00%	-
2007	41,895,620.00	41,895,620.00	100.00%	-
2006	39,114,451.00	39,114,451.00	100.00%	-
2005	38,951,790.00	38,951,790.00	100.00%	-
2004	31,573,594.00	31,573,594.00	100.00%	-
2003	30,141,252.00	30,141,252.00	100.00%	-
2002	26,943,384.00	26,943,384.00	100.00%	-
2001	26,597,790.00	26,597,790.00	100.00%	-

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

Source: District Records

## Debt Capacity Information

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

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

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Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>		<u>Total District</u>	Percentage of Personal <u>Income (2)</u>	<u>Per Capita (3)</u>
	<u>General Obligation Bonds (1)</u>	<u>Capital Leases</u>			
2010	\$ 29,638,157.95		\$ 29,638,157.95	Unavailable	\$ 458.09
2009	32,588,947.42	\$ 187,040.51	32,775,987.93	1.23%	505.79
2008	35,339,736.89	537,813.41	35,877,550.30	1.38%	551.17
2007	37,770,526.36	335,164.12	38,105,690.48	1.52%	583.07
2006	32,285,315.83	206,842.63	32,492,158.46	1.38%	499.64
2005	34,466,105.30	844,780.40	35,310,885.70	1.57%	545.11
2004	36,476,894.77	995,574.04	37,472,468.81	1.72%	580.18
2003	37,836,684.24	735,475.27	38,572,159.51	1.84%	598.15
2002	38,822,473.71	971,124.27	39,793,597.98	1.97%	622.97
2001	33,224,263.18	1,568,804.24	34,793,067.42	1.85%	548.78

## Sources:

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding (1)	Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions			
2010 (4)	\$ 29,638,157.95	-	\$ 29,638,157.95	0.65%	\$458.09
2009	32,588,947.42	-	32,588,947.42	1.33%	502.91
2008	35,339,736.89	-	35,339,736.89	1.45%	542.90
2007	37,770,526.36	-	37,770,526.36	1.56%	577.95
2006	32,285,315.83	-	32,285,315.83	1.35%	496.46
2005	34,466,105.30	-	34,466,105.30	1.45%	532.07
2004	36,476,894.77	-	36,476,894.77	1.56%	564.76
2003	37,836,684.24	-	37,836,684.24	1.64%	586.74
2002	38,822,473.71	-	38,822,473.71	1.71%	607.77
2001	33,224,263.18	-	33,224,263.18	1.49%	524.03

**Sources:**

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

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2009  
*Unaudited*

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Gloucester Township</u>	<u>Debt Authorized but not issued</u>
Municipal Debt: (1)					
Gloucester Township School District (1)	\$ 29,863,157.95	\$ 29,863,157.95			
Black Horse Pike Regional School District (1) (2)	22,811,740.81	22,811,740.81			
Gloucester Township (3)	<u>39,741,815.34</u>		<u>\$ 39,741,815.34</u>	<u>\$ 39,741,815.34</u>	<u>\$ 3,299,053.00</u>
	<u>92,416,714.10</u>	<u>52,674,898.76</u>	<u>39,741,815.34</u>	<u>39,741,815.34</u>	<u>3,299,053.00</u>
Overlapping Debt Apportioned to the Municipality:					
County of Camden: (1)					
General:					
Bonds	24,809,403.00		15,221,781.00	1,724,531.19 (6)	
Loan Agreements	72,290,000.00	9,587,622.00 (4)	72,290,000.00	8,189,998.24 (6)	
Bonds Issued by Other Public Bodies Guaranteed by the County	740,854,752.00	740,854,752.00 (5)			
Gloucester Township Municipal Utilities Authority(1)	14,303,696.00		14,303,696.00	14,303,696.00	
Gloucester Township Fire Districts (1)	<u>1,080,000.00</u>		<u>1,080,000.00</u>	<u>1,080,000.00</u>	
	<u>853,337,851.00</u>	<u>750,442,374.00</u>	<u>102,895,477.00</u>	<u>25,298,225.43</u>	<u>-</u>
	<u>\$ 945,754,565.10</u>	<u>\$ 803,117,272.76</u>	<u>\$ 142,637,292.34</u>	<u>\$ 65,040,040.77</u>	<u>\$ 3,299,053.00</u>

Sources:

- (1) Entity's Audit Report
  - (2) Allocated based on percentage of average equalized valuations
  - (3) Township Officials
  - (4) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
  - (5) Deductible in accordance with N.J.S. 40:37A-80.
  - (6) Such debt is allocated as a proportion of the Township's share of the total 2009 Equalized Value, which is 11.33%.
- The source for this computation was the 2009 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

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

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

	Fiscal Year Ended June 30,										2001
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2001
Debt limit	\$ 142,563,589.24	\$ 139,223,612.78	\$ 129,995,126.52	\$ 114,332,877.48	\$ 98,872,910.43	\$ 85,339,768.64	\$ 76,873,549.84	\$ 71,188,280.68	\$ 67,332,445.02	\$ 64,567,378.58	\$ 64,567,378.58
Total net debt applicable to limit (3)	29,638,157.95	32,588,947.42	35,339,736.89	37,770,526.36	32,285,315.83	34,466,105.30	36,476,894.77	37,836,684.24	38,822,473.71	33,224,263.18	33,224,263.18
Legal debt margin	\$ 112,925,431.29	\$ 106,634,665.36	\$ 94,655,389.63	\$ 76,562,351.12	\$ 66,587,594.60	\$ 50,873,663.34	\$ 40,396,655.07	\$ 33,351,596.44	\$ 28,509,971.31	\$ 31,343,115.40	\$ 31,343,115.40
Total net debt applicable to the limit as a percentage of debt limit	20.79%	23.41%	27.19%	33.04%	32.65%	40.39%	47.45%	53.15%	57.66%	51.46%	51.46%

	Average equalized valuation of taxable property	\$ 4,752,119,641
	Debt limit (3% of average equalization value) (2)	\$ 142,563,589
	Total Net Debt Applicable to Limit	29,638,158
	Legal Debt Margin	\$ 112,925,431

	Equalized Valuation Basis (1)	4,752,119,641
	2009	\$ 4,682,981,432
	2008	4,815,068,877
	2007	4,758,308,615
	2006	\$ 4,752,119,641

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

## Demographic and Economic Information

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

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

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<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	County of Camden Per Capita Personal Income (3)	<u>Unemployment Rate (4)</u>
2009	64,700	Unavailable	Unavailable	8.7%
2008	64,801	\$ 2,672,004,434.00	\$ 41,234.00	3.2%
2007	65,094	2,607,144,888.00	40,052.00	2.7%
2006	65,353	2,515,044,852.00	38,484.00	2.7%
2005	65,031	2,349,439,968.00	36,128.00	2.4%
2004	64,777	2,255,923,802.00	34,826.00	4.8%
2003	64,588	2,175,130,076.00	33,677.00	5.4%
2002	64,486	2,094,440,794.00	32,479.00	5.2%
2001	63,877	2,019,215,847.00	31,611.00	3.7%
2000	63,401	1,881,171,071.00	29,671.00	3.5%

## Sources:

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

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

<u>Employer</u>	<u>2010</u>		<u>2001 (1)</u>		<u>Percentage of Total Municipal Employment</u>
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>	
Metrologic Corp.	500	1			
U.S. Vision	350	2			
Zallie Supermarkets	300	3			
Freeland Associates	255	4			
Super G	225	5			
Blackwell North America	180	6			
Wastequip/Accurate Industries	150	7			
K-Mart	100	8			
A.L. Hyde Company	95	9			
Reliable Tire	77	10			
	<u>2,232</u>				
					<u>-</u>

(1) Information not available

Source: Township Official Statement

## Operating Information

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

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

Function/Program	Fiscal Year Ended June 30,									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Instruction:										
Teachers	572.0	564.0	589.0	608.0	578.0	583.0	577.0	568.0	563.5	526.0
Classroom Aides	108.0	129.0	107.0	99.0	104.0	104.0	99.0	99.0	103.5	85.5
Support Services:										
Attendance and Social Work services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Health Services	22.0	13.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	10.0
Related Services	20.0	18.0	16.0	11.0	11.0	10.0	10.0	10.0	9.0	7.0
Extraordinary Services	-	-	-	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Guidance Services	22.0	22.0	20.5	20.5	20.5	20.5	20.5	20.5	18.5	17.0
Child Study Team Services	24.0	22.0	20.0	24.0	24.0	23.0	23.0	23.0	20.5	20.5
Improvement of Instruction Services	22.0	20.0	10.0	12.0	12.0	12.0	12.0	12.0	11.0	7.0
Media/Library Services	11.0	10.0	7.0	7.0	7.0	10.0	10.0	10.0	10.0	9.0
Instructional Staff Training Services	-	-	-	1.0	1.0	1.0	1.0	-	-	-
General Administrative Services	2.0	2.0	3.0	2.0	2.0	2.0	3.0	9.0	9.0	9.0
School Administrative Services	55.0	55.0	54.0	49.0	49.0	49.0	49.0	49.0	49.0	45.0
Central Services	19.0	19.0	4.0	3.0	3.0	5.0	23.0	-	-	-
Administrative Information Technology	12.0	13.0	15.0	18.0	17.0	18.0	10.0	-	-	-
Plant Operations and Maintenance Services	82.0	84.0	81.0	91.0	9.0	10.0	82.0	82.0	82.0	78.0
Student Transportation Services	20.0	20.0	24.0	81.0	81.0	81.0	87.0	87.0	87.0	100.0
Business and Other Support Services	20.0	20.0	20.0	86.0	87.0	87.0	-	29.0	28.0	28.0
Various Other Functions	87.0	88.0	81.0	88.0	90.0	90.0	90.0	90.0	90.0	92.0
Food Service	67.0	69.0	45.0	57.0	58.0	58.0	57.0	56.0	54.0	51.0
Latchkey	43.0	43.0	53.0	45.0	42.0	46.0	43.0	48.0	43.0	37.0
<b>Total</b>	<b>1,209.0</b>	<b>1,212.0</b>	<b>1,161.5</b>	<b>1,316.5</b>	<b>1,209.5</b>	<b>1,223.5</b>	<b>1,210.5</b>	<b>1,206.5</b>	<b>1,192.0</b>	<b>1,125.0</b>

Source: Annual School District Budget Statement Supporting Documentation

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**

Operating Statistics  
Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2010	7,421	\$ 94,965,541.06	\$ 12,796.87	6.60%	564	19.4	23.3	7,428.90	7,066.50	-1.41%	95.10%
2009	7,554	90,683,934.07	12,004.76	0.95%	564	19.6	23.8	7,535.30	7,170.70	-1.13%	95.40%
2008	7,641	90,864,109.50	11,891.65	6.28%	548	20.2	23.7	7,621.20	7,268.40	-1.70%	95.40%
2007	7,762	86,846,364.06	11,188.66	7.65%	544	20.6	24.9	7,753.20	7,392.90	-1.15%	95.40%
2006	7,855	81,641,054.34	10,393.51	5.93%	578	21.1	25.1	7,843.70	7,466.60	-0.98%	95.20%
2005	7,972	78,218,703.73	9,811.68	8.20%	583	20.8	25.3	7,921.20	7,543.60	-0.76%	95.23%
2004	7,992	72,473,609.75	9,068.27	8.48%	577	21.0	26.0	7,981.70	7,609.60	-0.44%	95.34%
2003	8,068	67,443,284.36	8,359.36	4.52%	568	21.0	25.0	8,016.80	7,640.00	-0.14%	95.30%
2002	8,046	64,349,113.69	7,997.65	8.32%	564	23.0	23.0	8,028.30	7,658.50	0.39%	95.39%
2001	8,012	59,153,631.12	7,383.13	6.43%	526	24.0	25.0	7,997.10	7,604.00	0.89%	95.08%

Sources: District Records

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

	Fiscal Year Ended June 30,									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>District Buildings:</b>										
<b>Elementary Schools:</b>										
Blackwood (1958)	67,565	67,565	67,565	67,565	67,565	67,565	67,565	67,565	67,565	67,565
Square Feet	850	850	850	850	850	850	850	850	850	850
Capacity (students)	669	670	727	719	713	912	623	633	651	723
Enrollment										
Chews (1958)	76,676	76,676	76,676	76,676	76,676	76,676	76,676	76,676	76,676	76,676
Square Feet	925	925	925	925	925	925	925	925	925	925
Capacity (students)	824	829	831	839	839	892	823	825	876	875
Enrollment										
Erial (1961)	76,202	76,202	76,202	76,202	76,202	76,202	76,202	76,202	76,202	76,202
Square Feet	925	925	925	925	925	925	925	925	925	925
Capacity (students)	758	804	795	777	776	813	771	731	685	683
Enrollment										
Glendora (1922)	32,906	32,906	32,906	32,906	32,906	32,906	32,906	32,906	32,906	32,906
Square Feet	350	350	350	350	350	350	350	350	350	350
Capacity (students)	272	290	275	274	279	283	269	265	255	271
Enrollment										
Gloucester Township (1926)	37,684	37,684	37,684	37,684	37,684	37,684	37,684	37,684	37,684	37,684
Square Feet	350	350	350	350	350	350	350	350	350	350
Capacity (students)	296	285	293	266	274	262	263	283	282	291
Enrollment										
J.W. Lilley (1986)	67,812	67,812	67,812	67,812	67,812	67,812	67,812	67,812	67,812	67,812
Square Feet	925	925	925	925	925	925	925	925	925	925
Capacity (students)	634	644	664	686	667	736	741	783	786	765
Enrollment										
Loring-Flemming (1976)	75,150	75,150	75,150	75,150	75,150	75,150	75,150	75,150	75,150	75,150
Square Feet	975	975	975	975	975	975	975	975	975	975
Capacity (students)	713	713	725	754	764	794	821	835	831	869
Enrollment										
Union Valley (2001)	88,841	88,841	88,841	88,841	88,841	88,841	88,841	88,841	88,841	88,841
Square Feet	925	925	925	925	925	925	925	925	925	925
Capacity (students)	627	630	650	679	667	716	717	760	778	785
Enrollment										

(Continued)

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

	Fiscal Year Ended June 30,									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>District Buildings:</b>										
<b>Middle Schools:</b>										
C.W. Lewis (1964)	133,119	133,119	133,119	133,119	133,119	133,119	133,119	125,030	125,030	125,030
Square Feet	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Capacity (students)	626	638	646	709	714	716	744	782	845	827
Enrollment										
Glen Landing (1971)	131,646	131,646	131,646	131,646	131,646	131,646	131,646	117,636	117,636	117,636
Square Feet	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Capacity (students)	873	889	891	883	886	916	917	925	917	919
Enrollment										
Ann A. Mullen (1996)	173,342	173,342	173,342	173,342	173,342	173,342	173,342	137,966	137,966	137,966
Square Feet	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,100	1,100	1,100
Capacity (students)	1,129	1,162	1,144	1,176	1,174	1,149	1,182	1,151	1,070	1,006
Enrollment										
<b>Other:</b>										
Administration Office (1955)	7,440	7,440	7,440	7,440	7,440	7,440	7,440	7,440	7,440	7,440
Square Feet										
Miranda Building (1923)	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300
Square Feet										
Maintenance/Transportation Building (1970)	18,716	18,716	18,716	18,716	18,716	18,716	18,716	18,716	18,716	18,716
Square Feet										
Grenloch Building (1916)	9,492	9,492	9,492	9,492	9,492	9,492	9,492	9,492	9,492	9,492
Square Feet										

Number of Schools at June 30, 2010  
 Elementary = 8  
 Middle School = 3  
 Other = 4

Source: District Records

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

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

School Facilities	Project # (s)	Fiscal Year Ended June 30,									
		2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Blackwood Elementary School	N/A	\$ 26,396.00	\$ 25,722.68	\$ 27,136.00	\$ 27,762.00	\$ 28,201.00	\$ 37,945.00	\$ 63,394.00	\$ 40,600.56	\$ 228,000.29	\$ 181,816.55
C.W. Lewis Middle School	N/A	51,352.00	47,846.28	73,530.00	75,226.00	52,185.00	70,217.00	73,559.00	106,973.76	421,917.79	336,454.13
Chews Elementary School	N/A	28,516.00	39,107.21	21,446.00	21,941.00	32,004.00	43,062.00	54,717.00	54,497.31	258,745.65	206,334.13
Enral Elementary School	N/A	31,629.00	29,294.76	45,518.00	46,568.00	31,805.00	42,795.00	44,604.00	69,883.63	257,146.12	205,058.60
Glen Landing Middle School	N/A	40,289.00	50,256.34	56,898.00	58,658.00	49,099.00	66,065.00	70,186.00	168,534.88	396,966.50	316,556.97
Glendora Elementary School	N/A	12,448.00	19,857.79	24,072.00	24,628.00	14,053.00	18,909.00	27,753.00	37,605.90	113,620.51	90,605.54
Gloucester Township Elementary School	N/A	18,923.00	18,238.16	24,948.00	25,523.00	15,713.00	21,143.00	28,782.00	17,508.60	127,044.40	101,310.29
J.W. Lilley Elementary School	N/A	25,053.00	27,393.04	41,579.00	42,538.00	28,303.00	38,083.00	40,463.00	36,457.90	228,833.79	182,481.22
Loring-Fleming Elementary School	N/A	37,082.00	94,743.36	41,142.00	42,091.00	31,366.00	42,204.00	45,381.00	51,455.60	253,596.11	202,227.69
Ann A. Mullen Middle School	N/A	103,287.00	77,546.06	31,950.00	32,687.00	57,585.00	77,482.00	81,057.00	99,157.80	465,570.74	371,264.74
Union Valley Elementary School	N/A	31,703.00	34,809.82	26,261.00	26,866.00	36,932.00	49,693.00	58,264.00	45,298.74	298,582.01	238,101.24
<b>Total School Facilities</b>		<b>406,678.00</b>	<b>464,815.50</b>	<b>414,480.00</b>	<b>424,488.00</b>	<b>377,246.00</b>	<b>507,598.00</b>	<b>588,160.00</b>	<b>727,974.68</b>	<b>3,050,023.91</b>	<b>2,432,211.08</b>
Other Facilities		6,782.00	38,630.72	23,198.00	23,284.00	19,178.00	25,804.00	220,849.00	123,774.44	155,053.02	123,645.48
<b>Grand Total</b>		<b>\$ 413,460.00</b>	<b>\$ 503,446.22</b>	<b>\$ 437,678.00</b>	<b>\$ 447,772.00</b>	<b>\$ 396,424.00</b>	<b>\$ 533,402.00</b>	<b>\$ 809,009.00</b>	<b>\$ 851,749.12</b>	<b>\$ 3,205,076.93</b>	<b>\$ 2,555,856.56</b>

Source: District Records

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Insurance Schedule  
June 30, 2010  
*Unaudited*

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	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property		
Blanket Building & Contents	\$ 179,394,854.00	\$ 1,000.00
Equipment		
Audio Visual	908,930.00	250.00
Lab/Science/Engineer	132,357.00	250.00
Data Processing	5,453,995.00	250.00
Communications	150,000.00	250.00
Boiler and Machinery		
Property Damage	179,394,854.00	1,000.00
Employee Dishonesty - Per Employee	100,000.00	
Comprehensive General Liability		
General	2,000,000.00	
Products/Completed Operations	1,000,000.00	
Personal and Advertising Injury - Per Occurrence	1,000,000.00	
Employee Benefits - Per Claim	1,000,000.00	
Employee Benefits	3,000,000.00	1,000.00
Sexual Abuse and Molestation - Per Claim	1,000,000.00	
Sexual Abuse and Molestation	3,000,000.00	
Educators Legal Liability Policy - Per Claim	1,000,000.00	
Educators Legal Liability Policy	2,000,000.00	
Comprehensive Automobile Liability	1,000,000.00	10,000.00
Umbrella Liability		
Umbrella Policy	10,000,000.00	
Workers Compensation		
Specific Retention--Each Accident	350,000.00	
Aggregate Limit	1,000,000.00	
Student Accident	1,000,000.00	

Source: School District Records

SINGLE AUDIT SECTION

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

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

**Compliance**

We have audited the Gloucester Township School District's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2010. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the Gloucester Township School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2010.

**Internal Control Over Compliance**

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

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

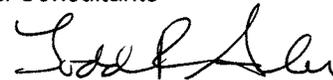
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did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

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

Respectfully submitted,



BOWMAN & COMPANY LLP  
 Certified Public Accountants  
 & Consultants



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

Voorhees, New Jersey  
 November 30, 2010

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended June 30, 2010

Pass-through Grantor/Program Title	CFDA Number	State Project Number	Award Amount	Grant Period		Balance June 30, 2009
				From	To	
General Fund:						
U.S. Department of Education:						
Passed-through the State Department of Education:						
ARRA--SFSF - ESF (Educ. State Grants)	84.394	N/A	\$ 7,980,016.00	7-1-09	6-30-10	
ARRA--SFSF - GSF (Government Services)	84.397	N/A	308,918.00	7-1-09	6-30-10	
U.S. Department of Health and Human Services:						
Passed-through the State Department of Education:						
Special Education--Medicaid Initiative	93.778	N/A	209,260.81	7-1-09	6-30-10	
Special Education--Medicaid Initiative	93.778	N/A	101,876.14	7-1-08	6-30-09	\$ (46,892.37)
Total General Fund						(46,892.37)
Special Revenue Fund:						
U.S. Department of Education:						
Passed-through State Department of Education:						
N.C.L.B.:						
Title I	84.010	NCLB178010	1,040,252.00	9-1-09	8-31-10	
Title I	84.010	NCLB178009	1,027,527.00	9-1-08	8-31-09	(271,798.49)
ARRA--Title I	84.389	ARRA178010	615,674.00	7-1-09	8-31-11	
Title I School Improvement	84.010	NCLB178010	3,355.00	9-1-09	8-31-10	
Title I School Improvement	84.010	NCLB178009	23,892.00	9-1-08	8-31-09	(7,350.11)
Title II - Part A	84.367	NCLB178010	255,269.00	9-1-09	8-31-10	
Title II - Part A	84.367	NCLB178009	214,115.00	9-1-08	8-31-09	(38,323.47)
Title II - Part D	84.318	NCLB178007	16,090.00	9-1-06	8-31-07	8,672.00
Title II - Part D	84.318	NCLB178010	16,930.00	9-1-09	8-31-10	
Title II - Part D	84.318	NCLB178009	9,160.00	9-1-08	8-31-09	(219.00)
Title III	84.365	NCLB178010	20,569.00	9-1-09	8-31-10	
Title III	84.365	NCLB178009	19,721.00	9-1-08	8-31-09	(8,621.75)
Title IV	84.186	NCLB178010	34,721.00	9-1-09	8-31-10	
Title IV	84.186	NCLB178009	29,581.00	9-1-08	8-31-09	(4,695.50)
Title V	84.298	NCLB178009	52,967.00	9-1-08	8-31-09	(23,438.66)
I.D.E.I.A. Part B:						
Basic	84.027	IDEIA178010	1,807,341.00	9-1-09	8-31-10	
Basic	84.027	IDEIA178009	2,051,912.00	9-1-08	8-31-09	(601,506.27)
ARRA--Basic	84.391	ARRA178010	1,914,478.00	7-1-09	8-31-11	
Basic - Autism In-District Program Grant	84.027A	08-100-034-5060-053-H070	57,561.00	7-1-08	6-30-09	6,204.73
Pre-School	84.173	IDEA178010	69,525.00	9-1-09	8-31-10	
Pre-School	84.173	IDEA178009	75,887.00	9-1-08	8-31-09	(5,696.93)
ARRA--Preschool	84.392	ARRA178010	69,076.00	7-1-09	8-31-11	
Pre-School	84.173	IDEA178008	130,953.00	9-1-07	8-31-08	2,832.00
Total Special Revenue Fund						(943,941.45)
Enterprise Fund:						
U.S. Department of Agriculture:						
Passed-through State Department of Education:						
Child Nutrition Cluster:						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program	10.555	Unavailable	93,883.75	7-1-09	6-30-10	
Cash Assistance:						
School Breakfast Program	10.553	Unavailable	183,678.66	7-1-09	6-30-10	
Special Milk Program	10.556	Unavailable	8,569.64	7-1-09	6-30-10	
After School Snack Program	10.555	Unavailable	8,279.17	7-1-09	6-30-10	
National School Lunch Program	10.555	Unavailable	862,841.33	7-1-09	6-30-10	
Total Enterprise Fund:						-
Total Federal Financial Assistance						\$ (990,833.82)

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

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

Carryover Amount	Cash Received	Adjustments (A)	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2010		
					Accounts Receivable	Deferred Revenue	Due to Grantor
	\$ 7,980,016.00 308,918.00		\$ 7,980,016.00 308,918.00				
	166,341.86 46,892.37		209,260.81		\$ (42,918.95)		
-	8,502,168.23	-	8,498,194.81	-	(42,918.95)	-	-
\$ 108,243.00 (108,243.00)	446,915.00 401,377.00 6,070.00	\$ 15.06 (7,350.51) (0.21)	976,179.04 13,728.00 66,739.79		(421,005.98)	\$ 257.00	
13,262.00 (13,262.00)	100,318.00 28,255.00	7,350.11 (0.22) 0.47	241,819.45		(128,239.67) (23,330.00)		
	2,199.00 219.00		7,351.00	\$ 8,672.00	(5,152.00)		
2,614.00 (2,614.00)	6,784.00 11,236.00	(0.26) (0.25)	15,353.74		(5,956.00)		
12,624.00 (12,624.00)	1,779.00 17,319.00 23,439.00	(0.36) 0.50 (0.34)	22,089.64		(7,687.00)		
	1,450,211.00 635,460.00 46,052.00 4,065.00 41,150.00 5,880.00	(0.40)   (0.73) 0.75	1,788,020.60  68,338.00 63,397.00	33,082.00 10,269.00 999.00	(337,810.00)  (22,286.00) (22,247.00) (815.18)	871.73	
				2,832.00			
-	3,228,728.00	13.61	3,263,016.26	55,854.00	(1,035,198.83)	1,128.73	-
	93,883.75		93,883.75				
	167,643.82 7,952.26 7,593.83 798,341.94		183,678.66 8,569.64 8,279.17 862,841.33		(16,034.84) (617.38) (685.34) (64,499.39)		
-	1,075,415.60	-	1,157,252.55	-	(81,836.95)	-	-
\$ -	\$ 12,806,311.83	\$ 13.61	\$ 12,918,463.62	\$ 55,854.00	\$ (1,159,954.73)	\$ 1,128.73	\$ -

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance  
 For the Fiscal Year Ended June 30, 2010

State Grantor/ Program Title	State Project Number	Award Amount	Grant Period		Balance at June 30, 2009	
			From	To	Deferred Revenue/ Accounts Receivable	Due to Grantor
General Fund:						
State Department of Education:						
Equalization Aid	10-495-034-5120-078	\$ 34,303,951.00	7-1-09	6-30-10		
Equalization Aid	09-495-034-5120-078	43,581,462.00	7-1-08	6-30-09	\$ (4,144,270.00)	
Transportation Aid	10-495-034-5120-014	1,247,384.00	7-1-09	6-30-10		
Transportation Aid	09-495-034-5120-014	1,604,969.00	7-1-08	6-30-09	(152,621.00)	
Nonpublic School Transportation Aid	10-495-034-5120-014	36,241.00	7-1-09	6-30-10		
Nonpublic School Transportation Aid	09-495-034-5120-014	58,644.70	7-1-08	6-30-09	(58,644.70)	
Special Education Categorical Aid	10-495-034-5120-089	3,733,583.00	7-1-09	6-30-10		
Special Education Categorical Aid	09-495-034-5120-089	3,686,285.00	7-1-08	6-30-09	(350,538.00)	
Security Aid	10-495-034-5120-084	618,875.00	7-1-09	6-30-10		
Security Aid	09-495-034-5120-084	905,137.00	7-1-08	6-30-09	(86,072.00)	
Extraordinary Special Education Aid	10-100-034-5120-473	440,609.00	7-1-09	6-30-10		
Extraordinary Special Education Aid	09-100-034-5120-473	633,573.00	7-1-08	6-30-09	(633,573.00)	
Payment for Institutionalized Children - Unknown District of Residence	10-495-034-5120-005	277,457.20	7-1-09	6-30-10		
Payment for Institutionalized Children - Unknown District of Residence	09-495-034-5120-005	133,373.98	7-1-08	6-30-09	(133,373.98)	
Reimbursed TPAF Social Security Contributions	10-495-034-5095-002	3,523,939.10	7-1-09	6-30-10		
Reimbursed TPAF Social Security Contributions	09-495-034-5095-002	3,376,430.93	7-1-08	6-30-09	(165,978.06)	
Total General Fund					<u>(5,725,070.74)</u>	<u>-</u>
Special Revenue Fund:						
State Department of Education:						
Nonpublic Aid:						
Nursing Services	10-100-034-5120-070	58,905.00	7-1-09	6-30-10		
Nursing Services	09-100-034-5120-070	66,237.00	7-1-08	6-30-09		\$ 3,315.71
Textbook Aid (Ch. 194, L. 1977)	10-100-034-5120-064	49,672.00	7-1-09	6-30-10		
Textbook Aid (Ch. 194, L. 1977)	09-100-034-5120-064	49,068.00	7-1-08	6-30-09		8,993.75
Technology Initiative Aid	09-100-034-5120-373	34,320.00	7-1-08	6-30-09		132.84
Auxiliary Services (Ch. 192, L. 1977)	10-100-034-5120-067					
Compensatory Education		227,159.00	7-1-09	6-30-10		
English as a Second Language		4,599.00	7-1-09	6-30-10		
Transportation		26,253.00	7-1-09	6-30-10		
Home Instruction		74.00	7-1-09	6-30-10		
Auxiliary Services (Ch. 192, L. 1977)	09-100-034-5120-067					
Compensatory Education		236,490.00	7-1-08	6-30-09		26,518.00
English as a Second Language		2,030.00	7-1-08	6-30-09		2,030.00
Transportation		28,479.00	7-1-08	6-30-09		15,589.00
Home Instruction		2,249.10	7-1-08	6-30-09	(2,249.10)	
Handicapped Services (Ch. 193, L. 1977)	10-100-034-5120-066					
Corrective Speech		71,737.00	7-1-09	6-30-10		
Examination and Classification		61,407.00	7-1-09	6-30-10		
Supplementary Instruction		22,300.00	7-1-09	6-30-10		
Handicapped Services (Ch. 193, L. 1977)	09-100-034-5120-066					
Corrective Speech		88,350.00	7-1-08	6-30-09		31,231.00
Examination and Classification		48,525.00	7-1-08	6-30-09		19,670.00
Supplementary Instruction		28,910.00	7-1-08	6-30-09		11,265.00
Character Education Aid	06-495-034-5120-053	21,055.00	7-1-05	6-30-06	<u>3,667.87</u>	
Total State Department of Education					<u>1,418.77</u>	<u>118,745.30</u>
State Department of Treasury:						
Municipal Drug Alliance Grant	2000-475-995120-60	26,741.00 (B)	7-1-09	6-30-10		
Municipal Drug Alliance Grant	2000-475-995120-60	26,260.00 (B)	7-1-08	6-30-09	<u>20,949.37</u>	
Total State Department of Treasury					<u>20,949.37</u>	<u>-</u>
Total Special Revenue Fund					<u>22,368.14</u>	<u>118,745.30</u>
Capital Projects Fund:						
New Jersey Economic Development Authority:						
Additional State School Building Aid--	100-034-5120-016					
SDA Grants	1780-050-09-OMAK	1,456,624.00	6-1-10	Project End		
SDA Grants	1780-050-09-OMAL	303,749.00	6-1-10	Project End		
SDA Grants	1780-050-09-OZRO	595,249.00	6-3-10	Project End		
Total Capital Projects Fund					<u>-</u>	<u>-</u>
Debt Service Fund:						
State Department of Education:						
State Support	10-495-034-5120-017	1,722,356.00	7-1-09	6-30-10	<u>-</u>	<u>-</u>
Enterprise Fund:						
State Department of Education:						
State School Lunch Aid	10-100-010-3350-023	44,529.42	7-1-09	6-30-10		
State School Breakfast Aid	10-100-010-3350-021	16,164.50	7-1-09	6-30-10		
Total Enterprise Fund					<u>-</u>	<u>-</u>
Total State Financial Assistance					<u>\$ (5,702,702.60)</u>	<u>\$ 118,745.30</u>

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

(B) Passed through the Township of Gloucester

(C) Passed through to Camden County Educational Services Commission

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

Carryover/ Walkover Amount	Balance at June 30, 2010							Memo	
	Cash Received	Adjustments (A)	Budgetary Expenditures	Repayment of Prior Years' Balances	Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable June 30, 2010	Cumulative Total Expenditures
	\$ 29,930,618.00		\$ 34,303,951.00		\$ (4,373,333.00)			\$ (4,373,333.00)	\$ 34,303,951.00
	4,144,270.00				(159,026.00)			(159,026.00)	1,247,384.00
	1,088,358.00		1,247,384.00						1,247,384.00
	152,621.00				(36,241.00)				36,241.00
	58,644.70		36,241.00						36,241.00
	3,257,597.00		3,733,583.00		(475,986.00)			(475,986.00)	3,733,583.00
	350,538.00								3,733,583.00
	539,976.00		618,875.00		(78,899.00)			(78,899.00)	618,875.00
	86,072.00								618,875.00
	633,573.00		440,609.00		(440,609.00)				440,609.00
	133,373.98		277,457.20		(277,457.20)				277,457.20
	3,350,580.03		3,523,939.10		(173,359.07)				3,523,939.10
	165,978.06								3,523,939.10
-	43,892,199.77	-	44,182,039.30	-	(6,014,910.27)	-	-	(5,087,244.00)	44,182,039.30
	58,905.00		57,945.45				\$ 959.55		57,945.45
	49,672.00	\$ 0.29	40,405.97	\$ 3,316.00			9,266.03		40,405.97
		0.25		8,994.00					
		0.16		133.00					
	227,159.00		224,893.00 (C)				2,266.00		224,893.00
	4,599.00						4,599.00		224,893.00
	26,253.00		7,578.00 (C)				18,675.00		7,578.00
			74.00 (C)		(74.00)				74.00
				26,518.00					
				2,030.00					
	2,249.00	0.10		15,589.00					
	71,737.00		61,437.00 (C)				10,300.00		61,437.00
	61,407.00		41,907.00 (C)				19,500.00		41,907.00
	22,300.00		15,816.00 (C)				6,484.00		15,816.00
				31,231.00					
				19,670.00					
				11,265.00					
						\$ 3,667.87			17,387.13
-	524,281.00	0.80	450,056.42	118,746.00	(74.00)	3,667.87	72,049.58	-	467,443.55
	26,741.00		3,497.59				23,243.41		3,497.59
			20,949.37						26,260.00
-	26,741.00	-	24,446.96	-	-	23,243.41	-	-	29,757.59
-	551,022.00	0.80	474,503.38	118,746.00	(74.00)	26,911.28	72,049.58	-	497,201.14
	1,235,264.05		1,299,536.48		(64,272.43)				1,299,536.48
	155,912.50		179,554.17		(23,641.67)				179,554.17
			65,501.38		(65,501.38)				65,501.38
-	1,391,176.55	-	1,544,592.03	-	(153,415.48)	-	-	-	1,544,592.03
-	1,722,356.00	-	1,722,356.00	-	-	-	-	-	1,722,356.00
	41,259.74		44,529.42		(3,269.68)				44,529.42
	14,835.20		16,164.50		(1,329.30)				16,164.50
-	56,094.94	-	60,693.92	-	(4,598.98)	-	-	-	60,693.92
\$ -	\$ 47,612,849.26	\$ 0.80	\$ 47,984,184.63	\$ 118,746.00	\$ (6,172,998.73)	\$ 26,911.28	\$ 72,049.58	\$ (5,087,244.00)	\$ 48,006,882.39

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2010

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**Note 1: GENERAL**

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

**Note 2: BASIS OF ACCOUNTING**

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

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

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

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$11,896.49 for the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 8,498,194.81	\$ 44,182,039.30	\$ 52,680,234.11
Special Revenue	3,274,912.75	474,503.38	3,749,416.13
Capital Projects		1,544,592.03	1,544,592.03
Debt Service		1,722,356.00	1,722,356.00
Food Service	1,157,252.55	60,693.92	1,217,946.47
	<u>\$ 12,930,360.11</u>	<u>\$ 47,984,184.63</u>	<u>\$ 60,914,544.74</u>

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

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

**Note 5: ADJUSTMENTS**

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

<u>Adjustment</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
Rounding Adjustments	\$ (0.72)	\$ 0.80	\$ 0.08
Cancellation of Prior Year Orders	14.33		14.33
Total Adjustments	<u>\$ 13.61</u>	<u>\$ 0.80</u>	<u>\$ 14.41</u>

**Note 6: OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distribution, respectively. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2010.

**Note 7: MAJOR PROGRAMS**

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

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2010**

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

**Financial Statements**

Type of auditor's report issued Unqualified

Internal control over financial reporting:

    Material weaknesses identified?      yes   X   no

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

Noncompliance material to financial statements noted?      yes   X   no

**Federal Awards**

Internal control over compliance:

    Material weaknesses identified?      yes   X   no

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

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

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

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	<u>N.C.L.B. Title I</u>
<u>84.389</u>	<u>ARRA - N.C.L.B. Title I</u>
<u>84.027</u>	<u>I.D.E.I.A. Part B Basic</u>
<u>84.391</u>	<u>ARRA - I.D.E.I.A. Part B Basic</u>
<u>84.173</u>	<u>I.D.E.I.A. Part B Preschool</u>
<u>84.394</u>	<u>ARRA - SFSE - Education State Grants (ESF)</u>
<u>84.397</u>	<u>ARRA - SFSE - Education State Grants (GSF)</u>
<u>10.553</u>	<u>School Breakfast Program</u>
<u>10.556</u>	<u>Special Milk Program</u>

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2010**

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

**Federal Awards (Cont'd)**

Identification of major programs (cont'd):

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

Dollar threshold used to determine Type A programs	\$387,554
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no

**State Financial Assistance**

Internal control over compliance:

Material weaknesses identified?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no
Were significant deficiencies identified that were not considered to be material weaknesses?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> none reported

Type of auditor's report on compliance for major programs	Unqualified
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Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a)) or New Jersey Circular 04-04-OMB?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no
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Identification of major programs:

<u>State Account Number</u>	<u>Name of State Program</u>
10-495-034-5120-078	Equalization Aid
10-495-034-5120-089	Special Education Categorical Aid
10-495-034-5120-084	Security Aid
10-495-034-5095-002	Reimbursed TPAF Social Security Contributions
10-495-034-5120-017	Debt Service Aid
100-034-5120-016	Additional State School Building Aid-- New Jersey Schools Development Authority Grants

Dollar threshold used to determine Type A programs	\$1,439,526
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2010

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

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

None.

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2010

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

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

None.

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2010

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

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

None.

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

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

**FINANCIAL STATEMENT FINDINGS**

None.

**FEDERAL AWARDS**

None.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

None.

