

Comprehensive Annual Financial Report

of the

Board of Education

Gateway Regional High School District

Woodbury Heights, New Jersey



For The Fiscal Year Ended

June 30, 2011

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INTRODUCTORY SECTION

Gateway Regional High School District

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Shannon M. Whalen, Ed.D.
Superintendent of Schools

November 30, 2011

Honorable President and
Members of the Board of Education
Gateway Regional High School District
Woodbury Heights, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Gateway Regional High School District for the fiscal year ended June 30, 2011, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditors 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.

1. REPORTING ENTITY AND ITS SERVICES: Gateway Regional High School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Gateway Regional High School District Board of Education and its one school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels 7 through 12. These include regular, vocational as well as special education for gifted and handicapped youngsters. The District completed the 2010-2011 fiscal year with an enrollment of 843 students, which is a decrease of 6 students from the previous year's enrollment. The following details the changes in the student enrollment and growth of the District over the last ten years:

Fiscal Year	Student Enrollment	Percent Change
2010-11	843	-0.71%
2009-10	849	-6.08%
2008-09	904	-5.14%
2007-08	953	-5.17%
2006-07	1005	-4.38%
2005-06	1051	-4.54%

Serving the communities of National Park, Wenonah, Westville, and Woodbury Heights

2004-05	1101	-3.25%
2003-04	1138	+1.51%
2002-03	1121	+3.22%
2001-02	1086	-0.36%

2. ECONOMIC CONDITION AND OUTLOOK: The service area is experiencing a period of minimal development and mild expansion, which is expected to continue. The District students enrolled are residing in a relatively static housing stock. The state and national economy are reflected in the employment base of the area.

3. MAJOR INITIATIVES:

A. Current Year Accomplishments:

Two District objectives were implemented, both emphasizing improvement of students' scores on the Mathematics and Language Arts subtest of the NJASK 7 and 8 and HSPA. These objectives were devised to address specified subgroups (special education and economically disadvantaged) that were below the Annual Yearly Progress (AYP) standard set by the No Child Left Behind (NCLB) legislation. The District continues to strive to show improvement in test score passing rates. Middle school mathematics curricula is in the process of revision to align to the common core curriculum standards and provide students a rigorous curricula. Instruction for high school disabled and economically disadvantaged students in supplemental language arts and math classes has been revised to support students' mainstream academic classes. Each of these objectives had multi-step action plans that were reflective of the District's data assessment team's review of test scores and recommendations. The district's implementation of the committee's recommendations reflects the commitment of the district to assist all students achieve to their optimal level and collaborate with staff members to support achievement.

Emphasis will remain on the improvement of achievement for the above populations and to include all student populations' achievement on the Mathematics and Language Arts subtests of the NJ ASK 7 and 8 and HSPA, with the District adoption of target objectives for the 2011-12 school year. Professional development and purchased supplemental materials will continue to be available to all District teachers in the areas identified above with the intent of improving achievement of all students.

Incorporating technology across the curricula and into the everyday operation of the District continues to be a priority. New mobile labs and iPads continue to be maintained, enhancing instruction in the all content areas. Interactive white board systems will be installed. These systems are substantially more affordable than smartboards. The blended technology environment software, Studywiz, continues to be supported in classrooms. Administrators are currently being trained on iPads to implement the McRel Power Walkthrough program.

The district's technology CAD/CAM lab continues to provide students an excellent foundation for school to career training and the chance to explore and interact with 21st Century Skills. Students continue to be challenged through participation in several competitions throughout the state. These competitions often provide students experiences of a "think tank" where they work collaboratively to solve problems. Machines in the CAD/CAM lab are aging and have been repaired throughout the year.

As a part of the District's special election held on December 9, 2003 for taxpayer approval of a capital project in the amount of \$15,153,985 for the (a) construction of an addition to the existing High School totaling approximately 15,921 square feet, and the completion of various other improvements and renovations, including improvements to athletic facilities, site work, and the replacement and/or upgrading of the building structure and operating systems, including the electric, plumbing and heating, ventilating and air conditioning systems; (b) acquire furniture, fixtures and equipment for said additions, improvements and renovations. This expenditure is funded in part with a \$6,288,494 grant from the State, representing approximately 55.5375% of the project's final eligible costs of \$11,322,964, as determined by the Commissioner of Education. The District issued bonds in the amount of \$8,865,000 to fund its share of the project cost.

Construction and renovation began in June of 2004 and closure of the project occurred in the spring of 2007.

Site work not able to be completed as a part of the 2003 Referendum Project was evaluated and prioritized. A contract for \$482,750 was awarded to construct six tennis courts in fall 2007. The courts were completed in the summer of 2008.

Renovation and replacement of the school running track and main athletic field (Stadium Project) began in the Summer of 2009. A contract was issued to American Athletic Courts, Inc. in the amount of \$1,243,750.00 to replace the existing natural grass field with a synthetic surface. This conversion has resulted in significantly more usage of the facility. Previously, there were concerns due to the condition of the sod field. This project was completed in October 2010.

B. Future and Continuing Projects:

The Board continues to focus its efforts on reducing costs to the District and community by increasing shared services with the four municipal school systems. During the audit year Gateway continued to provide business office services to three of the four elementary sending districts. In May 2011 the district entered into an agreement with the Westville School District for shared Superintendent services. The District continues to share many other auxiliary services in purchasing, food service, Child Study Team and Curriculum with the Gateway sending schools.

A strong commitment to advance technology both in classroom instruction and after school student access, as well as internal student management areas including attendance, scheduling, grade reporting and other administrative functions. Infrastructure, hardware and software have been purchased to allow greater record access both internally as well as provide the links necessary for increased community/parent interaction with their students' records.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable 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 position related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2011.

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

7. DEBT ADMINISTRATION: The District entered into 25-year indebtedness with the passage of a \$8.9 million bond issue in March of 2004. Building renovations and additions as well as site reconstruction were completed in 2004. The District took advantage of state share funding in the amount of \$6.3 million dollars through the Educational Development Council funds.

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

9. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile, liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. In the twelfth year of membership in the Gloucester, Cumberland, Salem School District (GCSSD) Joint Insurance Fund, the District has benefited greatly from higher levels of coverage and stability in rising insurance industry premium costs.

10. 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 is the appointed District auditor. 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 and State Aid. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,

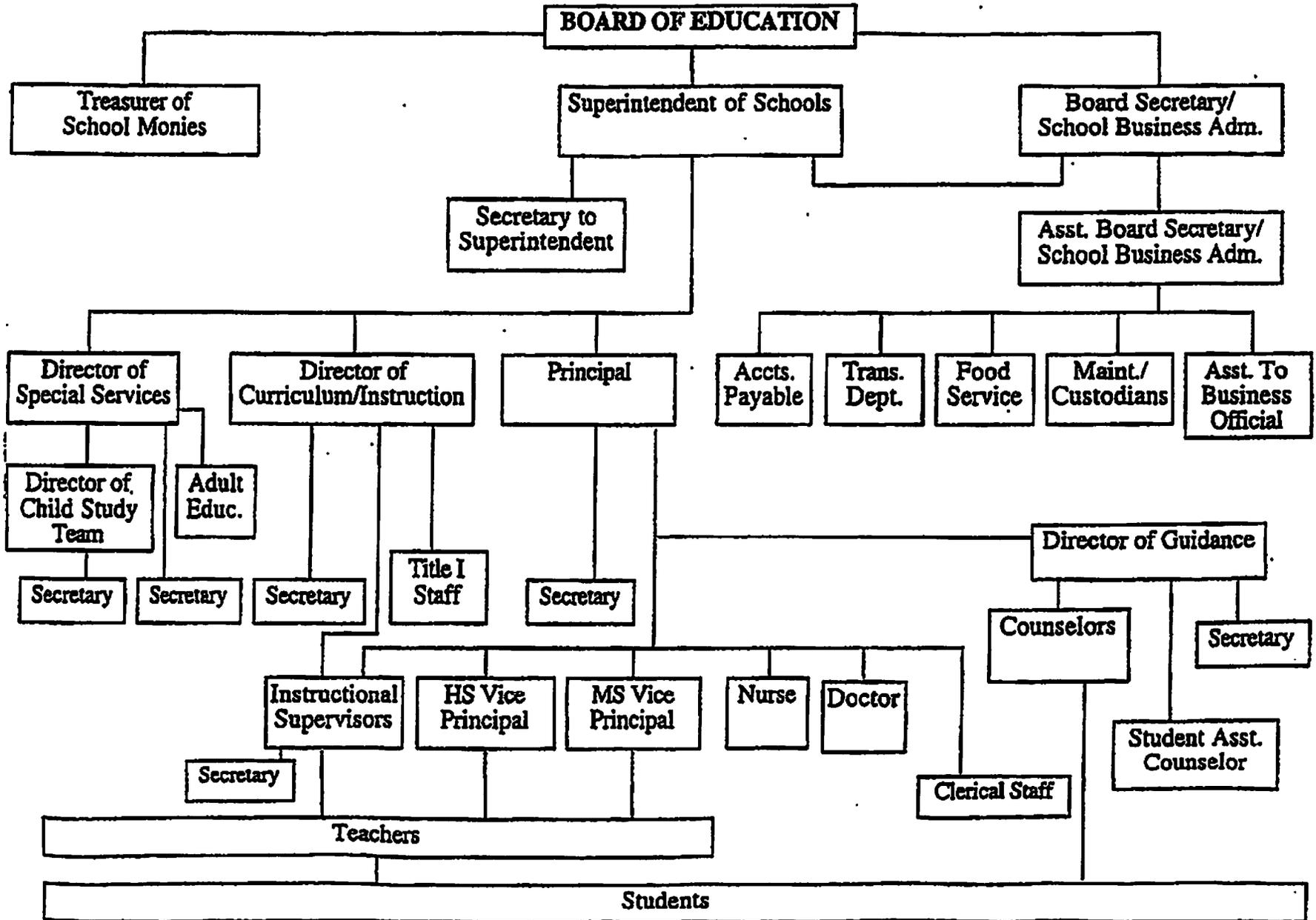


Shannon M. Whalen, Ed.D.
Superintendent



Donna J. Contrevo
Board Secretary/School Business Administrator

ORGANIZATIONAL CHART GATEWAY REGIONAL HIGH SCHOOL DISTRICT



GATEWAY REGIONAL HIGH SCHOOL DISTRICT
WOODBURY HEIGHTS, NEW JERSEY
ROSTER OF OFFICIALS
June 30, 2011

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Angelo Natoli, President	2012
Paul Tully, Vice President	2012
Harry Bush	2014
Juliana Delany	2013
William C. Epting	2013
Robert Miller	2012
Judi Pye	2014
Tamela Spissell	2014
Charles D. Ziesloft	2013
<u>Other Officials</u>	
Shannon M. Whalen Ed.D., Superintendent	
Donna J. Contrevo, Board Secretary/School Business Administrator	
Scott D. Henry, Assistant Board Secretary/School Business Administrator	
Charles J. Owens, Treasurer	

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
WOODBURY HEIGHTS, NEW JERSEY**

Consultants and Advisors

Audit Firm

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

Attorney

Joseph F. Betley, Esq.
Capehart & Scatchard
8000 Midlantic Drive, Suite 3000
Mt. Laurel, NJ 08054

Architect

Garrison Architects
14000 F Commerce Parkway
Mount Laurel, NJ 08054

Insurance Agency

Gloucester, Cumberland, Salem School Districts
Joint Insurance Fund

Hardenbergh Insurance Group

Official Depositories

TD Bank, N.A.
State of New Jersey Cash Management Fund
The Bank
Colonial Bank

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Gateway Regional High School District
County of Gloucester
Woodbury Heights, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business type activities and each major fund of the Gateway Regional High School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2011, 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 Gateway Regional High 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to 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 Gateway Regional High School District in the County of Gloucester, State of New Jersey as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 30, 2011 on our consideration of the Gateway Regional High School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gateway Regional High 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 basic 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
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Public School Accountant No. CS 238400

Voorhees, New Jersey
November 30, 2011

**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
Gateway Regional High School District
County of Gloucester
Woodbury Heights, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Gateway Regional High School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated November 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Gateway Regional High School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Gateway Regional High 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. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings—Financial, Compliance and Performance that we consider to be significant deficiencies in internal control over financial reporting as findings no.: 2011-1 and 2011-2. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

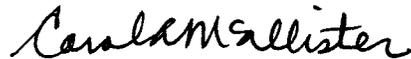
The Gateway Regional High School District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the School District's response and, accordingly, we express no opinion on it.

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



Carol A. McAllister
Certified Public Accountant
Public School Accountant No. CS 238400

Voorhees, New Jersey
November 30, 2011

REQUIRED SUPPLEMENTARY INFORMATION
PART I

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
WOODBURY HEIGHTS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Unaudited)**

The discussion and analysis of The Gateway Regional High School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2011 are as follows:

- In total, net assets increased \$213,531.48, which represents a 1.91% increase from 2010.
- General revenues accounted for \$15,670,271.59 in revenue or 79% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$4,255,071.18 or 21% of total revenues of \$19,925,342.77.
- Total assets of governmental activities decreased by \$65,477.29 as cash and cash equivalents increased by \$872,366.94, receivables decreased by \$215,614.22, and capital assets decreased by \$719,924.95.
- The School District had \$19,711,811.29 in expenses; only \$4,255,071.18 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and state aid) of \$15,670,271.59 were adequate to provide for these programs.
- Among major funds, the General Fund had \$17,510,016.75 in revenues and \$16,950,761.51 in expenditures. The General Fund's fund balance increased \$546,854.89 over 2010. This was a result of the State of New Jersey decreasing the 2009-10 state aid paid to the district in the amount of \$927,633.00. The State forced the district to use excess surplus and funds reserved for capital projects to offset the reduction in state aid. This adversely affected the district by greatly reducing the amount of unreserved fund balance at June 30, 2010.

Using this Generally Accepted Accounting Principles Report (GAAP)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Gateway Regional High School District as a financial whole, that is, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of the Gateway Regional High School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2011?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Assets and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

The School District as a Whole

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

Table 1 provides a summary of the School District's net assets for 2011 compared to 2010.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current and Other Assets	\$ 2,054,577.67	\$ 1,400,130.01	\$ 242,878.21	\$ 310,149.76	\$ 2,297,455.88	\$ 1,710,279.77
Capital Assets	17,440,947.96	18,160,872.91	47,907.57	57,795.96	17,488,855.53	18,218,668.87
Total Assets	19,495,525.63	19,561,002.92	290,785.78	367,945.72	19,786,311.41	19,928,948.64
Long-term Liabilities	7,236,651.71	7,547,305.58			7,236,651.71	7,547,305.58
Other Liabilities	1,012,034.38	997,140.53	146,755.96	207,164.65	1,158,790.34	1,204,305.18
Total Liabilities	8,248,686.09	8,544,446.11	146,755.96	207,164.65	8,395,442.05	8,751,610.76
Net Assets						
Invested in capital assets, net of related debt	10,288,712.38	10,661,908.27	47,907.57	57,795.96	10,336,619.95	10,719,704.23
Restricted	1,639,229.25	1,190,223.00			1,639,229.25	1,190,223.00
Unrestricted	(681,102.09)	(835,574.46)	96,122.25	102,985.11	(584,979.84)	(732,589.35)
Total Net Assets	\$ 11,246,839.54	\$ 11,016,556.81	\$ 144,029.82	\$ 160,781.07	\$ 11,390,869.36	\$ 11,177,337.88

Total assets decreased \$142,637.23. Cash and cash equivalents increased by \$1,014,891.78, receivables decreased by \$276,729.20 and capital assets decreased by \$729,813.34. Unrestricted net assets of the School District, the part of net assets that can be used to finance day to day activities without constraints established by grants or legal requirements, increased by \$147,609.51.

Table 2 shows the changes in net assets for fiscal year 2011. A comparative analysis of district-wide data is presented for the as required following GASB Statement 34 for revenues and expense comparisons to fiscal year 2010.

Table 2			
Change in Net Assets			
Governmental and Business-Type Activities			
For the years ended June 30, 2011 and 2010			
	<u>2011</u>		<u>2010</u>
Revenues			
Program revenues			
Charges for services	\$ 2,355,008.84	\$	2,264,090.28
Operating grants and contributions	1,900,062.34		1,820,565.08
General revenues			
Property taxes	9,341,783.00		9,081,733.00
State and Federal Aid	6,467,152.52		6,216,818.58
Other	(138,663.93)		139,818.72
	<u>19,925,342.77</u>		<u>19,523,025.66</u>
Total Revenues			
Expenses			
Governmental Activities:			
Instruction:			
Regular	5,410,738.86		5,684,630.75
Special Education	1,111,748.77		1,067,291.24
Other Special Education	289,413.15		317,491.05
Other Instruction	568,644.05		619,369.02
Support Services:			
Tuition	1,178,737.22		1,209,425.06
Student & Instruction Related Services	2,085,929.46		2,043,976.64
School Administrative Services	449,880.75		461,516.62
General and Business Administrative Services	673,057.13		717,470.67
Plant Operations and Maintenance	1,416,702.72		1,602,784.29
Pupil Transportation	1,302,595.44		1,347,211.39
Unallocated Benefits	3,331,964.90		3,415,971.06
Interest on Long Term Debt	293,727.00		303,975.00
Amortization of Bond Issuance Costs	2,305.06		2,305.06
	<u>18,115,444.51</u>		<u>18,793,417.85</u>
Total Expenses Governmental Activities			
Business-Type Activities:			
Food Services	677,374.09		656,394.90
Child Study Team	641,417.84		555,152.56
Business Services	170,840.67		174,457.49
Chief School Administrator Services	106,734.18		76,332.00
	<u>19,711,811.29</u>		<u>20,255,754.80</u>
Total Expenses			
Net Increase/Decrease in Net Assets	213,531.48		(732,729.14)
Net Assets Beginning July 1	<u>11,177,337.88</u>		<u>11,910,067.02</u>
End of Year Net Assets June 30	<u><u>\$11,390,869.36</u></u>		<u><u>\$11,177,337.88</u></u>

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 46.88% of revenues for governmental activities for the Gateway Regional High School District for fiscal year 2011.

Instruction comprises 40.74% of district expenses. Support services expenses make up 57.62% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements. Comparisons to 2010 are shown below.

Table 3					
Net Cost of Governmental Activities					
Governmental Activities:	Source	<u>2011</u>		<u>2010</u>	
		Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction:					
Regular	A-2	\$5,410,738.86	\$5,018,688.53	\$5,684,630.75	\$5,310,056.40
Special Education	A-2	1,111,748.77	1,111,748.77	1,067,291.24	1,067,291.24
Other Special Instruction	A-2	289,413.15	289,413.15	317,491.05	317,491.05
Other Instruction	A-2	568,644.05	568,644.05	619,369.02	619,369.02
Support Services:					
Tuition	A-2	1,178,737.22	1,178,737.22	1,209,425.06	1,209,425.06
Student & Instruction Related Services	A-2	2,085,929.46	1,962,640.59	2,043,976.64	1,936,344.31
School Administrative Services	A-2	449,880.75	449,880.75	461,516.62	461,516.62
General and Business Administrative Services	A-2	673,057.13	673,057.13	717,470.67	717,470.67
Plant Operations and Maintenance	A-2	1,416,702.72	1,416,702.72	1,602,784.29	1,602,784.29
Pupil Transportation	A-2	1,302,595.44	238,402.48	1,347,211.39	286,824.86
Unallocated Benefits	A-2	3,331,964.90	2,238,911.08	3,415,971.06	2,336,680.48
Interest on Long Term Debt	A-2	293,727.00	293,727.00	303,975.00	303,975.00
Capital Outlay	A-2				
Amortization of Bond Issuance Costs	A-2	2,305.06	2,305.06	2,305.06	2,305.06
Total Governmental Activities		\$ 18,115,444.51	\$ 15,442,858.53	\$ 18,793,417.85	\$ 16,171,534.06

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

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students.

General administration, school administration and business include expenses associated with administrative and financial supervision of the district.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

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

Governmental Activities (Cont'd)

Extracurricular activities includes expenses related to student activities provided by the School district which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

The dependence upon tax revenues is apparent. Over 100 percent of instruction activities are supported through taxes and other general revenues. The regional communities of National Park, Wenonah, Westville and Woodbury Heights, as a whole, are the primary support for the Gateway Regional High School District.

The School District's Funds

The School District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$18,612,007 and expenditures of \$18,052,520. Other financing sources (uses) were (\$12,400). The change in fund balance for the year was most significant in the General Fund, an increase of \$559,255. This is represented primarily by a decrease in state aid.

General Fund Budgeting Highlights

The School 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.

During the course of the fiscal 2011 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, the final budget basis revenue and other financing sources was \$17,389,601.75, which was \$1,531,878.75 above original budgeted estimates of \$15,857,723. This difference was due primarily to state TPAF social security and pension contributions.

Capital Assets

At the end of the fiscal year 2011, the School District had \$17,488,855.53 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2011 balances compared to 2010.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	\$ 159,975.00	\$ 159,975.00			\$ 159,975.00	\$ 159,975.00
Construction in Progress	-	131,641.74			-	131,641.74
Land Improvements	5,566,176.01	5,410,130.00			5,566,176.01	5,410,130.00
Building and Improvements	18,385,470.80	18,385,470.80	\$ 147,665.90	\$ 147,665.90	18,533,136.70	18,533,136.70
Equipment	2,505,459.15	2,443,655.66			2,505,459.15	2,443,655.66
Total Capital Assets	26,617,080.96	26,530,873.20	147,665.90	147,665.90	26,764,746.86	26,678,539.10
Less: Accumulated Depreciation	9,176,133.00	8,370,000.29	99,758.33	89,869.94	9,275,891.33	8,459,870.23
Net Capital Assets	\$ 17,440,947.96	\$ 18,160,872.91	\$ 47,907.57	\$ 57,795.96	\$ 17,488,855.53	\$ 18,218,668.87

Overall capital assets decreased \$729,813.34 from fiscal year 2010 to fiscal year 2011.

Debt Administration

At June 30, 2011, the School district had \$7,569,072.29 as outstanding long term obligations. Of this amount \$416,836.71 is for compensated absences, \$22,235.58 is for capital leases and \$7,130,000.00 is for school bonds.

For the Future

Gateway Regional School District, receiving students from four sending districts that are all primarily residential communities with very few industrial rates, is primarily reliant on homeowners to support their school.

Historically, residents have been supportive and passed the school's budgets. However, the economic downturn has been a key factor in the budget election process over the past 5 years. Only 2 recent budgets, 2007-08 and 2011-12, have been approved. The state budget program now limits the district tax levy increase to a 2% CAP from the previous year. With the increased pressures of salaries, benefits, out of district tuitions and direct operating costs rising well beyond that benchmark, the district has struggled to meet the educational needs of the students. The district continues to be creative and find ways to make ends meet. In December 2003, the board of education proposed and the taxpayers passed a building and renovation project financed through a long-term bond referendum to bring the educational facility up to the high standards expected of our constituent districts. Through state grant funding, over 41% of the total 15 million dollar cost was provided to the district.

For the Future (Cont'd)

Renovation and replacement of the school running track and main athletic field (Stadium Project) were completed in fiscal year 2010. A contract was issued to American Athletic Courts, Inc. in the amount of \$1,243,750.00 to replace the existing natural grass field with a synthetic surface. This conversion has resulted in more usage of the facility since formerly, there were concerns for the condition of the sod field.

In conclusion, the Gateway Regional High School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Donna Contrevo, Board Secretary/School Business Administrator at Gateway Regional Board of Education, 775 Tanyard Road, Woodbury Heights, NJ 08097 or e-mail at dcontrevo@gatewayhs.com.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Statement of Net Assets
June 30, 2011

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 630,604.98	\$ 169,055.13	\$ 799,660.11
Receivables, net	838,213.24	52,133.29	890,346.53
Inventory		21,689.79	21,689.79
Deferred Charge:			
Debt Issuance Costs (Net of Amortization)	40,722.74		40,722.74
Restricted Assets:			
Restricted Cash and Cash Equivalents	333,682.94		333,682.94
Restricted Investments	11,348.77		11,348.77
Capital Reserve Account	200,005.00		200,005.00
Capital Assets, net (Note 6)	<u>17,440,947.96</u>	<u>47,907.57</u>	<u>17,488,855.53</u>
Total Assets	<u>19,495,525.63</u>	<u>290,785.78</u>	<u>19,786,311.41</u>
LIABILITIES:			
Cash Deficit	318,147.23	1,615.84	319,763.07
Accounts Payable	214,377.57	145,140.12	359,517.69
Accrued Interest Payable	95,577.00		95,577.00
Payable to Federal Government	8,545.48		8,545.48
Payable to State Government	4,132.13		4,132.13
Deferred Revenue	38,834.39		38,834.39
Noncurrent Liabilities (Note 7):			
Due within One Year	332,420.58		332,420.58
Due beyond One Year	<u>7,236,651.71</u>		<u>7,236,651.71</u>
Total Liabilities	<u>8,248,686.09</u>	<u>146,755.96</u>	<u>8,395,442.05</u>
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	10,288,712.38	47,907.57	10,336,619.95
Restricted for:			
Capital Projects	215,540.24		215,540.24
Permanent Endowment - Nonexpendable	11,348.77		11,348.77
Other Purposes	1,412,340.24		1,412,340.24
Unrestricted (Deficit)	<u>(681,102.09)</u>	<u>96,122.25</u>	<u>(584,979.84)</u>
Total Net Assets	<u>\$ 11,246,839.54</u>	<u>\$ 144,029.82</u>	<u>\$ 11,390,869.36</u>

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

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Statement of Activities
 For the Fiscal Year Ended June 30, 2011

Functions / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 5,410,738.86		\$ 392,050.33	\$ (5,018,688.53)	\$	\$ (5,018,688.53)
Special Education Instruction	1,111,748.77			(1,111,748.77)		(1,111,748.77)
Other Special Instruction	289,413.15			(289,413.15)		(289,413.15)
Community Services Programs / Operations	568,644.05			(568,644.05)		(568,644.05)
Support Services:						
Tuition	1,178,737.22			(1,178,737.22)		(1,178,737.22)
Student and Instruction Related Services	2,085,929.46		123,288.87	(1,962,640.59)		(1,962,640.59)
School Administrative Services	449,880.75			(449,880.75)		(449,880.75)
Other Administrative Services	673,057.13			(673,057.13)		(673,057.13)
Plant Operations and Maintenance	1,416,702.72			(1,416,702.72)		(1,416,702.72)
Pupil Transportation	1,302,595.44	\$ 1,064,192.96		(238,402.48)		(238,402.48)
Unallocated Benefits	3,331,964.90		1,093,053.82	(2,238,911.08)		(2,238,911.08)
Debt Service:						
Interest and Other Charges	293,727.00			(293,727.00)		(293,727.00)
Amortization of Debt Issuance Costs	2,305.06			(2,305.06)		(2,305.06)
Total Governmental Activities	18,115,444.51	1,064,192.96	1,608,393.02	(15,442,858.53)	-	(15,442,858.53)
Business-Type Activities:						
Food Service	677,374.09	382,810.22	291,669.32		\$ (2,894.55)	(2,894.55)
Child Study Team	641,417.84	615,489.00			(25,928.84)	(25,928.84)
Business Services	170,840.67	177,475.00			6,634.33	6,634.33
Chief School Administrator Services	106,734.18	115,041.66			8,307.48	8,307.48
Total Business-Type Activities	1,596,366.78	1,290,815.88	291,669.32	-	(13,881.58)	(13,881.58)
Total Primary Government	\$ 19,711,811.29	\$ 2,355,008.84	\$ 1,900,062.34	(15,442,858.53)	(13,881.58)	(15,456,740.11)

(Continued)

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Statement of Activities
 For the Fiscal Year Ended June 30, 2011

Functions / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes, net			\$ 8,764,558.00	\$	8,764,558.00
Taxes Levied for Debt Service			577,225.00		577,225.00
Federal and State Aid not Restricted			6,467,152.52		6,467,152.52
Tuition Received			43,978.07		43,978.07
Investment Earnings				\$ 726.40	726.40
Miscellaneous Income			86,507.08	4,046.50	90,553.58
Special Item:					
Purchase of Capital Assets			(253,879.06)		(253,879.06)
Cancellation of Prior Year Accounts Receivable			(12,400.35)	(7,642.57)	(20,042.92)
Total General Revenues, Special Items, Extraordinary Items and Transfers			15,673,141.26	(2,869.67)	15,670,271.59
Change in Net Assets			230,282.73	(16,751.25)	213,531.48
Net Assets -- July 1			11,016,556.81	160,781.07	11,177,337.88
Net Assets -- June 30			\$ 11,246,839.54	\$ 144,029.82	\$ 11,390,869.36

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

FUND FINANCIAL STATEMENTS

GATEWAY REGIONAL HIGH SCHOOL DISTRICT

Governmental Funds
Balance Sheet
June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
ASSETS:						
Cash and Cash Equivalents	\$ 948,752.21		\$ 15,535.24	\$ 0.47		\$ 964,287.92
Investments					\$ 11,348.77	11,348.77
Interfunds Receivable	106.39				1,298.44	1,404.83
Receivables from Other Governments	79,684.47	\$ 382,381.72				462,066.19
Transportation Fees Receivable	349,345.08					349,345.08
Other Receivables	25,397.14					25,397.14
Restricted Cash and Cash Equivalents	200,005.00					200,005.00
Total Assets	\$ 1,603,290.29	\$ 382,381.72	\$ 15,535.24	\$ 0.47	\$ 12,647.21	\$ 2,013,854.93
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Cash Deficit		\$ 318,147.23				\$ 318,147.23
Accounts Payable	\$ 199,010.33	15,367.24				214,377.57
Payable to State Government		8,545.48				8,545.48
Payable to Federal Government	2,644.75	1,487.38				4,132.13
Deferred Revenue		38,834.39				38,834.39
Total Liabilities	201,655.08	382,381.72	-	-	-	584,036.80
Fund Balances:						
Restricted:						
Capital Reserve	200,005.00					200,005.00
Excess Surplus -- Designated for Subsequent Year's Expenditures	610,067.16					610,067.16
Excess Surplus	661,562.37					661,562.37
Capital Projects			\$ 15,535.24			15,535.24
Debt Service				\$ 0.47		0.47
Other Purposes					\$ 1,298.44	1,298.44
Non-Spendable:						
Permanent Fund Principal					11,348.77	11,348.77
Assigned:						
Subsequent Year's Expenditures	56,002.84					56,002.84
Other Purposes	83,408.96					83,408.96
Unassigned:						
General Fund	(209,411.12)					(209,411.12)
Total Fund Balances (Deficit)	1,401,635.21	-	15,535.24	0.47	12,647.21	1,429,818.13
Total Liabilities and Fund Balances	\$ 1,603,290.29	\$ 382,381.72	\$ 15,535.24	\$ 0.47	\$ 12,647.21	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$26,617,080.96 and the accumulated depreciation is \$9,176,133.00.

17,440,947.96

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.

(7,569,072.29)

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.

40,722.74

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

(95,577.00)

Net assets of governmental activities

\$ 11,246,839.54

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

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
REVENUES:						
Local Sources:						
Local Tax Levy	\$ 8,764,558.00			\$ 577,225.00		\$ 9,341,783.00
Tuition Charges	43,978.07					43,978.07
Transportation Fees	1,064,192.96					1,064,192.96
Miscellaneous	86,275.83				\$ 231.25	86,507.08
State Sources	7,535,422.21	\$ 47,242.92				7,582,665.13
Federal Sources	15,589.68	477,290.73				492,880.41
Total Revenues	17,510,016.75	524,533.65	-	577,225.00	231.25	18,612,006.65
EXPENDITURES:						
Current:						
Regular Instruction	4,575,315.54	392,050.33				4,967,365.87
Special Education Instruction	1,111,748.77					1,111,748.77
Other Special Instruction	289,413.15					289,413.15
Other Instruction	568,644.05					568,644.05
Support Services and Undistributed Costs:						
Tuition	1,178,737.22					1,178,737.22
Student and Instruction Related Services	1,873,965.99	123,288.87				1,997,254.86
School Administrative Services	369,267.48					369,267.48
Other Administrative Services	673,057.13					673,057.13
Plant Operations and Maintenance	1,352,212.10					1,352,212.10
Pupil Transportation	1,173,614.21					1,173,614.21
Unallocated Benefits	3,444,699.05	9,194.45				3,453,893.50
Capital Outlay	340,086.82					340,086.82
Debt Service:						
Principal				280,000.00		280,000.00
Interest				297,225.00		297,225.00
Total Expenditures	16,950,761.51	524,533.65	-	577,225.00	-	18,052,520.16
Excess (Deficiency) of Revenues Over (Under) Expenditures	559,255.24	-	-	-	231.25	559,486.49
OTHER FINANCING SOURCES (USES):						
Cancellation of Prior Year Accounts Receivable	(12,400.35)					(12,400.35)
Total Other Financing Sources (Uses)	(12,400.35)	-	-	-	-	(12,400.35)
Net Change in Fund Balances	546,854.89	-	-	-	231.25	547,086.14
Fund Balance (Deficit) - July 1	854,780.32	-	\$ 15,535.24	0.47	12,415.96	882,731.99
Fund Balance (Deficit) - June 30	<u>\$ 1,401,635.21</u>	<u>\$ -</u>	<u>\$ 15,535.24</u>	<u>\$ 0.47</u>	<u>\$ 12,647.21</u>	<u>\$ 1,429,818.13</u>

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

GATEWAY REGIONAL HIGH 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, 2011

Total Net Change in Fund Balances - Governmental Funds		\$ 547,086.14
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation Expense	\$ (806,132.71)	
Capital Outlays	<u>340,086.82</u>	(466,045.89)
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.		
		(2,305.06)
Repayment of capital leases 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.		
Obligations under Capital Lease		66,729.06
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.		
		280,000.00
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.		
		3,498.00
The net effect of various miscellaneous transactions involving capital assets (i.e., disposals and donations) is to increase net assets.		
		(253,879.06)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		<u>55,199.54</u>
Change in Net Assets of Governmental Activities		<u>\$ 230,282.73</u>

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

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
PROPRIETARY FUNDS
Statement of Net Assets
June 30, 2011

	Business Type Activities - Enterprise Funds				Total
	<u>Food Service</u>	<u>Child Study Team</u>	<u>Business Services</u>	<u>Chief School Administrator Services</u>	
ASSETS:					
Current Assets:					
Cash and Cash Equivalents	\$ 113,726.06	\$ 43,692.62	\$ 11,636.45		\$ 169,055.13
Accounts Receivable:					
State	476.29			\$ 149.66	625.95
Federal	17,235.61				17,235.61
Miscellaneous	10,480.07			23,791.66	34,271.73
Inventories	21,689.79				21,689.79
Total Current Assets	163,607.82	43,692.62	11,636.45	23,941.32	242,878.21
Noncurrent Assets:					
Equipment	147,665.90				147,665.90
Accumulated Depreciation	(99,758.33)				(99,758.33)
Total Noncurrent Assets	47,907.57	-	-	-	47,907.57
Total Assets	211,515.39	43,692.62	11,636.45	23,941.32	290,785.78
LIABILITIES:					
Current Liabilities:					
Deficit in Cash Balance				1,615.84	1,615.84
Accounts Payable	130,647.11	10,893.01		3,600.00	145,140.12
Total Liabilities	130,647.11	10,893.01	-	5,215.84	146,755.96
NET ASSETS:					
Invested in Capital Assets	47,907.57				47,907.57
Unrestricted	32,960.71	32,799.61	11,636.45	18,725.48	96,122.25
Total Net Assets	\$ 80,868.28	\$ 32,799.61	\$ 11,636.45	\$ 18,725.48	\$ 144,029.82

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

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
PROPRIETARY FUNDS
Combining Statement of Revenues, Expenses and Change in Fund Net Assets
For the Fiscal Year Ended June 30, 2011

	<u>Food Service</u>	<u>Child Study Team</u>	<u>Business Services</u>	<u>Chief School Administrator Services</u>	<u>Total</u>
OPERATING REVENUES:					
Charges for Services:					
Daily Sales - Reimbursable Programs	\$ 190,791.15				\$ 190,791.15
Daily Sales - Non-Reimbursable Programs	170,967.65				170,967.65
Special Functions	21,051.42				21,051.42
Miscellaneous					908,005.66
	<u>382,810.22</u>	<u>\$ 615,489.00</u>	<u>\$ 177,475.00</u>	<u>\$ 115,041.66</u>	<u>908,005.66</u>
Total Operating Revenues	<u>382,810.22</u>	<u>615,489.00</u>	<u>177,475.00</u>	<u>115,041.66</u>	<u>1,290,815.88</u>
OPERATING EXPENSES:					
Cost of Sales	258,754.82				258,754.82
Salaries	235,361.01	540,767.48	168,975.02	105,504.18	1,050,607.69
Employee Benefits	44,272.08	71,363.65			115,635.73
Purchased Educational Services		16,650.00			16,650.00
Other Purchased Services	4,346.82				4,346.82
Communications/Telephone		753.00			753.00
Travel		2,583.19			2,583.19
Administrative Fee	33,000.00				33,000.00
Supplies and Materials	23,715.80	8,826.52	1,460.65		34,002.97
Repairs and Maintenance	2,461.04				2,461.04
Management Fee	33,000.00				33,000.00
Insurance	10,387.14			1,230.00	11,617.14
Miscellaneous	22,186.99	474.00	405.00		23,065.99
Depreciation	9,888.39				9,888.39
	<u>677,374.09</u>	<u>641,417.84</u>	<u>170,840.67</u>	<u>106,734.18</u>	<u>1,596,366.78</u>
Total Operating Expenses	<u>677,374.09</u>	<u>641,417.84</u>	<u>170,840.67</u>	<u>106,734.18</u>	<u>1,596,366.78</u>
Operating Income (Loss)	<u>(294,563.87)</u>	<u>(25,928.84)</u>	<u>6,634.33</u>	<u>8,307.48</u>	<u>(305,550.90)</u>
Nonoperating Revenues (Expenses):					
State Sources:					
School Lunch Program	6,785.91				6,785.91
Federal Sources:					
School Lunch Program	208,151.14				208,151.14
Special Milk Program	558.80				558.80
School Breakfast Program	35,505.04				35,505.04
Food Distribution Program	40,668.43				40,668.43
Other Reimbursement	4,046.50				4,046.50
Interest Revenue	726.40				726.40
Cancellation of Prior Year Accounts Receivable	(7,642.57)				(7,642.57)
	<u>288,799.65</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>288,799.65</u>
Total Nonoperating Revenues	<u>288,799.65</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>288,799.65</u>
Income (Loss) Before Operating Transfers	(5,764.22)	(25,928.84)	6,634.33	8,307.48	(16,751.25)
Operating Transfers	-	-	-	-	-
Change in Net Assets	(5,764.22)	(25,928.84)	6,634.33	8,307.48	(16,751.25)
Net Assets - July 1	<u>86,632.50</u>	<u>58,728.45</u>	<u>5,002.12</u>	<u>10,418.00</u>	<u>160,781.07</u>
Net Assets - June 30	<u>\$ 80,868.28</u>	<u>\$ 32,799.61</u>	<u>\$ 11,636.45</u>	<u>\$ 18,725.48</u>	<u>\$ 144,029.82</u>

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

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
PROPRIETARY FUNDS
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2011

	<u>Food Service</u>	<u>Child Study Team</u>	<u>Business Services</u>	<u>Chief School Administrator Services</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from Customers	\$ 418,244.90				\$ 418,244.90
Receipts from Program Participants		\$ 615,489.00	\$ 184,340.74	\$ 126,975.00	\$ 926,804.74
Payments to Employees		(539,334.19)	(168,975.02)	(104,829.18)	(813,138.39)
Payments for Employee Benefits		(71,363.65)			(71,363.65)
Payments to Management Company	(683,507.44)				(683,507.44)
Payments to Suppliers	(18,832.01)	(29,286.71)	(1,865.65)	(1,230.00)	(51,214.37)
Net Cash Provided by (Used for) Operating Activities	<u>(284,094.55)</u>	<u>(24,495.55)</u>	<u>13,500.07</u>	<u>20,915.82</u>	<u>(274,174.21)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
State Sources	7,163.42				7,163.42
Federal Sources	283,744.55				283,744.55
Other Reimbursement	4,046.50				4,046.50
Net Cash Provided by Non-Capital Financing Activities	<u>294,954.47</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>294,954.47</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest	726.40				726.40
Net Cash Provided by Investing Activities	<u>726.40</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>726.40</u>
Net Increase (Decrease) in Cash and Cash Equivalents	11,586.32	(24,495.55)	13,500.07	20,915.82	21,506.66
Cash and Cash Equivalents - July 1	102,139.74	68,188.17	(1,863.62)	(22,531.66)	145,932.63
Cash and Cash Equivalents - June 30	<u>\$ 113,726.06</u>	<u>\$ 43,692.62</u>	<u>\$ 11,636.45</u>	<u>\$ (1,615.84)</u>	<u>\$ 167,439.29</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	\$ (294,563.87)	\$ (25,928.84)	\$ 6,634.33	\$ 8,307.48	\$ (305,550.90)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation	9,888.39				9,888.39
Write off of Prior Year Receivable	(7,642.57)				(7,642.57)
(Increase) Decrease in Interfund Receivable	33,507.55				33,507.55
(Increase) Decrease in Accounts Receivable	9,569.70		6,865.74	11,933.34	28,368.78
Decrease in Inventories	4,883.79				4,883.79
Increase (Decrease) in Interfund Payable		(7,300.37)			(7,300.37)
Increase (Decrease) in Accounts Payable	(39,737.54)	8,733.66		675.00	(30,328.88)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (284,094.55)</u>	<u>\$ (24,495.55)</u>	<u>\$ 13,500.07</u>	<u>\$ 20,915.82</u>	<u>\$ (274,174.21)</u>

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

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
Statement of Fiduciary Net Assets
June 30, 2011

	Trust Funds		Agency Funds		Total
	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Student Activity	Payroll	
ASSETS:					
Cash and Cash Equivalents	\$ 26,536.39	\$ 13,781.55	\$ 176,011.29	\$ 86,561.69	\$ 302,890.92
Interfund Receivable	5,044.24		4,812.58		9,856.82
Total Assets	31,580.63	13,781.55	\$ 180,823.87	\$ 86,561.69	312,747.74
LIABILITIES:					
Accounts Payable			20,093.93	81,411.06	101,504.99
Interfunds Payable		4,812.58	1,298.44	5,150.63	11,261.65
Due to Student Groups			159,431.50		159,431.50
Total Liabilities	-	4,812.58	\$ 180,823.87	\$ 86,561.69	272,198.14
NET ASSETS:					
Held in Trust for Unemployment Claims and Other Purposes	31,580.63				31,580.63
Reserved for Scholarships		8,968.97			8,968.97
Total Net Assets	\$ 31,580.63	\$ 8,968.97			\$ 40,549.60

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

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended June 30, 2011

	Unemployment Compensation <u>Trust</u>	Private Purpose Scholarship <u>Trust</u>
ADDITIONS:		
Contributions:		
Employee Salary Deductions	\$ 16,761.17	
Donations		\$ 389.00
Investment Earnings:		
Interest	<u>280.91</u>	<u>282.54</u>
Total Additions	<u>17,042.08</u>	<u>671.54</u>
DEDUCTIONS:		
Scholarships Awarded - Current Year		1,500.00
Unemployment Claims	<u>20,353.13</u>	
Total Deductions	<u>20,353.13</u>	<u>1,500.00</u>
Change in Net Assets	(3,311.05)	(828.46)
Net Assets - July 1	<u>34,891.68</u>	<u>9,797.43</u>
Net Assets - June 30	<u>\$ 31,580.63</u>	<u>\$ 8,968.97</u>

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

GATEWAY REGIONAL HIGH SCHOOL DISTRICT

Notes to Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Reporting Entity - The Gateway Regional High School District (hereafter referred to as the "School District") is a Type II district located in the County of Gloucester, 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 7 through 12 at its one school. The School District has an approximate enrollment at June 30, 2011 of 843.

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.

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

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

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

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

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

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

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

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

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

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

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

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

Permanent Fund - The permanent fund is used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the School District's programs, that is, for the benefit of the School District or its students as a whole. The School District maintains two non-expendable funds: The Ernest R. Myers Scholarship Fund and the Wenonah-Westville B&L Scholarship Fund.

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.

Child Study Team Fund - This fund accounts for the financial activity related to a district-wide program operated for the benefit of the constituent districts comprising the regional school district.

Business Services Fund - This fund accounts for the financial activity related to business and administrative services provided to other school districts.

Chief School Administrators Fund - This fund accounts for the financial activity related to chief school administrator services provided to other school districts.

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

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

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. Pension trust funds are used to account for resources held in trust for employees and their beneficiaries based on defined benefit pension agreements, defined contribution agreements, other postemployment benefit agreements, and other employee benefit arrangements. Investment trust funds are used to report the external portion of an investment pool as defined in GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The School District has four fiduciary funds, *an unemployment compensation trust fund, a private-purpose scholarship fund (The Harry Simon Memorial Scholarship Fund), a student activity fund, and payroll fund.*

Measurement Focus

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

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

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

Basis of Accounting

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

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 sixty days after fiscal year end.

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

Revenues -- Exchange and Non-Exchange Transactions (Cont'd) - Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (property) taxes are susceptible to accrual. As under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. Restricted formula aids are recorded in the special revenue fund in accordance with *The Audit Program* promulgated by the New Jersey Department of Education, which requires that these grants be realized in an amount equal to program expenditures. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: tuition, grants, fees, and rentals.

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

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

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

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.

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

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

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

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

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

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

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

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, 2011 and 2010 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

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

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, 2011.

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

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

Short-Term Interfund Receivables / Payables - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the 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 interfunds receivable and / or interfunds payable.

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

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

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.

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

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

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

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

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

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

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

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 contributions by the constituent districts for the child study team program and service fees for the business services and chief school administrators program. Non-operating revenues principally consist of federal and state grant reimbursements and interest income earned on various interest-bearing accounts.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. Non-operating expenses principally consist of the cancellation of the prior year accounts receivable.

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 (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, athletic and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule below.

As of June 30, 2011, the School District's bank balances of \$1,717,526.88 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 122,673.73
Collateralized by securities held by the pledging financial institution	<u>1,344,853.15</u>
Total	<u><u>\$ 1,467,526.88</u></u>

New Jersey Cash Management Fund - During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2011, the School District's deposits with the New Jersey Cash Management Fund were \$4,477.72.

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District on October 11, 2001 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.

Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)

The activity of the capital reserve for the July 1, 2010 to June 30, 2011 fiscal year is as follows:

Beginning Balance July 1, 2010	\$	5.00
Deposits:		
Approved at June 2011 Board Meeting		<u>200,000.00</u>
Ending Balance June 30, 2011	\$	<u><u>200,005.00</u></u>

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2011 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

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

	General Fund	Special Revenue Fund	Proprietary Fund	Total
Intergovernmental	\$ 79,684.47	\$ 382,381.72	\$ 17,861.56	\$ 479,927.75
Other	<u>25,397.14</u>	<u> </u>	<u>34,271.73</u>	<u>59,668.87</u>
	<u><u>\$ 105,081.61</u></u>	<u><u>\$ 382,381.72</u></u>	<u><u>\$ 52,133.29</u></u>	<u><u>\$ 539,596.62</u></u>

Note 5: INVENTORY

Inventory in the food service fund at June 30, 2011 consisted of the following:

Food	\$ 16,416.35
Supplies	<u>5,273.44</u>
Total	<u><u>\$ 21,689.79</u></u>

Note 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reclassify</u>	<u>Balance</u> <u>June 30, 2011</u>
Governmental Activities:					
Capital Assets, not being Depreciated:					
Land	\$ 159,975.00				\$ 159,975.00
Construction in Progress	131,641.74		\$ (609.73)	\$ (131,032.01)	0.00
Total Capital Assets not being Depreciated	<u>291,616.74</u>	<u>-</u>	<u>(609.73)</u>	<u>(131,032.01)</u>	<u>159,975.00</u>
Capital Assets, being Depreciated:					
Land Improvements	5,410,130.00	\$ 25,014.00		131,032.01	5,566,176.01
Building and Improvements	18,385,470.80				18,385,470.80
Equipment	2,443,655.66	61,803.49			2,505,459.15
Total Capital Assets, being Depreciated:	<u>26,239,256.46</u>	<u>86,817.49</u>	<u>-</u>	<u>131,032.01</u>	<u>26,457,105.96</u>
Less Accumulated Depreciation:					
Land Improvements	(1,346,419.83)	(249,008.33)			(1,595,428.16)
Building and Improvements	(5,389,428.15)	(373,004.39)			(5,762,432.54)
Equipment	(1,634,152.31)	(184,119.99)			(1,818,272.30)
Total Accumulated Depreciation	<u>(8,370,000.29)</u>	<u>(806,132.71)</u>	<u>-</u>	<u>-</u>	<u>(9,176,133.00)</u>
Total Capital Assets, being Depreciated, Net	<u>17,869,256.17</u>	<u>(719,315.22)</u>	<u>-</u>	<u>131,032.01</u>	<u>17,280,972.96</u>
Governmental Activities Capital Assets, Net	<u>\$ 18,160,872.91</u>	<u>\$ (719,315.22)</u>	<u>\$ (609.73)</u>	<u>\$ -</u>	<u>\$ 17,440,947.96</u>
Business-Type Activities:					
Equipment	\$ 147,665.90				\$ 147,665.90
Less Accumulated Depreciation	(89,869.94)	\$ (9,888.39)			(99,758.33)
Business-Type Activities Capital Assets, Net	<u>\$ 57,795.96</u>	<u>\$ (9,888.39)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,907.57</u>

* Depreciation expense was charged to governmental functions as follows:

Student Instruction Related Services	88,674.60
General Administration	80,613.27
Operations and Maintenance	64,490.62
Transportation	<u>128,981.23</u>
Total Depreciation Expense	<u>\$ 806,132.71</u>

Note 7: LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2011, the following changes occurred in long-term obligations:

	<u>Principal Outstanding July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2011</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 7,410,000.00		\$ (280,000.00)	\$ 7,130,000.00	\$ 295,000.00
Obligations under Capital Lease	88,964.64		(66,729.06)	22,235.58	22,235.58
Compensated Absences	472,036.25		(55,199.54)	416,836.71	15,185.00
Governmental Activity					
Long-term Liabilities	<u>\$ 7,971,000.89</u>	<u>\$ -</u>	<u>\$ (401,928.60)</u>	<u>\$ 7,569,072.29</u>	<u>\$ 332,420.58</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.

On May 1, 2004, the School District issued \$8,865,000.00 general obligation bonds at interest rates varying from 3.50% to 4.125% for various construction and renovation projects. The final maturity of these bonds is March 1, 2029. Principal and interest due on bonds outstanding is as follows:

<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 295,000.00	\$ 286,725.00	\$ 581,725.00
2013	310,000.00	275,662.50	585,662.50
2014	320,000.00	264,037.50	584,037.50
2015	335,000.00	252,037.50	587,037.50
2016	350,000.00	238,637.50	588,637.50
2017-2021	2,010,000.00	1,114,025.00	3,124,025.00
2022-2026	2,200,000.00	541,887.50	2,741,887.50
2027-2029	1,310,000.00	107,662.50	1,417,662.50
	<u>\$ 7,130,000.00</u>	<u>\$ 3,080,675.00</u>	<u>\$ 10,210,675.00</u>

Bonds Authorized but not Issued - As of June 30, 2011, 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.

Capital Leases Payable - The School District is leasing copier, computer, and telephone equipment totaling \$240,804.17 under capital leases. All capital leases are for terms of *three to five years*. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2011.

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	<u>\$ 22,235.58</u>	<u>\$ 2,791.02</u>	<u>\$ 19,444.56</u>

Note 8: OPERATING LEASES

At June 30, 2011, the School District had operating lease agreements in effect for digital copiers. The future minimum rental payments under the operating lease agreements are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2012	\$ 42,984.00
2013	42,984.00
2014	35,244.00
2015	<u>5,708.00</u>
	<u>\$ 126,920.00</u>

Rental payments under operating leases for the fiscal year ended June 30, 2011 were \$37,276.00.

Note 9: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, which are administered by the New Jersey Division of Pensions and Benefits. In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. 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.

Note 9: PENSION PLANS (CONT'D)

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 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. 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>Non-Contributory Group Life Insurance</u>	<u>Paid by District</u>
2011	\$ 87,034.00	\$ 138,683.00	\$ 225,717.00	\$ 17,143.00	\$ 242,860.00
2010	91,624.00	89,399.00	181,023.00	-	181,023.00
2009	75,211.00	68,600.00	143,811.00	-	143,811.00

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District did not have contributions for the fiscal years ended June 30, 2010 and 2009. For the fiscal year ended 2011, the total liability for the School District was \$5,713.81, in which the District funded \$2,016.68.

Note 10: POST-RETIREMENT BENEFITS

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 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 \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2010.

Note 11: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2011, 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 \$22,996.00 and \$488,438.00, respectively.

Note 12: RISK MANAGEMENT

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

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

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

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

<u>Fiscal Year Ended June 30,</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011	\$ 280.91	\$ 16,761.17	\$ 20,353.13	31,580.63
2010	397.64	17,491.94	38,360.22	34,891.68
2009	550.79	17,107.94	22,930.45	55,362.32

Note 12: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool - The School District is a member of the Gloucester, Cumberland, and Salem County Insurance Pool Joint Insurance Fund. The Fund provides its members with the following coverage:

Property (Including Crime and Auto Physical Damage)
 General Liability
 Automobile Liability
 Workers' Compensation
 School Board Legal Liability
 Boiler and Machinery
 Pollution/Environmental Legal Liability

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The Fund publishes its own financial report for the fiscal year ended June 30, 2011, which can be obtained from:

Gloucester, Cumberland, Salem, School District Joint Insurance Fund
 P.O. Box 449
 Marlton, New Jersey 08053

Note 13: DEFERRED COMPENSATION

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

Lincoln Investment Planning
Siracusa Benefits Program
American Century Mutual Funds
The Vanguard Group
The Equitable
The Seely Agency, Inc.

Note 14: COMPENSATED ABSENCES

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

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

Note 14: COMPENSATED ABSENCES (CONT'D)

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2011, the liability for compensated absences in the governmental activities was \$416,836.71.

Note 15: INTERFUND BALANCES AND TRANSFERS

The following interfund balances were recorded on the various balance sheets as June 30, 2011:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 106.39	
Fiduciary	9,856.82	\$ 11,261.65
Permanent	1,298.44	
	<u>\$ 11,261.65</u>	<u>\$ 11,261.65</u>

The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All interfund balances are expected to be repaid within one year.

Note 16: DEFICIT FUND BALANCES

The School District has a deficit fund balance of (\$209,411.12) in the general fund as of June 30, 2011 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 unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of (\$209,411.12) is less than the June state aid payments.

Note 17: DEFICIT UNRESTRICTED NET ASSETS

The School District has a deficit in net assets of (\$681,102.09) in the governmental activities as of June 30, 2011 as reported in the district-wide financial statements.

Note 18: FUND BALANCES**NONSPENDABLE**

As stated in note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The nonspendable fund balances of the School District, as of June 30, 2011, are summarized as follows:

Permanent Fund - On May 5, 1993, the School District was the beneficiary of a distribution from the estate of Ernest R Myers. In accordance with the terms of the distribution, the principal is to be invested upon good security, and the income only, derived there from, is to be used solely for a scholarship to benefit a male or female graduating student of Gateway Regional High School. On June 12, 1992, the School District received funds from the trustees of the Wenonah-Westville Building and Loan Association. In accordance with the terms of the distribution, the principal is to be invested upon good security, and the income only, derived there from, is to be used solely for a scholarship to benefit a graduating student of Gateway Regional High School. As of June 30, 2011, the nonspendable fund balance amount was \$11,348.77.

RESTRICTED

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

General Fund -

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2011 is \$661,562.37. Additionally, \$610,067.16 of excess fund balance generated during 2009-2010 has been restricted and designated for utilization in the 2011-2012 budget.

For Capital Reserve Account - As of June 30, 2011, the balance in the capital reserve account is \$200,005.00. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

Capital Projects Fund - On May 1, 2004, the School District issued \$8,865,000.00 general obligation bonds pursuant to: (i) Chapter 24 of Title 18A of the New Jersey Statutes, as amended and supplemented ("School Bond Law"), (ii) a proposal adopted by the Board on December 9, 2003, and approved by the legal voters of the School District at a special election held on October 8, 2003, and (iii) two (2) resolutions adopted by the Board on January 12, 2004 and February 28, 2003. The bond issuance was approved by the voters for various construction and renovation projects to the high school building. The School District also received a School Construction Corporation "SCC" Grant under Educational Facilities Construction Financing Act "EFCFA" for the state share of approved school facilities projects and help fund the total project in the amount of \$6,288,494.00. As of June 30, 2011, the restricted fund balance amount was \$15,535.24.

Debt Service Fund - The debt service fund has a restricted fund balance in the amount of \$0.47 as of June 30, 2011. The funds are to be budgeted in future years to retire outstanding debt service obligations of the School District.

Note 18: FUND BALANCES (CONT'D)**RESTRICTED (CONT'D)**

Permanent Fund - The permanent fund has a restricted fund balance in the amount of \$1,298.44 as of June 30, 2011. The funds are to be solely used for a scholarship to benefit a graduating student of Gateway Regional High School.

COMMITTED

As stated in note 1, the committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which is the Board of Education. There were no specific commitments of the School District's fund balance as of June 30, 2011.

ASSIGNED

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

General Fund -

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2012 \$56,002.84 of general fund balance at June 30, 2011.

Other Purposes - As of June 30, 2011, the School District had \$83,408.96 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

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

General Fund - As of June 30, 2011, \$(209,411.12) of general fund balance was unassigned.

Note 19: 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

GATEWAY REGIONAL HIGH SCHOOL DISTRICT

Required Supplementary Information
Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Modifications/Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 8,764,558.00		\$ 8,764,558.00	\$ 8,764,558.00	
Tuition	15,000.00		15,000.00	43,978.07	\$ 28,978.07
Transportation Fees from Other LEA's	715,000.00		715,000.00	1,064,192.96	349,192.96
Interest Earned on Capital Reserve Funds					
Miscellaneous	50,000.00		50,000.00	86,275.83	36,275.83
Total - Local Sources	9,544,558.00	-	9,544,558.00	9,959,004.86	414,446.86
State Sources:					
Transportation Aid	108,373.00		108,373.00	108,373.00	
Special Education Aid	441,542.00		441,542.00	441,542.00	
Equalization Aid	5,631,829.00		5,631,829.00	5,631,829.00	
Security Aid	111,194.00		111,194.00	111,194.00	
Extraordinary Aid				25,976.00	25,976.00
Nonpublic Transportation (Other State Aid)				12,233.84	12,233.84
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)					
Normal Cost				22,996.00	22,996.00
Post-Retirement Medical Contribution				488,438.00	488,438.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				572,425.37	572,425.37
Total - State Sources	6,292,938.00	-	6,292,938.00	7,415,007.21	1,122,069.21
Federal Sources:					
Medical Assistance Program	20,227.00		20,227.00	15,589.68	(4,637.32)
Total - Federal Sources	20,227.00	-	20,227.00	15,589.68	(4,637.32)
Total Revenues	15,857,723.00	-	15,857,723.00	17,389,601.75	1,531,878.75

(Continued)

GATEWAY REGIONAL HIGH SCHOOL DISTRICT

Required Supplementary Information
Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications/Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:	\$ 1,550,763.00	\$ 140,791.00	\$ 1,691,554.00	\$ 1,691,442.11	\$ 111.89
Grades 6-8		(107,238.00)	2,626,378.00	2,626,227.69	150.31
Grades 9-12					
Regular Programs - Home Instruction:					
Salaries of Teachers	21,000.00	9,344.00	30,344.00	30,343.36	0.64
Purchased Professional - Educational Services	1,800.00	13,335.00	15,135.00	15,134.50	0.50
Purchased Professional - Educational Services	500.00		500.00	500.00	
Purchased Technical Services	38,900.00	(5,827.05)	33,072.95	27,720.93	5,352.02
Regular Programs - Undistributed Instruction:					
Other Purchased Services (400-500 Series)	15,377.00	(4,800.00)	10,577.00	8,471.37	2,105.63
General Supplies	186,949.00	13,125.90	200,074.90	156,787.48	43,287.42
Textbooks	22,529.00		22,529.00	18,093.10	4,435.90
Other Objects	96,815.00	(93,497.00)	3,318.00	595.00	2,723.00
Total Regular Programs	4,668,249.00	(34,766.15)	4,633,482.85	4,575,315.54	58,167.31
Special Education - Instruction:					
Resource Room / Resource Center:					
Salaries of Teachers	878,657.00	64,499.00	943,156.00	943,155.49	0.51
Other Salaries for Instruction	167,260.00	(5,450.00)	161,810.00	161,809.55	0.45
General Supplies	9,217.00	163.15	9,380.15	3,103.86	6,276.29
Textbooks	4,312.00	(600.00)	3,712.00	3,679.87	32.13
Total Resource Room / Resource Center	1,059,446.00	58,612.15	1,118,058.15	1,111,748.77	6,309.38
Total Special Education - Instruction	1,059,446.00	58,612.15	1,118,058.15	1,111,748.77	6,309.38
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	347,115.00	(52,651.00)	294,464.00	289,413.15	5,050.85
General Supplies	150.00		150.00	150.00	
Total Basic Skills / Remedial - Instruction	347,265.00	(52,651.00)	294,614.00	289,413.15	5,200.85
Bilingual Education - Instruction:					
Salaries of Teachers	2,500.00	(2,463.00)	37.00	37.00	
General Supplies	50.00		50.00	50.00	
Total Bilingual Education - Instruction	2,550.00	(2,463.00)	87.00	-	87.00

(Continued)

GATEWAY REGIONAL HIGH SCHOOL DISTRICT

Required Supplementary Information
Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Modifications/Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
School Sponsored Cocurricular Activities - Instruction:					
Salaries	\$ 133,124.00	\$ (2,789.00)	\$ 130,335.00	\$ 116,032.04	\$ 14,302.96
Purchased Services (300-500 series)	9,200.00		9,200.00	5,301.09	3,898.91
Supplies and Materials	19,709.00	(319.00)	19,390.00	12,506.76	6,883.24
Other Objects	2,470.00	3,108.00	5,578.00	5,577.66	0.34
Total School Sponsored Cocurricular Activities - Instruction	164,503.00		164,503.00	139,417.55	25,085.45
School Sponsored Athletics - Instruction:					
Salaries	368,361.00		368,361.00	308,089.00	60,272.00
Purchased Services (300-500 series)	89,938.00	(21,348.00)	68,590.00	56,291.32	12,298.68
Supplies and Materials	66,360.00	(160.00)	66,200.00	61,712.33	4,487.67
Other Objects	21,115.00	11,275.00	32,390.00	3,133.85	29,256.15
Total School Sponsored Athletics - Instruction	545,774.00	(10,233.00)	535,541.00	429,226.50	106,314.50
Total Instruction	6,787,787.00	(41,501.00)	6,746,286.00	6,545,121.51	201,164.49
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within State - Regular	146,679.00	(96,900.00)	49,779.00	35,698.80	14,080.20
Tuition to Other LEA's Within State - Special	15,000.00	4,000.00	19,000.00	15,349.20	3,650.80
Tuition to CSSD and Regional Day Schools	657,577.00	45,295.00	702,872.00	604,408.25	98,463.75
Tuition to Private Schools for the Disabled - Within State	411,509.00	47,605.00	459,114.00	439,009.97	20,104.03
Tuition - State Facilities	84,271.00		84,271.00	84,271.00	
Total Undistributed Expenditures - Instruction	1,315,036.00		1,315,036.00	1,178,737.22	136,298.78
Undistributed Expenditures - Attendance and Social Work:					
Salaries	45,777.00	(24,417.00)	21,360.00	21,360.00	
Purchased Professional and Technical Services	250.00	2,855.00	3,105.00	3,104.49	0.51
Supplies and Materials	300.00	(300.00)			
Total Undistributed Expenditures - Attendance and Social Work	46,327.00	(21,862.00)	24,465.00	24,464.49	0.51
Undistributed Expenditures - Health Services:					
Salaries	104,193.00	3,631.00	107,824.00	107,823.13	0.87
Purchased Professional and Technical Services	1,000.00	(916.00)	84.00	84.00	
Other Purchased Services (400-500 series)	3,000.00	396.00	3,396.00	2,976.00	420.00
Supplies and Materials	6,500.00		6,500.00	3,545.93	2,954.07
Total Undistributed Expenditures - Health Services	114,693.00	3,111.00	117,804.00	114,345.06	3,458.94

(Continued)

GATEWAY REGIONAL HIGH SCHOOL DISTRICT

Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Modifications/Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries	\$ 32,160.00		\$ 32,160.00	\$ 32,160.00	
Purchased Professional - Educational Services	3,200.00	950.00	4,150.00	4,150.00	
Supplies and Materials	528.00	47.00	575.00	574.18	0.82
Total Undistributed Expenditures - Other Support Services - Students - Related Services	35,888.00	997.00	36,885.00	36,884.18	0.82
Undistributed Expenditures - Other Support Services - Students - Regular					
Salaries of Other Professional Staff	361,802.00	(3,594.00)	358,208.00	358,207.25	0.75
Salaries of Secretarial and Clerical Assistants	51,010.00	(7,114.00)	43,896.00	43,895.38	0.62
Other Salaries	107,492.00	4,818.00	112,310.00	112,309.78	0.22
Purchased Professional - Educational Services	7,775.00	(1,289.26)	6,485.74	4,485.48	2,000.26
Other Purchased Professional and Technical Services	4,863.00	4,009.26	8,872.26	8,807.76	64.50
Miscellaneous Purchased Services (400-500 Series other than Residential Costs)	3,800.00	(474.00)	3,326.00	1,808.85	1,517.15
Supplies and Materials	9,000.00		9,000.00	7,638.69	1,361.31
Other Objects	295.00		295.00	215.00	80.00
Total Undistributed Expenditures - Other Support Services - Students - Regular	546,037.00	(3,644.00)	542,393.00	537,368.19	5,024.81
Undistributed Expenditures - Other Support Services - Students - Special:					
Salaries of Other Professional Staff	150,605.00	29,868.00	180,473.00	180,472.83	0.17
Salaries of Secretarial and Clerical Assistants	32,480.00	120.00	32,600.00	32,599.92	0.08
Other Salaries	28,300.00	(713.00)	27,587.00	19,847.66	7,739.34
Purchased Professional - Educational Services	324,705.00	50.00	324,755.00	324,733.00	22.00
Other Purchased Professional and Technical Services	7,000.00	(2,400.00)	4,600.00	1,000.00	3,600.00
Miscellaneous Purchased Services (400-500 Series other than Residential Costs)	250.00		250.00		250.00
Supplies and Materials	3,500.00		3,500.00	536.87	2,963.13
Total Undistributed Expenditures - Other Support Services - Students - Special	546,840.00	26,925.00	573,765.00	559,190.28	14,574.72

(Continued)

GATEWAY REGIONAL HIGH SCHOOL DISTRICT

Required Supplementary Information
Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications/Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	\$ 236,981.00		\$ 236,981.00	\$ 234,994.75	\$ 1,986.25
Salaries of Secretarial and Clerical Assistants	57,327.00		57,327.00	56,670.58	656.42
Other Salaries	91,009.00	\$ (1,147.00)	89,862.00	89,052.80	809.20
Purchased Professional - Educational Services	30,933.00	550.00	31,483.00	31,483.00	-
Other Purchased Professional and Technical Services	500.00	(175.00)	325.00	200.00	125.00
Other Purchased Services (400-500 series)	10,000.00	1,813.00	11,813.00	10,033.37	1,779.63
Supplies and Materials	3,500.00	(1,041.00)	2,459.00	2,145.52	313.48
Other Objects	10,500.00		10,500.00	6,719.70	3,780.30
Total Undistributed Expenditures - Improvement of Instruction Services	440,750.00		440,750.00	431,299.72	9,450.28
Undistributed Expenditures - Educational Media Services / School Library:					
Salaries	157,090.00	3,051.00	160,141.00	160,139.15	1.85
Purchased Professional and Technical Services	7,560.00	(3,051.00)	4,509.00	3,386.00	1,123.00
Other Purchased Services (400-500 series)	200.00		200.00	200.00	200.00
Supplies and Materials	10,435.00	135.40	10,570.40	6,365.92	4,204.48
Other Objects	248.00		248.00	123.00	125.00
Total Undistributed Expenditures - Educational Media Services / School Library	175,533.00	135.40	175,668.40	170,014.07	5,654.33
Undistributed Expenditures - Instructional Staff Training Services:					
Other Purchased Services (400-500 series)		400.00	400.00	400.00	-
Total Undistributed Expenditures - Instructional Staff Training Services:		400.00	400.00	400.00	-
Undistributed Expenditures - Support Services - General Administration:					
Salaries	193,978.00	(1,341.00)	192,637.00	192,633.10	3.90
Legal Services	27,250.00	(15,800.00)	11,450.00	11,418.84	31.16
Audit Fees	39,000.00	(1,150.00)	37,850.00	37,850.00	
Other Purchased Professional Services	5,000.00	5,280.00	10,280.00	10,280.00	
Purchased Technical Services	7,000.00	(410.00)	6,590.00	6,237.50	352.50
Communications / Telephone	49,935.00	29,968.00	79,903.00	77,874.99	2,028.01
BOE Other Purchased Services (400-500 series)	5,725.00	(1,770.00)	3,955.00	3,555.00	400.00
Other Purchased Services	30,875.00	1,886.00	32,761.00	32,445.79	315.21
General Supplies	7,900.00	(3,860.00)	4,040.00	3,783.88	256.12
Miscellaneous Expenditures	1,000.00	(300.00)	700.00	680.46	19.54
BOE Membership Dues and Fees	10,650.00	(1,255.00)	9,395.00	9,043.22	351.78
Total Undistributed Expenditures - Support Services - General Adminst.	378,313.00	11,248.00	389,561.00	385,802.78	3,758.22

(Continued)

GATEWAY REGIONAL HIGH SCHOOL DISTRICT

Required Supplementary Information
Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications/Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals	\$ 296,913.00	\$ 144.00	\$ 297,057.00	\$ 297,056.23	\$ 0.77
Salaries of Secretarial and Clerical Assistants	36,312.00	9,935.00	46,247.00	46,238.92	8.08
Purchased Professional and Technical Services	1,100.00	200.00	1,300.00	1,300.00	
Other Purchased Services	3,750.00	(43.00)	3,707.00	3,659.26	47.74
Supplies and Materials	12,600.00	1,766.39	14,366.39	13,301.32	1,065.07
Other Objects	4,500.00	3,216.00	7,716.00	7,711.75	4.25
Total Undistributed Expenditures - Support Services - School Administration	355,175.00	15,218.39	370,393.39	369,267.48	1,125.91
Undistributed Expenditures - Central Services:					
Salaries	247,415.00	12,392.00	259,807.00	259,806.76	0.24
Purchased Professional Services	12,800.00	845.00	13,645.00	13,645.00	
Purchased Technical Services	1,000.00	2,735.00	3,735.00		3,735.00
Supplies and Materials	6,500.00		6,500.00	2,871.47	3,628.53
Interest - Lease/Purchase	13,680.00	(4,008.00)	9,672.00	9,671.12	0.88
Miscellaneous Expenditures	1,575.00	(37.00)	1,538.00	1,260.00	278.00
Total Undistributed Expenditures - Central Services	282,970.00	11,927.00	294,897.00	287,254.35	7,642.65
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	88,457.00	3,030.00	91,487.00	90,939.32	547.68
Cleaning, Repair and Maintenance Services	79,000.00	(14,389.00)	64,611.00	60,887.10	3,723.90
General Supplies	13,500.00	(11,436.62)	2,063.38	685.08	1,378.30
Other Objects	50.00		50.00		50.00
Total Undistributed Expenditures - Required Maintenance for School Facilities	181,007.00	(22,795.62)	158,211.38	152,511.50	5,699.88
Undistributed Expenditures - Operation and Maintenance of Plant Services					
Salaries	225,978.00	114,953.00	340,931.00	334,118.45	6,812.55
Purchased Professional and Technical Services	3,300.00		3,300.00	240.00	3,060.00
Cleaning, Repair and Maintenance Services	285,625.00	(503.00)	285,122.00	273,700.67	11,421.33
Other Purchased Property Services	73,350.00	2,000.00	75,350.00	60,023.34	15,326.66
Insurance	124,732.00	(12.00)	124,720.00	122,802.00	1,918.00
General Supplies	49,350.00	24,589.06	73,939.06	71,390.67	2,548.39
Energy (Heat and Electricity)	446,500.00	(35,100.00)	411,400.00	337,413.47	73,986.53
Other Objects		12.00	12.00		
Total Undistributed Expenditures - Custodial Services of Plant Services	1,208,835.00	105,939.06	1,314,774.06	1,199,700.60	115,073.46
Undistributed Expenditures - Care & Upkeep of Grounds Salaries					
	79,858.00	(79,858.00)	-	-	-

(Continued)

GATEWAY REGIONAL HIGH SCHOOL DISTRICT

Required Supplementary Information
Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Modifications/Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School) - Regular	\$ 223,244.00	\$ (12,812.00)	\$ 210,432.00	\$ 210,431.35	\$ 0.65
Salaries for Pupil Transportation (Between Home and School) - Special Education	460,240.00	77,606.00	537,846.00	537,620.74	225.26
Salaries for Pupil Transportation (Between Home and School) - Other	131,513.00	(22,231.00)	109,282.00	108,285.78	996.22
Cleaning, Repair, & Maintenance Services	45,000.00	(14,583.00)	30,417.00	29,907.55	509.45
Contracted Services (Special Education Students) - Joint Agreement	135,000.00	(40,934.00)	94,066.00	94,065.02	0.98
Aid-in-Lieu-of Payments	37,500.00	3,988.00	41,488.00	33,592.00	7,896.00
Miscellaneous Purchased Services - Transportation	500.00	(498.00)	2.00		2.00
Supplies and Materials	152,557.00	(800.00)	151,757.00	150,445.95	1,311.05
Transportation Supplies	950.00	50.00	1,000.00	1,000.00	
Miscellaneous Expenditures	5,500.00	2,973.00	8,473.00	8,265.82	207.18
Total Undistributed Expenditures - Student Transportation Services	1,192,004.00	(7,241.00)	1,184,763.00	1,173,614.21	11,148.79
Unallocated Benefits:					
Social Security Contributions	237,962.00	(781.00)	237,181.00	234,295.06	2,885.94
Other Retirement Contributions - Regular	196,410.00	48,204.00	244,614.00	244,613.52	0.48
Unemployment Compensation	10.00		10.00		10.00
Workmen's Compensation	112,401.00	(1,458.00)	110,943.00	110,943.00	
Health Benefits	1,836,008.00	(92,230.00)	1,743,778.00	1,739,995.60	3,782.40
Tuition Reimbursement	29,500.00	1,008.00	30,508.00	30,508.00	
Other Employee Benefits		485.00	485.00	484.50	0.50
Total Unallocated Benefits	2,412,291.00	(44,772.00)	2,367,519.00	2,360,839.68	6,679.32
On-behalf T.P.A.F. Pension Contributions (non-budgeted)					
Normal Cost				22,996.00	(22,996.00)
Post-Retirement Medical Contribution				488,438.00	(488,438.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				572,425.37	(572,425.37)
Total On-behalf Contributions	-	-	-	1,083,859.37	(1,083,859.37)
Total Undistributed Expenditures	9,311,557.00	(4,271.77)	9,307,285.23	10,065,553.18	(758,267.95)
Total Current Expense	16,099,344.00	(45,772.77)	16,053,571.23	16,610,674.69	(557,103.46)
Capital Outlay:					
Equipment:					
Equipment - Instructional		4,740.00	4,740.00	4,740.00	
Undistributed Expenditures - Student Transportation		41,334.00	41,334.00	41,334.00	41,334.00
Total Equipment		46,074.00	46,074.00	47,400.00	41,334.00
Total Equipment		46,074.00	46,074.00	47,400.00	41,334.00

(Continued)

GATEWAY REGIONAL HIGH SCHOOL DISTRICT

Required Supplementary Information
Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Modifications/Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
Capital Outlay (Cont'd):					
Facilities Acquisition and Construction Services:					
Lease Purchase Agreements - Principal	\$ 99,975.00	\$ (176.00)	\$ 99,799.00	\$ 99,798.52	\$ 0.48
Construction Services	68,399.00	167,149.74	167,149.74	167,149.30	0.44
Other Objects			68,399.00	68,399.00	
Total Facilities Acquisition and Construction Services	168,374.00	166,973.74	335,347.74	335,346.82	0.92
Total Capital Outlay	168,374.00	213,047.74	381,421.74	340,086.82	41,334.92
Total Expenditures	16,267,718.00	167,274.97	16,434,992.97	16,950,761.51	(515,768.54)
Excess (Deficiency) of Revenues Over (Under) Expenditures (Carried Forward)	(409,995.00)	(167,274.97)	(577,269.97)	438,840.24	1,016,110.21
Other Financing Sources (Uses):					
Operating Transfers In and Out:					
Transfer to Food Service Fund - Board Contribution	(5.00)		5.00	(12,400.35)	5.00
Cancellation of Prior Year Accounts Receivable					12,400.35
Total Other Financing Sources (Uses)	(5.00)	-	5.00	(12,400.35)	12,405.35
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(410,000.00)	(167,274.97)	(577,264.97)	426,439.89	1,028,515.56
Fund Balances, July 1	1,540,154.32	-	1,540,154.32	1,540,154.32	-
Fund Balances, June 30	\$ 1,130,154.32	\$ (167,274.97)	\$ 962,889.35	\$ 1,966,594.21	\$ 1,028,515.56
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 200,005.00	
Reserve for Excess Surplus Designated for Subsequent Year's Expenditures				610,067.16	
Reserve for Excess Surplus				661,562.37	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				56,002.84	
Reserve for Encumbrances				83,408.96	
Unassigned Fund Balance				355,547.88	
Reconciliation to Governmental Funds Statement (GAAP):				1,966,594.21	
Last State Aid Payment Not Recognized on GAAP Basis				(564,959.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 1,401,635.21	

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources:					
Nonpublic Aid - Textbooks	\$ 3,979.00	\$ 3,145.04	\$ 7,124.04	\$ 7,124.04	\$ -
Nonpublic Aid - Auxiliary Services	23,858.00	(4,186.41)	19,671.59	19,671.59	-
Nonpublic Aid - Handicapped Aid	7,882.00	5,291.49	13,173.49	13,173.49	-
Nonpublic Aid - Nursing Services Aid	4,715.00	2,558.80	7,273.80	7,273.80	-
Total - State Sources	40,434.00	6,808.92	47,242.92	47,242.92	-
Federal Sources:					
Title I	106,315.00	2,538.76	108,853.76	108,853.76	-
Title I - ARRA	25,890.71	25,890.71	25,890.71	25,890.71	-
Title II - A	24,538.00	1,185.56	25,723.56	25,723.56	-
Title II - D	271.00	115.28	386.28	386.28	-
IDEA - B - Basic	238,231.00	5,238.32	243,469.32	243,469.32	-
IDEA - B - ARRA		91,891.44	91,891.44	91,891.44	-
Total - Federal Sources	369,355.00	126,860.07	496,215.07	496,215.07	-
Total Revenues	409,789.00	133,668.99	543,457.99	543,457.99	-
EXPENDITURES:					
Instruction:					
Salaries of Teachers	69500	43,248.02	112,748.02	112,748.02	-
Purchased Professional and Technical Services	3,474.00	621.00	4,095.00	4,095.00	-
Other Purchased Services	18,420.00	(4,186.41)	14,233.59	14,233.59	-
Tuition	217728	5,585.78	223,313.78	223,313.78	-
Supplies and Materials	17000	769.44	769.44	769.44	-
General Supplies	3,979.00	34,132.29	51,132.29	51,132.29	-
Textbooks		3,145.04	7,124.04	7,124.04	-
Total Instruction	330,101.00	83,315.16	413,416.16	413,416.16	-
Support Services:					
Salaries	15752	(453.33)	15,298.67	15,298.67	-
Personal Services-Employee Benefits	14321	16,072.09	30,393.09	30,393.09	-
Other Purchased Professional Services	4,715.00	2,558.80	7,273.80	7,273.80	-
Purchased Professional and Technical Services	6125	18,415.00	24,540.00	24,540.00	-
Purchased Professional - Educational Services	23911	6,917.49	30,828.49	30,828.49	-
Other Purchased Services	4316	4,878.45	9,194.45	9,194.45	-
Contracted Transportation Services (Bet.Home & School)	5,438.00		5,438.00	5,438.00	-
Supplies and Materials	5110	1,965.33	7,075.33	7,075.33	-
Total Support Services	79,688.00	50,353.83	130,041.83	130,041.83	-
Total Expenditures	409,789.00	133,668.99	543,457.99	543,457.99	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2011

	Title I		Title I - ARRA		Title II - Part A		Total Brought Forward
	2010-2011	Carryover 2009-2010	2009-2011	2010-2011	Carryover 2009-2010		
REVENUES:							
State Sources	\$ 47,242.92		\$ 25,890.71	\$ 20,207.81	\$ 5,515.75	\$	47,242.92
Federal Sources	496,215.07	\$ 28,902.87	\$ 25,890.71	\$ 20,207.81	\$ 5,515.75		335,747.04
Total Revenues	543,457.99	28,902.87	25,890.71	20,207.81	5,515.75		382,989.96
EXPENDITURES:							
Instruction:							
Salaries of Teachers	112,748.02	7,642.60	10,098.00	12,000.00			32,710.47
Purchased Professional and Technical Services	4,095.00						3,474.00
Other Purchased Services	14,233.59						14,233.59
Tuition	223,313.78						223,313.78
Supplies and Materials	769.44						769.44
General Supplies	51,132.29	11,064.85	8,695.71				22,431.96
Textbooks	7,124.04						7,124.04
Total Instruction	413,416.16	18,707.45	18,793.71	12,000.00	-		304,057.28
Support Services:							
Salaries	15,298.67	5,999.92	3,240.00	3,243.75	2,602.50		212.50
Personal Services-Employee Benefits	30,393.09	9,356.45	1,140.00	4,551.40	199.10		14,000.02
Other Purchased Professional Services	7,273.80						7,273.80
Purchased Professional and Technical Services	24,540.00	229.00					17,711.00
Purchased Professional - Educational Services	30,828.49				2,500.00		28,328.49
Other Purchased Services	9,194.45	3,495.00	2,717.00		214.15		319.00
Contracted Transportation Services (Bet.Home & School)	5,438.00	2,449.30					5,438.00
Supplies and Materials	7,075.33	1,012.80		412.66			5,649.87
Total Support Services	130,041.83	20,093.17	7,097.00	8,207.81	5,515.75		78,932.68
Total Expenditures	543,457.99	28,902.87	25,890.71	20,207.81	5,515.75		382,989.96
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-		-

(Continued)

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2011

	Total Carried Forward	Title II-D		IDEIA - B Basic		IDEIA - ARRA 2009-2011	Total Brought Forward
		2010-2011	Carryover 2009-2010	2010-2011	Carryover 2009-2010		
REVENUES:							
State Sources	\$ 47,242.92						\$ 47,242.92
Federal Sources	335,747.04	\$ 67.28	\$ 319.00	\$ 235,751.00	\$ 7,718.32	\$ 91,891.44	-
Total Revenues	382,989.96	67.28	319.00	235,751.00	7,718.32	91,891.44	47,242.92
EXPENDITURES:							
Instruction:							
Salaries of Teachers	32,710.47					32,710.47	-
Purchased Professional and Technical Services	3,474.00						3,474.00
Other Purchased Services	14,233.59						14,233.59
Tuition	223,313.78			217,728.00	5,585.78		-
Supplies and Materials	769.44					769.44	-
General Supplies	22,431.96			1,000.00	526.54	20,905.42	-
Textbooks	7,124.04						7,124.04
Total Instruction	304,057.28	-	-	218,728.00	6,112.32	54,385.33	24,831.63
Support Services:							
Salaries	212.50	62.50				150.00	-
Personal Services-Employee Benefits	14,000.02	4.78				13,995.24	-
Other Purchased Professional Services	7,273.80						7,273.80
Purchased Professional and Technical Services	17,711.00					17,711.00	-
Purchased Professional - Educational Services	28,328.49			17,023.00	1,606.00		9,699.49
Other Purchased Services	319.00		319.00				-
Contracted Transportation Services (Bet.Home & School)	5,438.00					5,649.87	5,438.00
Supplies and Materials	5,649.87						-
Total Support Services	78,932.68	67.28	319.00	17,023.00	1,606.00	37,506.11	22,411.29
Total Expenditures	382,989.96	67.28	319.00	235,751.00	7,718.32	91,891.44	47,242.92
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-

(Continued)

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2011

	Total Carried Forward	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Nursing Aid	N.J. Nonpublic Auxiliary Services, Ch. 192, L. 1977		N.J. Nonpublic Handicapped Services, Ch. 193, L. 1977		
				Compensatory Education	Transportation	Examination and Classification	Corrective Speech	Supplementary Instruction
REVENUES:								
State Sources	\$ 47,242.92	\$ 7,124.04	\$ 7,273.80	\$ 14,233.59	\$ 5,438.00	\$ 8,134.85	\$ 1,564.64	\$ 3,474.00
Federal Sources	-	-	-	-	-	-	-	-
Total Revenues	47,242.92	7,124.04	7,273.80	14,233.59	5,438.00	8,134.85	1,564.64	3,474.00
EXPENDITURES:								
Instruction:								
Salaries of Teachers	3,474.00							
Purchased Professional and Technical Services	14,233.59			14,233.59				3,474.00
Other Purchased Services	-							
Tuition	-							
Supplies and Materials	-							
General Supplies	-							
Textbooks	7,124.04	7,124.04						
Total Instruction	24,831.63	7,124.04	-	14,233.59	-	-	-	3,474.00
Support Services:								
Salaries	-							
Personal Services-Employee Benefits	-							
Other Purchased Professional Services	7,273.80		7,273.80					
Purchased Professional and Technical Services	-							
Other Purchased Professional - Educational Services	9,699.49					8,134.85	1,564.64	
Other Purchased Services	-							
Contracted Transportation Services (Bet.Home & School)	5,438.00				5,438.00			
Supplies and Materials	-							
Total Support Services	22,411.29	-	7,273.80	-	5,438.00	8,134.85	1,564.64	-
Total Expenditures	47,242.92	7,124.04	7,273.80	14,233.59	5,438.00	8,134.85	1,564.64	3,474.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-

CAPITAL PROJECTS FUND

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2011

<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures To Date</u> <u>Prior Years</u>	<u>Current Year</u>	<u>Unexpended Balance</u> <u>June 30, 2011</u>
Construction of an addition to the existing Gateway Regional High School totaling approximately 15,921 square feet, and the construction of a maintenance garage on the site of said facility, together with the completion of various other improvements and renovations, including improvements to athletic facilities, sitework and the replacement and/or upgrading of the building structure and operating systems, including the electric, plumbing and heating, ventilating and air conditioning systems; acquire furniture, fixtures and equipment for said additions, improvements and renovations	3/1/2004	\$ 15,153,985.00	\$ 15,138,449.76	\$ -	\$ 15,535.24

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND**

Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year Ended June 30, 2011

Revenues and Other Financing Sources

State Sources - SCC Grant

Bond Proceeds and Transfers

Total Revenues

-

Expenditures and Other Financing Uses

Purchased Professional and Technical Services

Construction Services

Site Improvements

Total Expenditures

-

Excess (Deficiency) of Revenues Over (Under) Expenditures

-

Fund Balance, July 1

\$ 15,535.24

Fund Balance, June 30

\$ 15,535.24

GATEWAY REGIONAL HIGH SCHOOL DISTRICT

CAPITAL PROJECTS FUND

Schedule of Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Gateway Regional HS Additions and Renovations
 For the Fiscal Year Ended June 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 6,288,494.00		\$ 6,288,494.00	\$ 6,288,494.00
Bond Proceeds and Transfers	8,865,491.00		8,865,491.00	8,865,491.00
Total Revenues	15,153,985.00	-	15,153,985.00	15,153,985.00
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	1,344,926.50		1,344,926.50	1,437,016.00
Construction Services	10,989,306.14		10,989,306.14	10,969,419.00
Site Improvements	2,804,217.12		2,804,217.12	2,747,550.00
Total Expenditures	15,138,449.76	-	15,138,449.76	15,153,985.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 15,535.24	\$ -	\$ 15,535.24	\$ -

Additional Project Information

Project Number	#1715-050-03-1000
Grant Date	10/10/2003
Bond Authorization Date	1/14/2004
Bonds Authorized	\$ 8,865,000.00
Bonds Issued	\$ 8,865,000.00
Original Authorized Cost	\$ 15,153,985.00
Additional Authorized Cost	-
Revised Authorized Cost	\$ 15,153,985.00
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	99.90%
Original Target Completion Date	9/1/2005
Revised Target Completion Date	12/1/2005

PROPRIETARY FUNDS

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
 Combining Statement of Net Assets
 June 30, 2011

	<u>Food Service</u>	<u>Child Study Team</u>	<u>Business Services</u>	<u>Chief School Administrator Services</u>	<u>Total</u>
ASSETS:					
Current Assets:					
Cash and Cash Equivalents	\$ 113,726.06	\$ 43,692.62	\$ 11,636.45		\$ 169,055.13
Accounts Receivable:					
State	476.29			\$ 149.66	625.95
Federal	17,235.61				17,235.61
Miscellaneous	10,480.07			23,791.66	34,271.73
Inventories	21,689.79				21,689.79
Total Current Assets	<u>163,607.82</u>	<u>43,692.62</u>	<u>11,636.45</u>	<u>23,941.32</u>	<u>242,878.21</u>
Noncurrent Assets:					
Equipment	147,665.90				147,665.90
Accumulated Depreciation	(99,758.33)				(99,758.33)
Total Noncurrent Assets	<u>47,907.57</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,907.57</u>
Total Assets	<u>211,515.39</u>	<u>43,692.62</u>	<u>11,636.45</u>	<u>23,941.32</u>	<u>290,785.78</u>
LIABILITIES:					
Current Liabilities:					
Deficit in Cash Balance				1,615.84	1,615.84
Accounts Payable	130,647.11	10,893.01		3,600.00	145,140.12
Total Liabilities	<u>130,647.11</u>	<u>10,893.01</u>	<u>-</u>	<u>5,215.84</u>	<u>146,755.96</u>
NET ASSETS:					
Invested in Capital Assets	47,907.57				47,907.57
Restricted for Encumbrances		501.95			501.95
Unrestricted	32,960.71	32,297.66	11,636.45	18,725.48	95,620.30
Total Net Assets	<u>\$ 80,868.28</u>	<u>\$ 32,799.61</u>	<u>\$ 11,636.45</u>	<u>\$ 18,725.48</u>	<u>\$ 144,029.82</u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
Combining Statement of Revenues, Expenses and Change in Fund Net Assets
For the Fiscal Year Ended June 30, 2011

	<u>Food Service</u>	<u>Child Study Team</u>	<u>Business Services</u>	<u>Chief School Administrator Services</u>	<u>Total</u>
OPERATING REVENUES:					
Charges for Services:					
Daily Sales - Reimbursable Programs	\$ 190,791.15				\$ 190,791.15
Daily Sales - Non-Reimbursable Programs	170,967.65				170,967.65
Special Functions	21,051.42				21,051.42
Miscellaneous					908,005.66
	<u>382,810.22</u>	<u>\$ 615,489.00</u>	<u>\$ 177,475.00</u>	<u>\$ 115,041.66</u>	<u>908,005.66</u>
Total Operating Revenues	<u>382,810.22</u>	<u>615,489.00</u>	<u>177,475.00</u>	<u>115,041.66</u>	<u>1,290,815.88</u>
OPERATING EXPENSES:					
Cost of Sales	258,754.82				258,754.82
Salaries	235,361.01	540,767.48	168,975.02	105,504.18	1,050,607.69
Employee Benefits	44,272.08	71,363.65			115,635.73
Purchased Educational Services		16,650.00			16,650.00
Other Purchased Services	4,346.82				4,346.82
Communications/Telephone		753.00			753.00
Travel		2,583.19			2,583.19
Administrative Fee	33,000.00				33,000.00
Supplies and Materials	23,715.80	8,826.52	1,460.65		34,002.97
Repairs and Maintenance	2,461.04				2,461.04
Management Fee	33,000.00				33,000.00
Insurance	10,387.14				10,387.14
Miscellaneous	22,186.99	474.00	405.00	1,230.00	24,295.99
Depreciation	9,888.39				9,888.39
	<u>677,374.09</u>	<u>641,417.84</u>	<u>170,840.67</u>	<u>106,734.18</u>	<u>1,596,366.78</u>
Total Operating Expenses	<u>677,374.09</u>	<u>641,417.84</u>	<u>170,840.67</u>	<u>106,734.18</u>	<u>1,596,366.78</u>
Operating Income (Loss)	<u>(294,563.87)</u>	<u>(25,928.84)</u>	<u>6,634.33</u>	<u>8,307.48</u>	<u>(305,550.90)</u>
Nonoperating Revenues (Expenses):					
State Sources:					
School Lunch Program	6,785.91				6,785.91
School Breakfast Program					-
Federal Sources:					
School Lunch Program	208,151.14				208,151.14
Special Milk Program	558.80				558.80
School Breakfast Program	35,505.04				35,505.04
Food Distribution Program	40,668.43				40,668.43
Other Reimbursement	4,046.50				4,046.50
Interest Revenue	726.40				726.40
Cancellation of Prior Year Accounts Receivable	(7,642.57)				(7,642.57)
	<u>288,799.65</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>288,799.65</u>
Total Nonoperating Revenues (Expenses)	<u>288,799.65</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>288,799.65</u>
Income (Loss) Before Operating Transfers	(5,764.22)	(25,928.84)	6,634.33	8,307.48	(16,751.25)
Operating Transfers	-	-	-	-	-
Change in Net Assets	(5,764.22)	(25,928.84)	6,634.33	8,307.48	(16,751.25)
Net Assets - July 1	86,632.50	58,728.45	5,002.12	10,418.00	160,781.07
Net Assets - June 30	<u>\$ 80,868.28</u>	<u>\$ 32,799.61</u>	<u>\$ 11,636.45</u>	<u>\$ 18,725.48</u>	<u>\$ 144,029.82</u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2011

	<u>Food Service</u>	<u>Child Study Team</u>	<u>Business Services</u>	<u>Chief School Administrator Services</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from Customers	\$ 418,244.90				\$ 418,244.90
Receipts from Program Participants		\$ 615,489.00	\$ 184,340.74	\$ 126,975.00	926,804.74
Payments to Employees		(539,334.19)	(168,975.02)	(104,829.18)	(813,138.39)
Payments for Employee Benefits		(71,363.65)			(71,363.65)
Payments to Management Company	(683,507.44)				(683,507.44)
Payments to Suppliers	(18,832.01)	(29,286.71)	(1,865.65)	(1,230.00)	(51,214.37)
Net Cash Provided by (Used for) Operating Activities	<u>(284,094.55)</u>	<u>(24,495.55)</u>	<u>13,500.07</u>	<u>20,915.82</u>	<u>(274,174.21)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
State Sources	7,163.42				7,163.42
Federal Sources	283,744.55				283,744.55
Other Reimbursement	4,046.50				4,046.50
Net Cash Provided by Non-Capital Financing Activities	<u>294,954.47</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>294,954.47</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest	726.40				726.40
Net Cash Provided by Investing Activities	<u>726.40</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>726.40</u>
Net Increase (Decrease) in Cash and Cash Equivalents	11,586.32	(24,495.55)	13,500.07	20,915.82	21,506.66
Cash and Cash Equivalents - July 1	102,139.74	68,188.17	(1,863.62)	(22,531.66)	145,932.63
Cash and Cash Equivalents - June 30	<u>\$ 113,726.06</u>	<u>\$ 43,692.62</u>	<u>\$ 11,636.45</u>	<u>\$ (1,615.84)</u>	<u>\$ 167,439.29</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	\$ (294,563.87)	\$ (25,928.84)	\$ 6,634.33	\$ 8,307.48	\$ (305,550.90)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation	9,888.39				9,888.39
Cancellation of Prior Year Accounts Receivable	(7,642.57)				(7,642.57)
(Increase) Decrease in Interfund Receivable	33,507.55				33,507.55
(Increase) Decrease in Accounts Receivable	9,569.70		6,865.74	11,933.34	28,368.78
(Increase) Decrease in Inventories	4,883.79				4,883.79
Increase (Decrease) in Interfund Payable		(7,300.37)			(7,300.37)
Increase (Decrease) in Accounts Payable	(39,737.54)	8,733.66		675.00	(30,328.88)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (284,094.55)</u>	<u>\$ (24,495.55)</u>	<u>\$ 13,500.07</u>	<u>\$ 20,915.82</u>	<u>\$ (274,174.21)</u>

FIDUCIARY FUNDS

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
 Combining Statement of Fiduciary Net Assets
 June 30, 2011

	Trust Funds		Agency Funds		Total
	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Student Activity	Payroll	
ASSETS:					
Cash and Cash Equivalents	\$ 26,536.39	\$ 13,781.55	\$ 176,011.29	\$ 86,561.69	\$ 302,890.92
Investments					
Interfund Receivable	5,044.24		4,812.58		9,856.82
Total Assets	31,580.63	13,781.55	\$ 180,823.87	\$ 86,561.69	312,747.74
LIABILITIES:					
Accounts Payable			20,093.93	81,411.06	101,504.99
Interfunds Payable		4,812.58	1,298.44	5,150.63	11,261.65
Due to Student Groups			159,431.50		159,431.50
Total Liabilities	-	4,812.58	\$ 180,823.87	\$ 86,561.69	272,198.14
NET ASSETS:					
Held in Trust for Unemployment Claims and Other Purposes	31,580.63				31,580.63
Reserved for Scholarships		8,968.97			8,968.97
Total Net Assets	\$ 31,580.63	\$ 8,968.97			\$ 40,549.60

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
Combining Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended June 30, 2011

	Unemployment Compensation <u>Trust</u>	Private Purpose Scholarship <u>Trust</u>	<u>Total</u>
ADDITIONS:			
Contributions:			
Employee Salary Deductions	\$ 16,761.17		\$ 16,761.17
Donations		\$ 389.00	389.00
Investment Earnings:			
Interest	280.91	282.54	563.45
Total Additions	17,042.08	671.54	17,713.62
DEDUCTIONS:			
Scholarships Awarded - Current Year		1,500.00	1,500.00
Unemployment Claims	20,353.13		20,353.13
Total Deductions	20,353.13	1,500.00	21,853.13
Change in Net Assets	(3,311.05)	(828.46)	(4,139.51)
Net Assets - July 1	34,891.68	9,797.43	44,689.11
Net Assets - June 30	\$ 31,580.63	\$ 8,968.97	\$ 40,549.60

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2011

	<u>Balance</u> <u>June 30, 2010</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2011</u>
SENIOR HIGH SCHOOL:				
Gateway Regional	\$ 185,084.59	\$ 357,048.94	\$ 366,122.24	\$ 176,011.29
Total Student Activity	<u>\$ 185,084.59</u>	<u>\$ 357,048.94</u>	<u>\$ 366,122.24</u>	<u>\$ 176,011.29</u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2011

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
ASSETS:				
Cash and Cash Equivalents	\$ 87,448.64	\$ 11,238,355.01	\$ 11,239,241.96	\$ 86,561.69
Total Assets	\$ 87,448.64	\$ 11,238,355.01	\$ 11,239,241.96	\$ 86,561.69
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 81,927.28	\$ 11,232,155.54	\$ 11,232,671.76	\$ 81,411.06
Interfund Payable:				
Due to General Fund	27.35	1,155.23	1,076.19	106.39
Due to SUI Trust Fund	5,494.01	5,044.24	5,494.01	5,044.24
Total Liabilities	\$ 87,448.64	\$ 11,238,355.01	\$ 11,239,241.96	\$ 86,561.69

LONG-TERM DEBT

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Schedule of Bonds Payable
 For the Fiscal Year Ended June 30, 2011

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Annual Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance</u>	
						<u>June 30, 2010</u>	<u>June 30, 2011</u>
School District Bonds, Series of 2004	3/1/04	\$ 8,865,000.00	2012	\$ 295,000.00	3.75%		
			2013	310,000.00	3.75%		
			2014	320,000.00	3.75%		
			2015	335,000.00	4.00%		
			2016	350,000.00	4.00%		
			2017	365,000.00	4.00%		
			2018	385,000.00	4.00%		
			2019	400,000.00	4.00%		
			2020	420,000.00	4.00%		
			2021	440,000.00	4.00%		
			2022	440,000.00	4.00%		
			2023 to 2028	440,000.00	4.125%		
			2029	430,000.00	4.125%		
						\$ 7,410,000.00	\$ 7,130,000.00

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Schedule of Obligations Under Capital Leases
 For the Fiscal Year Ended June 30, 2011

Series	Term of Lease	Amount of Original Issue	Interest Rate Payable	Amount Outstanding June 30, 2010	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2011 (a)
Apple Computer	4 years	\$ 168,940.38	6.31%	\$ 43,445.80		\$ 43,445.80	\$ -
Municipal Capital	3 years	14,800.00	10.23%	7,964.22		5,173.20	2,791.02
Apple Server Lease	3 years	57,063.49	7.13%	37,554.62		18,110.06	19,444.56
				<u>\$ 88,964.64</u>	<u>\$ -</u>	<u>\$ 66,729.06</u>	<u>\$ 22,235.58</u>

(a) Future Interest Payments Removed from Carrying Value of Leases.

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
DEBT SERVICE FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive <u>Final to Actual</u>
REVENUES:					
Local Tax Levy	\$ 577,225.00		\$ 577,225.00	\$ 577,225.00	\$ -
Total Revenues	<u>577,225.00</u>	<u>-</u>	<u>577,225.00</u>	<u>577,225.00</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	297,225.00		297,225.00	297,225.00	-
Redemption of Principal	<u>280,000.00</u>		<u>280,000.00</u>	<u>280,000.00</u>	<u>-</u>
Total Regular Debt Service	<u>577,225.00</u>	<u>-</u>	<u>577,225.00</u>	<u>577,225.00</u>	<u>-</u>
Total Expenditures	<u>577,225.00</u>	<u>-</u>	<u>577,225.00</u>	<u>577,225.00</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-		-	-	-
Fund Balance, July 1	<u>0.47</u>		<u>0.47</u>	<u>0.47</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 0.47</u>	<u>-</u>	<u>\$ 0.47</u>	<u>\$ 0.47</u>	<u>\$ -</u>
Recapitulation:					
Unrestricted Fund Balance				<u>\$ 0.47</u>	

STATISTICAL SECTION

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. Note that Exhibits J-1 and J-2 are only presented for the last nine 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.

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Net Assets by Component
 Last Nine Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 10,288,712.38	\$ 10,661,908.27	\$ 9,635,819.82	\$ 9,846,869.85	\$ 9,248,470.54	\$ 10,133,722.71	\$ 4,223,248.34	\$ 4,654,558.51	\$ 3,932,271.29	
Restricted	1,639,229.25	1,190,223.00	2,226,749.55	2,291,233.15	1,994,798.11	698,881.94	6,835,794.84	6,230,062.72	673,707.33	
Unrestricted	(681,102.09)	(835,574.46)	(103,070.81)	(322,539.38)	(331,235.53)	(328,484.46)	(241,568.21)	17,044.39	189,731.46	
Total Governmental Activities Net Assets	\$ 11,246,839.54	\$ 11,016,556.81	\$ 11,759,498.56	\$ 11,815,563.62	\$ 10,912,033.12	\$ 10,506,120.19	\$ 10,817,474.97	\$ 10,901,665.62	\$ 4,795,710.08	
Business-type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 47,907.57	\$ 57,795.96	\$ 67,910.40	\$ 67,257.46	\$ 81,427.04	\$ 105,366.07	\$ 61,007.15	\$ 53,444.24	\$ 40,648.53	
Restricted	96,122.25	102,985.11	82,658.06	77,942.38	93,489.29	96,115.02	117,493.54	165,644.80	178,701.76	
Unrestricted										
Total Business-type Activities Net Assets	\$ 144,029.82	\$ 160,781.07	\$ 150,568.46	\$ 145,199.84	\$ 174,916.33	\$ 201,483.09	\$ 178,500.69	\$ 219,089.04	\$ 219,350.29	
District-wide										
Invested in Capital Assets, Net of Related Debt	\$ 10,336,619.95	\$ 10,719,704.23	\$ 9,703,730.22	\$ 9,914,127.31	\$ 9,329,897.58	\$ 10,239,090.78	\$ 4,284,255.49	\$ 4,708,002.75	\$ 3,972,919.82	
Restricted	1,639,229.25	1,190,223.00	2,226,749.55	2,291,233.15	1,994,798.11	698,881.94	6,835,794.84	6,230,062.72	673,707.33	
Unrestricted	(584,979.84)	(732,589.35)	(20,412.75)	(244,597.00)	(237,746.24)	(230,369.44)	(124,074.67)	182,689.19	368,433.22	
Total District-wide Net Assets	\$ 11,390,869.36	\$ 11,177,337.88	\$ 11,910,067.02	\$ 11,960,763.46	\$ 11,086,949.45	\$ 10,707,603.28	\$ 10,995,975.66	\$ 11,120,754.66	\$ 5,015,060.37	

Source: School District Records

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Changes in Net Assets
 Last Nine Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ending June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses									
Governmental Activities									
Instruction:									
Regular	\$ 5,410,738.86	\$ 5,684,630.75	\$ 5,641,050.58	\$ 5,589,864.14	\$ 5,393,620.54	\$ 5,095,743.31	\$ 4,768,374.32	\$ 4,674,927.62	\$ 4,452,847.10
Special Education	1,111,748.77	1,067,291.24	1,077,953.60	1,107,489.17	1,046,335.39	1,024,300.62	947,011.92	905,974.32	816,031.75
Other Special Education	289,413.15	317,481.05	300,852.71	248,892.30	270,538.90	112,873.42	145,034.49	121,485.35	106,424.76
Other Instruction	568,644.05	619,369.02	642,624.72	606,498.10	552,279.25	611,177.00	539,860.18	571,698.40	529,555.52
Support Services:									
Tuition	1,178,737.22	1,209,425.06	1,244,873.99	969,648.70	870,121.70	980,303.01	1,093,957.71	987,806.12	919,915.26
Student & Instruction Related Services	2,085,929.46	2,043,976.64	1,868,808.77	1,876,395.30	1,850,559.08	1,768,895.67	1,735,482.85	1,592,007.90	1,533,118.99
School Administrative Services	449,880.75	461,516.62	428,163.35	386,521.74	320,427.73	320,427.73	311,654.85	284,900.37	278,863.09
General and Business Administrative Services	673,057.13	717,470.67	715,627.23	756,936.09	713,403.01	733,650.19	690,003.76	712,818.98	664,119.66
Plant Operations and Maintenance	1,416,702.72	1,602,784.29	1,508,893.57	1,606,663.36	1,342,540.17	1,366,579.19	1,239,390.33	1,229,402.93	1,186,532.95
Pupil Transportation	1,302,595.44	1,347,211.39	1,331,853.35	1,216,792.95	1,279,273.35	1,404,739.11	1,416,280.33	1,322,419.91	1,151,591.82
Unallocated Benefits	3,331,964.90	3,415,971.06	3,112,201.58	3,511,577.53	3,557,672.93	3,123,676.48	2,945,305.44	2,725,162.80	2,371,171.89
Special Schools	293,727.00	303,975.00	313,850.00	323,225.00	331,770.83	339,762.50	347,520.84	47,069.62	23,408.52
Interest on Long-term Debt			137,553.77					116,695.83	
Capital Outlay	2,305.06	2,305.06	2,305.06	2,305.06	2,305.06	2,305.06	2,305.06	768.36	-
Amortization of Bond Issuance Costs									
Total Governmental Activities Expenses	\$ 18,115,444.51	\$ 18,793,417.85	\$ 18,326,512.28	\$ 18,212,809.44	\$ 17,526,582.83	\$ 16,883,613.29	\$ 16,182,306.33	\$ 15,303,138.51	\$ 14,032,581.31
Business-type Activities:									
Food Service	677,374.09	656,394.90	606,102.88	629,535.19	612,764.41	606,112.19	622,871.00	603,482.29	565,895.62
Child Study Team	641,417.84	555,152.56	536,886.29	534,704.94	509,528.91	491,213.72	475,321.47	485,531.85	429,460.13
Elementary Social Worker									51,019.02
Curriculum Program									107,584.17
Business Services	170,840.67	174,457.49	173,304.76	163,407.09	211,151.93	198,588.25	163,842.89	90,539.89	200,288.00
Chief School Administrator Services	106,734.18	76,332.00						149,295.97	
Total Business-type Activities Expense	\$ 1,596,366.78	\$ 1,462,336.95	\$ 1,316,293.93	\$ 1,327,647.22	\$ 1,333,445.25	\$ 1,295,914.16	\$ 1,262,036.36	\$ 1,328,850.00	\$ 1,354,246.94
Total District Expenses	\$ 19,711,811.29	\$ 20,255,754.80	\$ 19,642,806.21	\$ 19,540,456.66	\$ 18,860,028.08	\$ 18,179,527.45	\$ 17,444,341.69	\$ 16,631,988.51	\$ 15,386,828.25
Program Revenues									
Governmental Activities:									
Charges for Services:									
Pupil Transportation	\$ 1,064,192.96	\$ 1,060,386.53	\$ 1,080,396.15	\$ 991,779.88	\$ 1,019,452.90	\$ 864,897.43	\$ 944,257.22	\$ 783,841.39	\$ 755,736.19
Operating Grants and Contributions	1,608,393.02	1,561,487.26	1,540,260.46	2,223,258.03	2,151,053.65	1,692,920.76	1,467,273.88	1,354,458.65	1,142,923.56
Total Governmental Activities Program Revenues	\$ 2,672,585.98	\$ 2,621,873.79	\$ 2,620,656.61	\$ 3,215,037.91	\$ 3,170,506.55	\$ 2,447,818.19	\$ 2,411,530.90	\$ 2,138,300.04	\$ 1,898,669.75

(Continued)

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Changes in Net Assets
 Last Nine Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ending June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Business-type activities:									
Charges for services:									
Food Service	\$ 382,810.22	\$ 388,644.75	\$ 378,108.37	\$ 352,861.22	\$ 346,006.54	\$ 369,593.77	\$ 376,416.57	\$ 389,034.29	\$ 380,028.16
Child Study Team	615,489.00	555,859.00	532,000.00	528,883.00	513,829.00	509,492.00	483,014.00	458,280.00	441,231.00
Curriculum Program	177,475.00	172,450.00	172,931.00	157,000.00	212,000.00	208,500.00	156,000.00	113,712.00	110,700.00
Business Services	115,041.66	86,750.00	291,669.32	225,090.35	203,028.68	204,752.07	207,667.05	150,000.00	193,250.00
Chief School Administrator Services	291,669.32	259,067.82	230,814.13	225,090.35	203,028.68	204,752.07	207,667.05	178,672.41	148,905.34
Operating Grants and Contributions	1,582,485.20	1,462,771.57	1,313,853.50	1,263,834.57	1,274,864.22	1,292,337.84	1,223,097.62	1,289,678.70	1,316,546.50
Total Business-type Activities Program Revenues	\$ 4,255,071.18	\$ 4,084,655.36	\$ 3,934,510.11	\$ 4,478,872.28	\$ 4,445,370.77	\$ 3,740,156.03	\$ 3,634,628.52	\$ 3,427,978.74	\$ 3,215,206.25
Net (Expense)/Revenue	\$ (15,442,858.53)	\$ (16,171,534.06)	\$ (15,705,855.67)	\$ (14,997,771.73)	\$ (14,356,076.28)	\$ (14,435,795.10)	\$ (13,770,775.43)	\$ (13,164,838.47)	\$ (12,133,921.56)
Governmental Activities	(13,881.58)	434.62	(2,440.43)	(63,812.65)	(58,581.03)	(3,576.32)	(38,937.74)	(39,171.30)	(37,700.44)
Business-type Activities	(15,456,740.11)	(16,171,099.44)	(15,708,296.10)	(15,061,584.38)	(14,414,657.31)	(14,439,371.42)	(13,809,713.17)	(13,204,009.77)	(12,171,622.00)
Total District-wide Net Expense	\$ 8,764,558.00	\$ 8,504,383.00	\$ 8,146,697.00	\$ 7,905,889.00	\$ 7,601,816.00	\$ 7,274,803.00	\$ 6,871,163.00	\$ 6,326,898.00	\$ 5,924,823.00
General Revenues and Other Changes in Net Assets									
Governmental Activities:									
Property Taxes Levied for General Purposes (net)	577,225.00	577,350.00	577,099.00	571,288.00	568,540.00	569,520.43	568,540.00	568,540.00	568,540.00
Taxes Levied for Debt Service	6,467,152.52	6,216,818.58	6,843,740.67	6,894,038.86	6,695,773.62	6,695,204.93	6,684,535.88	12,831,545.66	6,066,392.00
Unrestricted Grants and Contributions	43,978.07	76,251.00	36,762.50	35,910.50	25,247.34	14,000.00	23,728.20	25,488.83	10,736.72
Tuition Received	86,507.08	74,568.35	27,104.21	16,667.02	89,227.54	93,811.73	119,707.78	26,960.77	12,494.71
Investment Earnings	(12,400.35)	(5,356.54)	(22,917.33)	(20,781.33)	(15,926.10)	46,620.66	11,449.92	59,910.75	36,528.24
Miscellaneous Income	(253,879.06)	(63,641.97)	(5,356.54)	104,502.88	(202,689.19)	-	(24,000.00)	-	-
Transfers	15,673,141.26	15,428,592.31	15,649,790.61	15,901,302.23	14,761,989.21	14,124,440.32	13,686,584.78	19,270,794.01	12,053,460.78
Cancellation of Prior Year Receivables / Payables									
Purchase (Sale) of Capital Assets									
Gain/(Loss) on Disposal of Capital Assets									
Total Governmental Activities	\$ 726.40	\$ 540.37	\$ 911.21	\$ 2,067.07	\$ 122.52	\$ 84.09	\$ 97.86	\$ 86.05	\$ 226.62
Business-type Activities:									
Investment Earnings	4,046.50	9,237.62	7,473.85	11,980.02	25,737.11	26,474.63	32,668.96	38,824.00	35,482.58
Miscellaneous Income				20,781.33	15,926.10	-	24,000.00	-	-
Transfers				(732.26)	(9,771.46)	-	-	-	-
Gain/(Loss) on Disposal of Capital Assets									
Cancellation of Prior Year Accounts Receivable									
Transfers to Other LEAs									
Total Business-type Activities	(2,869.67)	9,777.99	7,809.05	34,096.16	32,014.27	26,558.72	(1,650.61)	38,910.05	35,719.20
Total District-wide	\$ 15,670,271.59	\$ 15,438,370.30	\$ 15,657,599.66	\$ 15,935,398.39	\$ 14,794,003.48	\$ 14,150,999.04	\$ 13,684,934.17	\$ 19,309,704.06	\$ 12,089,179.98
Change in Net Assets	\$ 230,282.73	\$ (742,941.75)	\$ (56,065.06)	\$ 903,530.50	\$ 405,912.93	\$ (311,354.78)	\$ (84,190.65)	\$ 6,105,955.54	\$ (80,460.78)
Governmental Activities	(16,751.25)	10,212.61	5,368.62	(29,716.49)	(26,586.76)	22,982.40	(40,586.35)	(261.25)	(1,981.24)
Business-type Activities	213,531.48	(732,729.14)	(50,696.44)	873,814.01	379,346.17	(288,372.38)	(124,779.00)	6,105,694.29	(82,442.02)
Total District	\$ 213,531.48	\$ (732,729.14)	\$ (50,696.44)	\$ 873,814.01	\$ 379,346.17	\$ (288,372.38)	\$ (124,779.00)	\$ 6,105,694.29	\$ (82,442.02)

Source: School District Records

GATEWAY REGIONAL HIGH SCHOOL DISTRICT

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

	Fiscal Year Ending June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund:									
Restricted	\$ 1,471,634.53								
Assigned	139,411.80								
Unassigned	(209,411.12)								
Reserved		\$ 1,187,347.13	\$ 2,199,093.81	\$ 2,263,949.13	\$ 1,988,071.82	\$ 660,539.55	\$ 807,512.09	\$ 792,379.42	\$ 662,711.30
Unreserved		(332,566.81)	321,070.66	18,793.78	9,168.07	15,753.30	132,941.46	365,016.90	481,984.87
Total General Fund	\$ 1,401,635.21	\$ 854,780.32	\$ 2,520,164.47	\$ 2,282,742.91	\$ 1,977,239.89	\$ 676,292.85	\$ 940,453.55	\$ 1,157,396.32	\$ 1,144,696.17
All Other Governmental Funds:									
Restricted, Reported in									
Capital Projects Fund	\$ 15,535.24								
Debt Service Fund	0.47								
Permanent Fund	1,298.44								
Non-Spendable, Reported in									
Permanent Fund	11,348.77								
Unreserved							\$ 5,585,933.42	\$ 9,197,967.88	
Unreserved, Reported in:									
Special Revenue Fund		\$ -	\$ -	\$ (6,437.55)	\$ (1,250.05)	\$ (1,250.05)	(1,251.00)	(1,251.00)	\$ (3,633.00)
Capital Projects Fund		15,535.24	15,535.24	15,535.24	15,535.24	27,240.24	431,488.95	5,094,436.18	
Debt Service Fund		0.47	0.47	1.47	0.97	973.47	972.97	972.47	
Permanent Fund		12,415.96	12,120.70	11,748.78	11,191.05	11,102.15	10,860.38	10,892.64	10,996.03
Total All Other Governmental Funds	\$ 28,182.92	\$ 27,951.67	\$ 27,656.41	\$ 20,847.94	\$ 25,477.21	\$ 38,065.81	\$ 6,028,004.72	\$ 14,303,018.17	\$ 7,363.03

Source: School District Records

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues:										
Tax Levy	\$ 9,341,783.00	\$ 9,051,733.00	\$ 8,723,796.00	\$ 8,477,177.00	\$ 8,170,356.00	\$ 7,274,803.00	\$ 6,871,163.00	\$ 6,326,898.00	\$ 5,924,823.00	\$ 5,401,929.00
Tuition Charges	43,978.07	76,251.00	36,762.50	35,910.50	25,247.34	14,000.00	23,728.20	25,488.83	10,738.72	27,901.82
Transportation Fees	1,064,192.96	1,060,386.53	1,080,396.15	991,779.68	1,019,452.90	864,987.43	944,257.22	783,841.39	755,736.19	771,812.95
Miscellaneous	86,507.08	74,568.35	123,884.32	93,325.81	89,227.54	140,432.39	131,157.70	86,861.52	49,022.95	109,413.00
State Sources	7,582,665.13	6,285,044.27	7,906,441.20	8,697,496.37	8,461,963.84	7,879,565.42	7,744,833.19	13,827,102.13	6,905,008.15	6,874,990.24
Federal Sources	492,880.41	1,493,271.57	443,933.02	409,800.52	384,863.43	398,560.27	406,976.37	358,902.18	306,793.52	223,227.99
Total Revenue	18,612,006.65	18,071,254.72	18,315,213.19	18,705,489.88	18,151,111.05	16,572,348.51	16,122,115.68	21,409,094.05	13,952,120.53	13,409,275.00
Expenditures:										
Instruction	4,967,365.87	5,271,183.75	5,078,858.31	5,051,222.55	4,616,831.78	4,788,366.77	4,624,748.09	4,526,211.61	4,299,563.24	3,712,224.69
Regular Instruction	1,111,748.77	1,067,291.24	1,077,953.60	1,107,489.17	1,046,335.39	1,024,300.62	947,011.92	905,974.32	816,031.75	743,646.03
Special Education Instruction	289,413.15	317,491.05	300,852.71	248,892.30	270,538.90	112,873.42	145,034.49	121,485.35	106,424.76	120,210.00
Other Special Instruction	568,644.05	619,369.02	642,624.72	606,498.10	552,279.25	611,177.00	539,980.18	571,698.40	529,555.52	517,682.73
Support Services:										
Tuition	1,178,737.22	1,209,425.06	1,244,873.99	969,648.70	870,121.70	980,303.01	1,093,957.71	997,806.12	919,915.26	807,008.61
Student & Instruction Related Services	1,997,254.86	1,961,287.24	1,840,261.36	1,848,480.39	1,843,359.43	1,763,089.68	1,725,656.29	1,583,546.31	1,519,754.98	1,543,231.04
School Administrative Services	369,267.48	386,344.44	387,455.31	346,614.52	294,733.99	320,427.73	311,654.85	284,900.37	278,863.09	263,284.98
Other Administrative Services	673,057.13	717,470.67	715,527.23	756,936.09	713,403.01	734,738.54	672,095.06	698,043.78	641,516.97	583,464.77
Plant Operations and Maintenance	1,352,212.10	1,542,646.54	1,493,879.59	1,548,484.21	1,294,149.72	1,339,756.12	1,222,714.89	1,219,812.53	1,173,124.13	1,178,617.56
Pupil Transportation	1,173,614.21	1,226,935.90	1,270,199.98	1,202,101.51	1,134,415.86	1,217,215.30	1,228,953.79	1,140,860.02	1,031,174.57	1,025,676.58
Unallocated Employee Benefits	3,453,893.50	3,376,007.68	3,062,616.33	3,515,077.53	3,560,042.98	3,123,676.48	2,945,305.44	2,725,162.80	2,371,171.89	1,919,735.69
Capital Outlay	340,086.82	1,563,467.86	510,977.26	611,102.23	81,102.00	6,243,045.95	8,562,871.69	1,143,167.53	333,835.87	106,943.48
Special Schools								47,069.62	23,408.52	
Debt Service:										
Principal	280,000.00	270,000.00	260,000.00	245,000.00	235,000.00	225,000.00	220,000.00			
Interest and Other Charges	297,225.00	307,350.00	317,100.00	326,287.50	334,512.50	342,387.50	350,087.50			
Total Expenditures	18,052,520.16	19,836,270.45	18,203,180.39	18,383,834.80	16,846,826.51	22,826,358.12	24,590,071.90	15,965,738.76	14,044,340.55	12,609,206.28
Excess (Deficiency) of Revenues Over (Under) Expenditures	559,486.49	(1,765,015.73)	112,032.80	321,655.08	1,304,284.54	(6,254,009.61)	(8,467,956.22)	5,443,355.29	(92,220.02)	800,068.72
Other Financing Sources (Uses):										
Transfers to Enterprise Fund				(20,781.33)	(15,926.10)		(24,000.00)			
Capital Leases (non-budgeted)		57,063.49	137,553.77							
Cancellation of Prior Year Receivables / Payat Bond Proceeds	(12,400.35)	42,863.35	(5,356.54)							
Total Other Financing Sources (Uses)	(12,400.35)	99,926.84	132,197.23	(20,781.33)	(15,926.10)	-	(24,000.00)	8,865,000.00	-	-
Net Change in Fund Balances	\$ 547,086.14	\$ (1,665,088.89)	\$ 244,230.03	\$ 300,873.75	\$ 1,288,358.44	\$ (6,254,009.61)	\$ (8,491,956.22)	\$ 14,308,355.29	\$ (92,220.02)	\$ 800,068.72
Debt Service as a Percentage of Noncapital Expenditures	3.3%	3.2%	3.3%	3.2%	3.4%	3.4%	3.6%	N/A	N/A	N/A

Source: School District Records

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

	Fiscal Year Ended June 30,									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Refunds of Prior Year Expenses										
Advisor Stipend	\$ 500.00	\$ 2,525.01	\$ 1,500.00	\$ 5,491.70	\$ 4,263.83					
Use of Facilities Fees		1,838.75	600.00							
Literacy Learning Commission			1,500.00							
Seminar/Class Fees					700.00	\$ 1,400.00				3,984.42
Sale of Obsolete Equipment		25,640.00			3,880.95	29,061.61				
Homeless Tuition	37,870.43									
Tuition Refunds			33,626.91							
Transfer from Special Revenue Fund										
Driver's Education Fees		10,609.81	25,584.88			8,389.00	\$ 7,265.19	\$ 8,956.00	\$ 9,043.75	17,518.00
Athletic Events										9,201.00
Summer Basketball Fees										
Summer Tennis Fees										
Use of Land Fees										
P.S.E. & G. Rebate										
Summer School Program Fees								40,055.00		38,142.24
State of NJ FEIMA	18,851.21									
Restitution										
Litigation Settlement										
Township Share of Prior Years Community Activities										
Adult School Program Fees								4,074.30	22,294.20	17,924.60
Interest Earned on Deposits	20,260.75	28,611.44	27,104.21	16,667.02	77,606.43	93,811.73	119,540.04	26,754.16	12,161.38	19,593.53
Insurance Premium Refunds										
Proceeds from Sale of Bid Specifications			500.00							
Summer Recreation										
Wellness Program										
Obligations										
Donations										
Rohrer Foundation Donation										
Public Record Fees										
Flu Shot Reimbursement										
PSE&G Smart Start Building Rebates										
E-Rate Refunds	8,793.44	5,343.34	32,842.40	70,609.36	2,187.43	7,178.28	4,184.73	5,852.98	5,190.29	3,049.21
Miscellaneous			254.00							
Transportation Refund										
Total	\$ 86,275.83	\$ 74,568.35	\$ 123,512.40	\$ 92,768.08	\$ 88,638.64	\$ 139,840.62	\$ 130,989.96	\$ 85,692.44	\$ 48,689.62	\$ 109,413.00

Source: School 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.

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Years
Unaudited

Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities (1)	Net Valuation Taxable	Estimated Actual Value (County Equalized)	Total Direct School Tax Rate (2)
National Park:											
2011	\$ 3,334,200.00	\$ 166,522,300.00	\$ 7,863,500.00	\$ -	\$ 607,300.00	\$ 178,427,300.00	N/A	\$ 368,601.00	\$ 178,795,901.00	\$ 181,023,553.00	1.074
2010	1,584,200.00	91,932,900.00	4,366,500.00	-	635,800.00	98,519,400.00	N/A	306,438.00	98,825,838.00	186,272,217.00	1.892
2009	1,533,500.00	91,800,100.00	4,392,100.00	-	635,800.00	98,361,500.00	N/A	89,176.00	98,450,676.00	189,654,615.00	1.772
2008	1,548,900.00	91,349,500.00	4,366,000.00	-	635,800.00	97,689,200.00	N/A	84,532.00	97,983,732.00	188,533,425.00	1.712
2007	1,552,100.00	91,099,000.00	4,382,300.00	-	635,800.00	97,669,200.00	N/A	90,719.00	97,759,919.00	159,435,740.00	1.670
2006	1,496,000.00	90,926,600.00	4,367,000.00	-	635,800.00	96,726,400.00	N/A	101,332.00	97,526,732.00	136,490,424.00	1.622
2005	1,671,000.00	89,099,600.00	4,336,000.00	-	635,800.00	95,742,400.00	\$ 18,533,100.00	130,722.00	95,873,122.00	117,960,037.00	1.529
2004	1,631,000.00	88,748,200.00	4,271,500.00	-	635,800.00	95,286,500.00	18,262,900.00	145,961.00	95,432,461.00	111,780,293.00	1.278
2003	1,604,600.00	88,196,400.00	4,416,200.00	-	635,800.00	94,853,000.00	18,101,400.00	148,661.00	95,001,661.00	107,467,761.00	1.288
2002	1,585,700.00	87,860,700.00	4,416,200.00	-	635,800.00	94,498,400.00	18,179,700.00	147,800.00	94,646,200.00	100,803,319.00	1.194
Wenonah:											
2011	\$ 2,349,500.00	\$ 284,308,500.00	\$ 5,614,000.00	\$ -	\$ -	\$ 292,272,000.00	N/A	\$ 249,581.00	\$ 292,521,581.00	\$ 276,746,941.00	0.789
2010	2,456,000.00	288,484,000.00	5,614,000.00	-	-	296,554,000.00	N/A	287,077.00	296,841,077.00	280,496,538.00	0.745
2009	2,320,000.00	289,447,000.00	5,407,000.00	-	-	297,174,000.00	N/A	294,323.00	297,468,323.00	280,289,188.00	0.7191
2008	2,545,000.00	292,122,000.00	5,407,000.00	-	-	300,074,000.00	N/A	280,585.00	300,354,585.00	284,872,770.00	1.5313
2007	1,147,100.00	133,534,800.00	2,205,800.00	-	-	136,887,700.00	N/A	142,900.00	138,830,600.00	254,911,918.00	1.531
2006	1,154,600.00	133,020,000.00	2,205,800.00	-	-	136,380,400.00	N/A	162,457.00	136,542,857.00	220,508,914.00	1.437
2005	1,113,300.00	132,566,400.00	2,205,800.00	-	-	135,885,500.00	\$ 12,226,500.00	185,023.00	136,070,523.00	190,598,215.00	1.329
2004	1,084,700.00	131,771,700.00	2,205,800.00	-	128,100.00	135,200,300.00	12,436,000.00	224,508.00	135,424,808.00	167,200,507.00	1.219
2003	1,266,900.00	130,781,700.00	2,201,800.00	-	128,100.00	134,378,500.00	12,178,600.00	265,515.00	134,644,015.00	153,023,991.00	1.128
2002	1,300,300.00	129,871,800.00	2,237,800.00	-	128,100.00	133,538,000.00	12,516,600.00	272,209.00	133,810,209.00	143,887,219.00	1.112
Westville:											
2011	\$ 1,317,300.00	\$ 121,462,400.00	\$ 14,532,000.00	\$ 17,044,800.00	\$ 6,210,200.00	\$ 160,566,700.00	N/A	\$ 197,031.00	\$ 160,763,731.00	\$ 288,284,470.00	1.356
2010	1,340,600.00	121,692,200.00	14,557,500.00	17,044,800.00	6,295,200.00	160,920,300.00	N/A	223,438.00	161,143,736.00	298,263,290.00	1.238
2009	1,389,900.00	121,518,000.00	13,908,100.00	18,484,800.00	6,317,700.00	161,619,500.00	N/A	236,623.00	161,856,123.00	290,464,342.00	1.117
2008	1,366,600.00	121,349,500.00	16,897,500.00	15,245,800.00	6,317,700.00	161,177,100.00	N/A	229,196.00	161,406,296.00	288,148,274.00	1.125
2007	1,349,900.00	121,303,300.00	21,150,400.00	11,120,000.00	6,317,700.00	161,241,300.00	N/A	242,563.00	161,473,863.00	260,554,783.00	1.124
2006	1,355,700.00	120,807,500.00	23,524,900.00	8,786,100.00	6,317,700.00	160,791,900.00	N/A	284,349.00	161,076,249.00	221,766,918.00	1.041
2005	1,378,200.00	120,978,000.00	23,266,800.00	8,786,100.00	6,317,700.00	160,726,800.00	\$ 17,896,100.00	348,299.00	161,075,999.00	195,662,310.00	0.944
2004	1,433,700.00	120,744,400.00	23,384,100.00	8,786,100.00	6,317,700.00	160,666,000.00	17,754,500.00	419,863.00	161,085,863.00	180,665,174.00	0.835
2003	1,510,400.00	120,722,000.00	23,207,100.00	8,786,100.00	6,317,700.00	160,543,300.00	17,545,800.00	465,176.00	161,008,476.00	174,628,988.00	0.735
2002	1,665,900.00	120,427,200.00	23,458,200.00	8,786,100.00	6,317,700.00	160,655,100.00	16,442,700.00	424,810.00	161,079,910.00	174,418,484.00	0.697
Woodbury Heights:											
2011	\$ 2,492,600.00	\$ 153,714,000.00	\$ 32,844,000.00	\$ 7,411,800.00	\$ 507,200.00	\$ 196,969,600.00	N/A	\$ 483,976.00	\$ 197,453,576.00	\$ 305,915,129.00	1.144
2010	2,494,600.00	153,772,100.00	30,547,000.00	8,911,800.00	507,200.00	196,232,700.00	N/A	675,090.00	196,907,790.00	288,878,493.00	1.076
2009	2,494,600.00	153,800,500.00	28,775,200.00	8,911,800.00	507,200.00	194,489,300.00	N/A	309,055.00	194,798,355.00	308,981,124.00	1.011
2008	2,826,400.00	153,152,000.00	28,829,500.00	8,911,800.00	507,200.00	194,226,900.00	N/A	313,049.00	194,539,949.00	307,100,128.00	0.941
2007	3,095,900.00	151,837,500.00	29,895,900.00	8,911,800.00	507,200.00	194,241,300.00	N/A	325,845.00	194,574,145.00	266,239,446.00	0.894
2006	3,163,700.00	151,021,900.00	29,867,900.00	8,911,800.00	507,200.00	193,492,500.00	N/A	343,931.00	193,836,431.00	232,949,437.00	0.825
2005	3,346,800.00	149,578,300.00	29,634,200.00	8,911,800.00	507,200.00	191,978,300.00	\$ 35,515,400.00	420,219.00	192,398,519.00	210,205,182.00	0.995
2004	3,347,000.00	148,653,400.00	29,931,000.00	9,458,400.00	507,200.00	192,734,400.00	35,734,400.00	478,616.00	192,375,616.00	196,073,399.00	0.845
2003	3,428,600.00	148,123,000.00	28,926,700.00	9,458,400.00	507,200.00	190,444,000.00	35,763,400.00	360,792.00	190,804,792.00	180,433,975.00	0.842
2002	2,162,800.00	96,198,100.00	22,778,200.00	6,848,900.00	498,500.00	128,486,500.00	26,457,100.00	296,226.00	128,782,726.00	177,623,786.00	1.139

Source: Respective School District CAFRS, New Jersey Division of Local Government Services

(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

N/A - Data Not Available

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Direct and Overlapping Property Tax Rates
 Last Ten Years
 (Rate per \$100 of Assessed Value)
Unaudited

Year Ended December 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	Borough	County	
National Park:							
2011 (1)	0.982	0.092	1.074	0.953	0.820	0.591	3.438
2010	1.728	0.164	1.892	1.697	1.454	1.114	6.157
2009	1.607	0.165	1.772	1.551	1.434	1.139	5.896
2008	1.546	0.166	1.712	1.525	1.225	1.107	5.569
2007	1.508	0.162	1.670	1.423	1.061	0.968	5.122
2006	1.455	0.167	1.622	1.335	0.945	0.889	4.791
2005	1.365	0.164	1.529	1.206	0.856	0.844	4.435
2004	1.110	0.168	1.278	1.224	0.758	0.783	4.043
2003	1.103	0.185	1.288	1.256	0.750	0.757	4.051
2002	0.992	0.202	1.194	1.156	0.735	0.711	3.796
Wenonah:							
2011	0.726	0.063	0.789	0.672	0.608	0.519	2.588
2010	0.677	0.068	0.745	0.655	0.581	0.518	2.499
2009	0.652	0.067	0.719	0.605	0.545	0.504	2.373
2008 (1)	1.381	0.150	1.531	1.403	1.073	1.027	5.034
2007	1.287	0.150	1.437	1.410	0.942	0.955	4.744
2006	1.176	0.154	1.329	1.251	0.840	0.882	4.302
2005	1.057	0.162	1.219	1.209	0.759	0.770	3.957
2004	1.128	-	1.128	1.131	0.679	0.709	3.647
2003	1.112	-	1.112	1.035	0.600	0.671	3.418
2002	1.078	-	1.078	0.990	0.540	0.659	3.267
Westville:							
2011	1.245	0.111	1.356	1.723	1.558	0.969	5.606
2010	1.146	0.092	1.238	1.730	1.537	1.019	5.524
2009	1.028	0.089	1.117	1.690	1.536	0.987	5.330
2008	1.038	0.087	1.125	1.643	1.537	2.102	6.407
2007	1.033	0.091	1.124	1.549	1.411	0.895	4.979
2006	0.993	0.048	1.041	1.419	1.242	0.814	4.516
2005	0.897	0.047	0.944	1.286	1.082	0.962	4.274
2004	0.783	0.052	0.835	1.166	1.008	0.880	3.889
2003	0.685	0.050	0.735	1.085	0.969	0.857	3.646
2002	0.697	-	0.697	0.999	0.920	0.846	3.462
Woodbury Heights:							
2011	1.144	-	1.144	1.514	1.232	0.900	4.790
2010	1.076	-	1.076	1.447	1.206	0.897	4.626
2009	1.011	-	1.011	1.423	1.151	0.938	4.523
2008	0.941	-	0.941	1.355	1.075	0.888	4.259
2007	0.894	-	0.894	1.311	0.976	0.819	4.000
2006	0.925	-	0.925	1.234	0.881	0.764	3.804
2005	0.895	-	0.895	1.126	0.831	0.749	3.601
2004	0.845	-	0.845	1.017	0.800	0.681	3.343
2003	0.842	-	0.842	0.932	0.803	0.627	3.204
2002	1.139	-	1.139	1.283	0.963	0.915	4.300

(1) Revaluation

Source: Respective School District CAFRs

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

National Park:

<u>Taxpayer</u>	2011			2002		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Public Service Electric & Gas Co	\$ 1,054,500.00	1	0.59%	N/A	1	N/A
Individual Taxpayer 1	659,000.00	2	0.37%	N/A	2	N/A
Individual Taxpayer 2	615,400.00	3	0.34%	N/A	3	N/A
The Bank of Gloucester County	592,200.00	4	0.33%	N/A	4	N/A
Individual Taxpayer 3	502,400.00	5	0.28%	N/A	5	N/A
Individual Taxpayer 4	501,100.00	6	0.28%	N/A	6	N/A
Individual Taxpayer 5	500,500.00	7	0.28%	N/A	7	N/A
Individual Taxpayer 6	497,400.00	8	0.28%	N/A	8	N/A
Individual Taxpayer 7	489,700.00	9	0.27%	N/A	9	N/A
Individual Taxpayer 8	480,700.00	10	0.27%	N/A	10	N/A
Total	\$ 5,892,900.00		3.29%	\$ -		

Source: National Park School District CAFR

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Principal Property Tax Payers
 Current Year and Nine Years Ago
Unaudited

Wenonah:

<u>Taxpayer</u>	2011			2002		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Taxpayer 1	\$ 1,100,000.00	1	0.37%	N/A	1	N/A
Taxpayer 2	1,050,000.00	2	0.35%	N/A	2	N/A
Taxpayer 3	1,020,000.00	3	0.34%	N/A	3	N/A
Taxpayer 4	975,000.00	4	0.33%	N/A	4	N/A
Taxpayer 5	900,000.00	5	0.30%	N/A	5	N/A
Taxpayer 6	870,000.00	6	0.29%	N/A	6	N/A
Taxpayer 7	835,000.00	7	0.28%	N/A	7	N/A
Taxpayer 8	820,000.00	8	0.28%	N/A	8	N/A
Taxpayer 9	815,000.00	9	0.27%	N/A	9	N/A
Taxpayer 10	810,000.00	10	0.27%	N/A	10	N/A
Total	\$ 9,195,000.00		3.08%	\$ -		

Source: Borough of Wenonah School District CAFR

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

Westville:

<u>Taxpayer</u>	2011			2002		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
AMC Delancy I-295 Partners, LP	\$ 2,595,400.00	1	1.61%	N/A	1	N/A
712 Broadway LLC	1,977,500.00	2	1.23%	N/A	2	N/A
Journey LLC	1,724,300.00	3	1.07%	N/A	3	N/A
Sunoco Inc	1,658,300.00	4	1.03%	N/A	4	N/A
Woodbine Norse LLC	1,300,000.00	5	0.84%	N/A	5	N/A
Pellegrino Enterprises LLC	1,250,000.00	6	0.81%	N/A	6	N/A
Arber Properties LLC	1,110,000.00	7	0.78%	N/A	7	N/A
Wells, Michael, and Victories	1,102,300.00	8	0.73%	N/A	8	N/A
RAAB Family Partnership, LP	1,094,800.00	9	0.69%	N/A	9	N/A
MV Holdings LLC	991,400.00	10	0.68%	N/A	10	N/A
Total	\$ 14,804,000.00		9.47%	\$ -		

Source: Borough of Westville School District CAFR

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

Woodbury Heights:

<u>Taxpayer</u>	2011			2002		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Oak Valley Plaza, Inc.	\$ 6,855,000.00	1	3.48%	N/A	1	N/A
Woodbury Heights Development Inc	2,400,000.00	2	1.22%	N/A	2	N/A
Wawa, Inc.	1,701,500.00	3	0.86%	N/A	3	N/A
Phalines & Gligor, LLC	1,572,000.00	4	0.80%	N/A	4	N/A
Della Polla	1,178,600.00	5	0.60%	N/A	5	N/A
McDonalds Corp.	1,117,300.00	6	0.57%	N/A	6	N/A
HCD Realty, LLC	1,094,500.00	7	0.56%	N/A	7	N/A
Jonathon Advisors LP	1,064,100.00	8	0.54%	N/A	8	N/A
Heights Plaza, LLC	886,700.00	9	0.45%	N/A	9	N/A
Karolidis, Spiro & Fawn	874,000.00	10	0.44%	N/A	10	N/A
Total	\$ 18,743,700.00		9.52%	\$ -		

Source: Woodbury Heights School District CAFR

N/A - Data Not Available

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Local School District Taxes Levied for the Fiscal Year	<u>Collected within the Fiscal Year of the Levy (1)</u>		Collections in Subsequent Years
		Amount	Percentage of Levy	
National Park:				
2011	\$ 1,870,710.00	\$ 1,870,710.00	100.00%	-
2010	1,744,987.00	1,744,987.00	100.00%	-
2009	1,676,853.00	1,676,853.00	100.00%	-
2008	1,631,982.00	1,631,982.00	100.00%	-
2007	1,581,756.00	1,581,756.00	100.00%	-
2006	1,465,724.00	1,465,724.00	100.00%	-
2005	1,220,318.00	1,220,318.00	100.00%	-
2004	1,223,758.00	1,223,758.00	100.00%	-
2003	1,130,045.00	1,130,045.00	100.00%	-
2002	1,119,835.00	1,119,835.00	100.00%	-
Wenonah:				
2011	\$ 2,442,549.00	\$ 2,442,549.00	100.00%	-
2010	2,240,433.00	2,240,433.00	100.00%	-
2009	2,189,928.00	2,189,928.00	100.00%	-
2008	2,128,973.00	2,128,973.00	100.00%	-
2007	2,066,028.00	2,066,028.00	100.00%	-
2006	1,857,424.00	1,857,424.00	100.00%	-
2005	1,757,568.00	1,757,568.00	100.00%	-
2004	1,544,343.00	1,544,343.00	100.00%	-
2003	1,488,053.00	1,488,053.00	100.00%	-
2002	1,439,399.00	1,439,399.00	100.00%	-
Westville:				
2011	\$ 2,152,822.00	\$ 2,144,822.00	99.63%	\$ 8,000.00
2010	1,837,049.00	1,837,049.00	100.00%	-
2009	1,776,554.00	1,776,554.00	100.00%	-
2008	1,853,052.00	1,853,052.00	100.00%	-
2007	1,776,554.00	1,776,554.00	100.00%	-
2006	1,576,588.00	1,576,588.00	100.00%	-
2005	1,463,028.00	1,463,028.00	100.00%	-
2004	1,225,358.00	1,225,358.00	100.00%	-
2003	1,132,086.00	1,132,086.00	100.00%	-
2002	1,108,352.00	1,108,352.00	100.00%	-
Woodbury Heights:				
2011	\$ 2,220,314.00	\$ 2,220,314.00	100.00%	-
2010	2,016,745.00	2,016,745.00	100.00%	-
2009	1,967,989.00	1,967,989.00	100.00%	-
2008	1,829,836.00	1,829,836.00	100.00%	-
2007	1,740,439.00	1,740,439.00	100.00%	-
2006	1,844,810.00	1,844,810.00	100.00%	-
2005	1,598,749.00	1,598,749.00	100.00%	-
2004	1,651,657.00	1,651,657.00	100.00%	-
2003	1,559,519.00	1,559,519.00	100.00%	-
2002	1,375,745.00	1,375,745.00	100.00%	-

Source: Respective School District CAFRS

(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.

N/A - Data Not Available

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.

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended <u>June 30,</u>	Governmental Activities				Business-Type Activities		Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes	Capital Leases	Total District		
National Park:								
2011	\$ 3,081,450.00	\$ -	\$ -	\$ -	\$ -	\$ 3,081,450.00	N/A	N/A
2010	2,900,000.00	-	-	-	-	2,900,000.00	N/A	N/A
2009	3,075,000.00	-	-	-	-	3,075,000.00	N/A	\$ 950.54
2008	3,245,000.00	-	-	-	-	3,245,000.00	2.58%	1,005.58
2007	3,410,000.00	-	3,447.00	-	-	3,413,447.00	2.83%	1,056.79
2006	3,575,000.00	-	10,113.00	-	-	3,585,113.00	3.09%	1,115.12
2005	3,720,000.00	-	16,487.00	-	-	3,736,487.00	3.33%	1,159.32
2004	3,865,000.00	-	22,580.00	-	-	3,887,580.00	3.65%	1,207.32
2003	4,005,000.00	-	28,406.00	-	-	4,033,406.00	4.05%	1,257.30
2002	4,145,000.00	-	-	-	-	4,145,000.00	4.27%	1,296.12
Wenonah:								
2011	\$ 2,001,000.00	\$ -	\$ 7,788.66	\$ -	\$ -	\$ 2,008,788.66	N/A	N/A
2010	2,116,000.00	-	33,143.60	-	-	2,149,143.60	2.30%	\$ 911.81
2009	2,226,000.00	-	34,565.86	-	-	2,260,565.86	2.46%	959.09
2008	2,331,000.00	-	-	-	-	2,331,000.00	2.63%	989.81
2007	2,436,000.00	-	-	-	-	2,436,000.00	2.87%	1,040.58
2006	2,536,000.00	-	-	-	-	2,536,000.00	3.12%	1,087.01
2005	2,636,000.00	-	-	-	-	2,636,000.00	3.42%	1,130.36
2004	2,736,000.00	-	-	-	-	2,736,000.00	3.80%	1,174.75
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Westville:								
2011	\$ 874,000.00	\$ -	\$ -	\$ -	\$ -	\$ 874,000.00	N/A	N/A
2010	1,029,000.00	-	-	-	-	1,029,000.00	N/A	N/A
2009	1,188,000.00	-	-	-	-	1,188,000.00	0.67%	\$ 266.01
2008	1,348,000.00	-	-	-	-	1,348,000.00	0.77%	301.77
2007	1,503,000.00	-	-	-	-	1,503,000.00	0.90%	335.94
2006	1,633,000.00	-	-	-	-	1,633,000.00	1.01%	366.31
2005	614,000.00	-	-	-	-	614,000.00	0.40%	137.48
2004	719,000.00	-	-	-	-	719,000.00	0.48%	160.20
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Woodbury Heights:								
2011	\$ 377,516.00	\$ -	\$ 27,492.71	\$ -	\$ -	\$ 405,008.71	N/A	N/A
2010	-	-	-	-	-	-	N/A	N/A
2009	-	-	-	-	-	-	N/A	N/A
2008	-	-	-	-	-	-	N/A	N/A
2007	-	-	-	-	-	-	N/A	N/A
2006	-	-	1,869.33	-	-	1,869.33	0.00%	\$ 0.62
2005	-	-	11,031.85	-	-	11,031.85	0.01%	3.65
2004	-	-	18,452.30	-	-	18,452.30	0.02%	6.11
2003	-	-	25,872.75	-	-	25,872.75	0.03%	8.59
2002	-	-	33,293.20	-	-	33,293.20	0.04%	11.09

Source: Respective School District CAFRs

N/A Data Not Available

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
National Park:					
2011	\$ 3,081,450.00	\$ -	\$ 3,081,450.00	1.72%	N/A
2010	2,900,000.00	-	2,900,000.00	2.93%	N/A
2009	3,075,000.00	-	3,075,000.00	3.12%	\$ 950.54
2008	3,245,000.00	-	3,245,000.00	3.31%	1,005.58
2007	3,410,000.00	-	3,410,000.00	3.49%	1,055.73
2006	3,575,000.00	-	3,575,000.00	3.67%	1,111.98
2005	3,720,000.00	-	3,720,000.00	3.88%	1,154.20
2004	3,865,000.00	-	3,865,000.00	4.05%	1,200.31
2003	4,005,000.00	-	4,005,000.00	4.22%	1,248.44
2002	4,145,000.00	-	4,145,000.00	4.38%	1,296.12
Wenonah:					
2011	\$ 2,001,000.00	\$ -	\$ 2,001,000.00	0.68%	N/A
2010	2,116,000.00	-	2,116,000.00	0.71%	\$ 897.75
2009	2,226,000.00	-	2,226,000.00	0.75%	944.42
2008	2,331,000.00	-	2,331,000.00	0.78%	989.81
2007	2,436,000.00	-	2,436,000.00	1.78%	1,040.58
2006	2,536,000.00	-	2,536,000.00	1.86%	1,087.01
2005	2,636,000.00	-	2,636,000.00	1.94%	1,130.36
2004	2,736,000.00	-	2,736,000.00	2.02%	1,174.75
2003	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A
Westville:					
2011	\$ 874,000.00	\$ -	\$ 874,000.00	0.54%	N/A
2010	1,029,000.00	-	1,029,000.00	0.64%	N/A
2009	1,188,000.00	-	1,188,000.00	0.73%	\$ 266.01
2008	1,348,000.00	-	1,348,000.00	0.84%	301.77
2007	1,503,000.00	-	1,503,000.00	0.93%	335.94
2006	1,633,000.00	-	1,633,000.00	1.01%	366.31
2005	614,000.00	-	614,000.00	0.38%	137.48
2004	719,000.00	-	719,000.00	0.45%	160.20
2003	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A
Woodbury Heights:					
2011	\$ 377,516.00	\$ -	\$ 377,516.00	0.19%	N/A
2010	-	-	-	-	-
2009	-	-	-	-	-
2008	-	-	-	-	-
2007	-	-	-	-	-
2006	-	-	-	-	-
2005	-	-	-	-	-
2004	-	-	-	-	-
2003	-	-	-	-	-
2002	-	-	-	-	-

Source: Respective School District CAFRs

N/A - Data Not Available

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2010 (June 30, 2011)
Unaudited

National Park:			
<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
National Park Borough	\$ 467,083.00	100.00%	\$ 467,083.00
Gloucester County General Obligation Debt	308,779,932.21	0.63%	1,945,313.57
Gateway Regional School District	7,410,000.00	17.47%	1,294,527.00
Subtotal, overlapping debt			3,706,923.57
National Park District Direct Debt			<u>3,081,450.00</u>
Total direct and overlapping debt			<u>\$ 6,788,373.57</u>

Source: National Park School District CAFR

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of National Park Borough. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2010 (June 30, 2011)
Unaudited

Wenonah:			
<u>Governmental Unit</u>	<u>Debt Outstanding</u>	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Borough of Wenonah	\$1,259,592.00	100.00%	\$ 1,259,592.00
Gloucester County General Obligation Debt	308,779,932.21	0.95%	2,923,444.27
Gateway Regional School District	7,410,000.00	26.52%	1,965,103.58
Subtotal, overlapping debt			6,148,139.85
Borough of Wenonah District Direct Debt			<u>2,116,000.00</u>
Total direct and overlapping debt			<u>\$ 8,264,139.85</u>

Source: Borough of Wenonah School District CAFR

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Borough of Wenonah. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2010 (June 30, 2011)
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Westville:			
Debt repaid with property taxes:			
Borough of Westville	\$ 4,490,451.00	100.00%	\$ 4,490,451.00
Gloucester County General Obligation Debt	288,284,470.00	1.00%	2,882,844.70
Gateway Regional School District	7,410,000.00	27.52%	2,039,093.27
Subtotal, overlapping debt			9,412,388.97
Borough of Westville District Direct Debt			<u>874,000.00</u>
Total direct and overlapping debt			<u>\$ 10,286,388.97</u>

Source: Borough of Westville CAFR

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Borough of Westville. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2010 (June 30, 2011)
Unaudited

Woodbury Heights:			
<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Borough of Woodbury Heights	\$ 3,579,865.00	100.00%	\$ 3,579,865.00
Gloucester County General Obligation Debt	308,779,932.21	1.06%	3,282,803.73
Gateway Regional School District	7,410,000.00	28.49%	2,111,228.93
Subtotal, overlapping debt			8,973,897.66
Woodbury Heights District Direct Debt			405,008.71
Total direct and overlapping debt			\$ 9,378,906.37

Source: Woodbury Heights School District CAFR

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Borough of Woodbury Heights. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Computation of Legal Debt Margin
 For the Fiscal Year Ended June 30, 2011
Unaudited

<u>Year</u>	<u>Equalized Valuation Basis</u>			
	<u>National Park</u>	<u>Wenonah</u>	<u>Westville</u>	<u>Woodbury Heights</u>
2010	\$ 180,306,369.00	\$ 276,018,243.00	\$ 287,919,078.00	\$ 302,921,735.00
2009	185,447,775.00	280,644,065.00	297,806,339.00	294,101,467.00
2008	188,448,893.00	284,592,185.00	287,919,078.00	306,787,079.00
	<u>\$ 554,203,037.00</u>	<u>\$ 841,254,493.00</u>	<u>\$ 873,644,495.00</u>	<u>\$ 903,810,281.00</u>
Average Equalized Valuation of Taxable Property	<u>\$ 184,734,345.67</u>	<u>\$ 280,418,164.33</u>	<u>\$ 291,214,831.67</u>	<u>\$ 301,270,093.67</u>
School Borrowing Margin (2.5% of Average Equalized Valuation)	\$ 4,618,358.64	\$ 7,010,454.11	\$ 7,280,370.79	\$ 7,531,752.34
Net Bonded School Debt as of June 30, 2011	<u>1,294,282.38</u>	<u>1,964,660.60</u>	<u>2,040,304.01</u>	<u>2,110,753.00</u>
School Borrowing Margin Available	<u>3,324,076.26</u>	<u>5,045,793.51</u>	<u>5,240,066.78</u>	<u>5,420,999.34</u>

Source: Equalized Valuation Bases Were Provided By Municipal Annual Debt Statements.

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
Unaudited

National Park:

Legal Debt Margin Calculation for Fiscal Year 2011

	Equalized valuation basis
	2010 \$ 180,306,369
	2009 185,447,775
	2008 188,448,893
	<u>[A] \$ 554,203,037</u>
Average equalized valuation of taxable property	<u>[A/3] \$ 184,734,346</u>
Debt limit (2 1/2% of average equalization value)	<u>[B] 4,618,359</u>
Total Net Debt Applicable to Limit	<u>[C] 3,081,450</u>
Legal Debt Margin	<u>[B-C] \$ 1,536,909</u>

	Fiscal Year Ended June 30,										
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	
Debt limit	\$ 4,618,609.00	\$ 4,638,521.00	\$ 4,415,796.63	\$ 3,960,799.97	\$ 3,413,950.95	\$ 3,015,520.33	\$ 2,789,523.00	\$ 2,648,908.00	\$ 2,524,559.00	\$ 2,408,290.00	
Total net debt applicable to limit	<u>3,081,450.00</u>	<u>2,900,000.00</u>	<u>3,075,000.00</u>	<u>3,245,000.00</u>	<u>3,410,000.00</u>	<u>3,575,000.00</u>	<u>3,720,000.00</u>	<u>3,865,000.00</u>	<u>4,005,000.00</u>	<u>4,145,000.00</u>	
Legal debt margin	<u>\$ 1,537,159.00</u>	<u>\$ 1,738,521.00</u>	<u>\$ 1,340,796.63</u>	<u>\$ 715,799.97</u>	<u>\$ 3,950.95</u>	<u>\$ (559,479.67)</u>	<u>\$ (930,477.00)</u>	<u>\$ (1,216,092.00)</u>	<u>\$ (1,480,441.00)</u>	<u>\$ (1,736,710.00)</u>	
Total net debt applicable to the limit as a percentage of debt limit	66.72%	62.52%	69.64%	81.93%	99.88%	118.55%	133.36%	145.91%	158.64%	172.11%	

Source: National Park School District CAFR

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
Unaudited

Wenonah:

Legal Debt Margin Calculation for Fiscal Year 2011

	Equalized valuation basis
2010	\$ 276,018,243
2009	280,644,065
2008	284,592,185
	<u>189,329,646</u>
[A]	\$ 841,254,493
	Average equalized valuation of taxable property
[A/3]	\$ 280,418,164
	Debt limit (2 1/2% of average equalization value)
[B]	7,010,454
	Total Net Debt Applicable to Limit
[C]	<u>2,001,000</u>
	Legal Debt Margin
[B-C]	\$ 5,009,454

	Fiscal Year Ended June 30,									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Debt limit	\$ 7,010,454.11	\$ 6,977,705.85	\$ 6,755,398.85	\$ 6,232,525.00	\$ 5,522,623.02	\$ 4,790,083.38	\$ 4,225,908.00	\$ 3,899,495.00	N/A	N/A
Total net debt applicable to limit	<u>2,001,000.00</u>	<u>2,116,000.00</u>	<u>2,226,000.00</u>	<u>2,331,000.00</u>	<u>2,436,000.00</u>	<u>2,536,000.00</u>	<u>2,636,000.00</u>	<u>2,736,000.00</u>	N/A	N/A
Legal debt margin	<u>\$ 5,009,454.11</u>	<u>\$ 4,861,705.85</u>	<u>\$ 4,529,398.85</u>	<u>\$ 3,901,525.00</u>	<u>\$ 3,086,623.02</u>	<u>\$ 2,254,083.38</u>	<u>\$ 1,589,908.00</u>	<u>\$ 1,103,495.00</u>	\$ 4,325,001.78	\$ 4,177,301.23
Total net debt applicable to the limit as a percentage of debt limit	28.54%	30.33%	32.95%	37.40%	44.11%	52.94%	62.38%	71.26%		

Source: Borough of Wenonah School District CAFR

N/A Data Not Available

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
Unaudited

Westville:

Legal Debt Margin Calculation for Fiscal Year 2011

	Equalized valuation basis	
	2010	\$ 287,919,078
	2009	297,806,339
	2008	287,919,078
	[A]	<u>\$ 873,644,495</u>
	[A/3]	\$ 291,214,832
	[B]	7,280,371
	[C]	<u>874,000</u>
	[B-C]	<u>\$ 6,406,371</u>

	Fiscal Year Ended June 30,									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Debt limit	\$ 7,280,370.79	\$ 7,254,048.00	\$ 6,937,700.91	\$ 6,372,151.00	\$ 5,614,791.48	\$ 4,938,578.00	\$ 4,544,829.00	\$ 4,366,599.00	\$ 4,281,097.00	N/A
Total net debt applicable to limit	874,000.00	1,029,000.00	1,188,000.00	1,348,000.00	1,503,000.00	1,633,000.00	1,743,000.00	\$ 719,000.00	\$ 824,000.00	N/A
Legal debt margin	\$ 6,406,370.79	\$ 6,225,048.00	\$ 4,111,791.48	\$ 4,111,791.48	\$ 4,111,791.48	\$ 3,305,578.00	\$ 2,801,829.00	\$ 3,647,599.00	\$ 3,457,097.00	N/A
Total net debt applicable to the limit as a percentage of debt limit	12.00%	14.19%	17.12%	21.15%	26.77%	33.07%	38.35%	16.47%	19.25%	

Source: Borough of Westville School District CAFR
 N/A Data Not Available

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
Unaudited

Woodbury Heights:

Legal Debt Margin Calculation for Fiscal Year 2011

		Equalized valuation basis	
	2010	\$	302,921,735
	2009	\$	294,101,467
	2008	\$	306,787,079
	[A]	\$	903,810,281
		<hr/>	
	[A/3]	\$	301,270,094
		<hr/>	
	[B]	\$	7,531,752
	[C]	\$	377,516
		<hr/>	
	[B-C]	\$	7,154,236
		<hr/>	

Fiscal Year Ended June 30,

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Debt limit	\$ 7,531,752.34	\$ 7,423,067.63	\$ 7,182,251.54	\$ 6,538,436.65	\$ 5,859,649.49	\$ 5,527,067.95	\$ 4,828,550.13	\$ 4,549,533.98	\$ 4,325,001.78	\$ 4,177,301.23
Total net debt applicable to limit	377,516.00	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 7,154,236.34	\$ 7,423,067.63	\$ 7,182,251.54	\$ 6,538,436.65	\$ 5,859,649.49	\$ 5,527,067.95	\$ 4,828,550.13	\$ 4,549,533.98	\$ 4,325,001.78	\$ 4,177,301.23
Total net debt applicable to the limit as a percentage of debt limit	5.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	N/A

Source: Woodbury Heights School District CAFR

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.

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
National Park:				
2010	N/A	N/A	N/A	11.8%
2009	3,235	\$ 128,076,885.00	\$ 39,591.00	11.1%
2008	3,227	125,982,080.00	39,040.00	7.6%
2007	3,230	120,579,130.00	37,331.00	5.9%
2006	3,215	116,087,220.00	36,108.00	6.5%
2005	3,223	112,170,069.00	34,803.00	6.0%
2004	3,220	106,627,080.00	33,114.00	8.0%
2003	3,208	99,589,152.00	31,044.00	11.0%
2002	3,198	97,177,626.00	30,387.00	10.5%
2001	3,191	94,108,972.00	29,492.00	7.8%
Wenonah:				
2010	N/A	N/A	N/A	9.2%
2009	2,357	\$ 93,315,987.00	\$ 39,591.00	8.7%
2008	2,358	92,056,320.00	39,040.00	5.9%
2007	2,344	88,495,376.00	37,331.00	4.6%
2006	2,332	84,887,132.00	36,401.00	5.0%
2005	2,321	80,882,172.00	34,373.00	4.6%
2004	2,322	77,122,506.00	32,888.00	5.1%
2003	2,316	72,530,172.00	31,317.00	5.8%
2002	2,306	70,854,156.00	30,726.00	5.5%
2001	2,304	69,341,184.00	30,096.00	4.1%
Westville:				
2010	N/A	N/A	N/A	10.9%
2009	4,466	\$ 176,813,406.00	\$ 39,591.00	10.3%
2008	4,467	174,391,680.00	39,040.00	7.0%
2007	4,474	167,018,894.00	37,331.00	5.4%
2006	4,458	160,969,464.00	36,108.00	6.0%
2005	4,466	155,430,198.00	34,803.00	5.6%
2004	4,488	148,615,632.00	33,114.00	4.8%
2003	4,474	138,890,856.00	31,044.00	7.7%
2002	4,478	136,072,986.00	30,387.00	7.3%
2001	4,475	131,976,700.00	29,492.00	5.4%
Woodbury Heights:				
2010	N/A	N/A	N/A	7.3%
2009	3,053	\$ 120,871,323.00	\$ 39,591.00	6.9%
2008	3,052	119,150,080.00	39,040.00	4.6%
2007	3,042	113,560,902.00	37,331.00	3.6%
2006	3,030	109,407,240.00	36,108.00	3.9%
2005	3,022	105,174,666.00	34,803.00	3.6%
2004	3,021	100,037,394.00	33,114.00	2.1%
2003	3,013	93,535,572.00	31,044.00	2.4%
2002	3,001	91,191,387.00	30,387.00	2.3%

Sources:

- (1) Population information provided by the NJ Department 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 by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis
 - (4) Unemployment data provided by the NJ Department of Labor and Workforce Development
- N/A Data Not Available

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Principal Non-Governmental Employers
Current Year and Nine Years Ago
Unaudited

National Park:

<u>Employer</u>	<u>2011</u>			<u>2002</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
National Park School District	70	1	3.87%	N/A	1	N/A
National Park Borough	40	2	2.21%	N/A	2	N/A
Clancey & Associates Inc.	22	3	1.22%	N/A	3	N/A
Bill and Eileen's Market	14	4	0.77%	N/A	4	N/A
Kings Kids Learning Center LLC	13	5	0.72%	N/A	5	N/A
Army & Navy Garrison	8	6	0.44%	N/A	6	N/A
Park Place Bar & Grill	7	7	0.39%	N/A	7	N/A
Winks Pub	7	8	0.39%	N/A	8	N/A
New Jersey Carpet Inc	6	9	0.33%	N/A	9	N/A
Shrink Wraps LLC	6	10	0.33%	N/A	10	N/A
	<u>193</u>		<u>10.67%</u>	<u>-</u>		

Source: National Park School District CAFR

N/A - Information not available

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago
Unaudited

Wenonah:

<u>Employer</u>	<u>2011</u>			<u>2002</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Underwood Memorial Hospital (Woodbury)	1,825	1	0.00%	N/A	1	N/A
Washington Township School District	1,648	2	0.00%	N/A	2	N/A
County of Gloucester	1,500	3	0.00%	N/A	3	N/A
Rowan University (Glassboro)	1,300	4	0.00%	N/A	4	N/A
Kennedy Memorial Hospital (Turnersville)	1,200	5	0.00%	N/A	5	N/A
Missa Bay, LLC (Swedesboro)	950	6	0.00%	N/A	6	N/A
Monroe Township School District	741	7	0.00%	N/A	7	N/A
U.S. Foodservices	725	8	0.00%	N/A	8	N/A
DGI Services	600	9	0.00%	N/A	9	N/A
Delaware Valley Wholesale Florist	500	10	0.00%	N/A	10	N/A
	<u>10,989</u>		<u>0.00%</u>	<u>-</u>		

Source: Borough of Wenonah School District (information is for Gloucester County)

N/A - Information Not Available

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Principal Non-Governmental Employers
Current Year and Nine Years Ago
Unaudited

Westville:

<u>Employer</u>	<u>2011</u>			<u>2002</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Cornell & CO Inc	350	1	11.83%	N/A	1	N/A
Mars Graphic Services Inc	190	2	6.42%	N/A	2	N/A
International Marketing Corp	127	3	4.29%	N/A	3	N/A
Kelsch Associates Inc.	110	4	3.72%	N/A	4	N/A
Artex Knitting Mills Inc.	80	5	2.70%	N/A	5	N/A
Intelco	69	6	2.33%	N/A	6	N/A
Westville Board of Education	65	7	2.20%	N/A	7	N/A
Borough of Westville	60	8	2.03%	N/A	8	N/A
N/A		9		N/A	9	N/A
N/A		10		N/A	10	N/A
	<u>1,051</u>		<u>35.52%</u>	<u>-</u>		

Source: Borough of Westville School District CAFR

N/A - Information Not Available

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago
Unaudited

Woodbury Heights:

<u>Employer</u>	<u>2011</u>			<u>2002</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Underwood Memorial Hospital (Woodbury)	1,825	1	0.00%	N/A	1	N/A
Washington Township School District	1,648	2	0.00%	N/A	2	N/A
County of Gloucester	1,500	3	0.00%	N/A	3	N/A
Rowan University (Glassboro)	1,300	4	0.00%	N/A	4	N/A
Kennedy Memorial Hospital (Turnersville)	1,200	5	0.00%	N/A	5	N/A
Missa Bay, LLC (Swedesboro)	950	6	0.00%	N/A	6	N/A
U.S. Foodservices (Bridgeport/Swedesboro)	741	7	0.00%	N/A	7	N/A
Monroe Township School District	725	8	0.00%	N/A	8	N/A
Godwin Pumps (Bridgeport)	600	9	0.00%	N/A	9	N/A
Valero Refining Co. (Paulsboro)	500	10	0.00%	N/A	10	N/A
	<u>10,989</u>			<u>-</u>		

Source: Woodbury Heights School District CAFR (information is for Gloucester County)

N/A - Information Not Available

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.

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
Unaudited

Function/Program	Fiscal Year Ended June 30,									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Instruction	71	71	71	77	78	70	70	72	70	70
Regular	11	14	15	15	15	15	16	15	16	16
Special education	8	8	7	8	8	8	8	8	8	8
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student and instruction related services	11	11	11	-	-	9	9	9	10	9
General administrative services	2	3	3	5	5	3	4	4	4	4
School administrative services	3	3	3	5	5	3	3	3	3	3
Other administrative services	4	4	4	-	-	3	3	3	3	3
Central services	1	1	2	3	3	-	-	-	-	-
Administrative information technology	3	3	3	4	4	1	1	1	1	1
Plant operations and maintenance	12	12	12	14	14	14	14	14	15	13
Pupil transportation	43	42	41	41	41	44	38	38	40	40
Other support services	21	22	21	22	22	16	16	16	16	16
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Community Education and Recreation	-	-	-	-	-	-	-	-	-	-
Total	190	194	193	194	195	186	182	183	186	183

Source: School District Records

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

<u>Fiscal Year Ended June 30</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Elementary</u>	<u>Middle School</u>	<u>Pupil/Teacher Ratio</u>	<u>High School</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2011	843	\$ 16,950,761.51	\$ 20,107.66	-3.53%	103	N/A	N/A	N/A	1:9	832	786	-2.00%	94.47%
2010	849	\$ 17,695,452.59	20,842.70	10.09%	104	N/A	N/A	N/A	1:9	849	792	-6.08%	93.29%
2009	904	17,115,103.13	18,932.64	4.89%	104	N/A	N/A	N/A	1:9	904	748	-5.04%	82.74%
2008	953	17,201,445.07	18,049.78	12.00%	100	N/A	N/A	N/A	1:10	952	894	-6.48%	93.91%
2007	1,005	16,196,212.01	16,115.63	5.55%	103	N/A	N/A	N/A	1:10	1,018	941	-2.33%	92.44%
2006	1,049	16,015,924.67	15,267.80	8.75%	105	N/A	N/A	N/A	1:10	1,042	956	0.05%	91.69%
2005	1,101	15,457,112.71	14,039.16	7.79%	120	N/A	N/A	N/A	1:12	1,042	984	-3.14%	94.41%
2004	1,138	14,822,571.23	13,025.11	6.50%	115	N/A	N/A	N/A	1:12	1,076	1,019	-0.80%	94.78%
2003	1,121	13,710,504.68	12,230.60	6.34%	118	N/A	N/A	N/A	1:11	1,084	1,026	2.63%	94.61%
2002	1,087	12,502,262.80	11,501.62	6.35%	118	N/A	N/A	N/A	1:14	1,057	989	2.08%	93.61%

N/A - Not Applicable

Sources: School District Records

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
District Buildings										
High School										
Gateway Regional High School (1964)	185,647	185,647	185,647	185,647	185,647	172,557	172,557	156,636	156,636	156,636
Square Feet	1,040	1,040	1,040	1,040	1,040	1,040	1,040	995	995	995
Capacity (students)	843	849	904	953	1,005	1,049	1,101	1,138	1,121	1,087
Enrollment										
Other										
Maintenance Garage (1966)	2,760	2,760	2,760	2,760	2,760	2,760	2,760	2,760	2,760	2,760
Square Feet										
Central Administration (1999)	8,266	8,266	8,266	8,266	8,266	8,266	8,266	8,266	8,266	8,266
Square Feet										
Generator Building (1995)	480	480	480	480	480	480	480	480	480	480
Square Feet										
Athletic Storage (1971)	864	864	864	864	864	864	864	864	864	864
Square Feet										
Ticket Booth (1995)	154	154	154	154	154	154	154	154	154	154
Square Feet										
Press Box (1995)	60	60	60	60	60	60	60	60	60	60
Square Feet										
Fieldhouse (1971)	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380
Square Feet										

Number of Schools at June 30, 2011
 High School = 1
 Other = 7

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

Source: School District Records

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
Unaudited

Undistributed Expenditures - Required Maintenance For School Facilities (11-000-261-XXX)

School Facility*	Project #(s)	Fiscal Year Ended June 30,									
		2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Gateway Regional High School	N/A	\$ 152,511.50	\$ 184,629.64	\$ 179,409.86	\$ 162,681.30	\$ 106,637.26	\$ 95,705.56	\$ 87,542.66	\$ 95,737.17	\$ 84,922.66	\$ 84,542.88

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

N/A - Not Applicable

Source: School District Records.

GATEWAY REGIONAL HIGH SCHOOL DISTRICT

Insurance Schedule

June 30, 2011

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy:		
Property - Building and Contents	\$ 150,000,000 (A)	(A)
Comprehensive General & Automobile Liability	10,000,000	
Boiler and Machinery	125,000,000	1,000
Educator's Legal Liability	10,000,000	
Pollution Legal Liability	3,000,000	25,000
Crime	500,000	500
Workers' Compensation	Statutory	
Student Accident Insurance Plan	25,000 (A)	
Surety Bond Coverage:		
Board Secretary / Business Administrator	10,000	
Treasurer	200,000	

(A) - Per Occurrence

Source: School District Records.

SINGLE AUDIT SECTION

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

The Honorable President and
Members of the Board of Education
Gateway Regional High School District
County of Gloucester
Woodbury Heights, New Jersey

Compliance

We have audited Gateway Regional High 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, 2011. 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 Gateway Regional High 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, Gateway Regional High 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, 2011.

Internal Control Over Compliance

Management of the Gateway Regional High 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



Carol A. McAllister
Certified Public Accountant
Public School Accountant No. CS 238400

Voorhees, New Jersey
November 30, 2011

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2011

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period	
				From	To
U.S. Department of Education					
Passed-Through State Department of Education:					
General Fund:					
Medical Assistance Program (SEMI)	93.778	N/A	\$ 15,589.68	9/1/10	8/31/11
Medical Assistance Program (SEMI)	93.778	N/A	21,872.58	9/1/09	8/31/10
Total General Fund					
U.S. Department of Education					
Passed-through State Department of Education:					
Special Revenue Fund:					
Title I - Part A Basic:					
Prior Year	84.010	NCLB171508	104,515.00	9-1-07	8-31-08
Prior Year	84.010	NCLB171509	105,115.00	9-1-08	8-31-09
Prior Year	84.010	NCLB171510	115,522.00	9-1-09	8-31-10
Current Year	84.010	NCLB171511	106,315.00	9-1-10	8-31-11
Title I - SIA					
Prior Year	84.010	NCLB171508	12,274.00	9-1-07	8-31-08
Prior Year	84.010	NCLB171509	10,119.00	9-1-08	8-31-09
ARRA - Title I - Part A Basic:					
Current Year	84.389	ARRA171510	28,680.00	7-1-09	8-31-11
Title II - Part A:					
Prior Year	84.367	NCLB171509	23,372.00	9-1-08	8-31-09
Prior Year	84.367	NCLB171510	24,730.00	9-1-09	8-31-10
Current Year	84.367	NCLB171511	24,538.00	9-1-10	8-31-11
Title II - Part D:					
Prior Year	84.318	NCLB171509	870.00	9-1-08	8-31-09
Prior Year	84.318	NCLB171510	1,107.00	9-1-09	8-31-10
Current Year	84.318	NCLB171511	271.00	9-1-10	8-31-11
Title IV:					
Prior Year	84.186	NCLB171509	2,691.00	9-1-08	8-31-09
Prior Year	84.186	NCLB171510	2,594.00	9-1-09	8-31-10
IDEIA-B Basic:					
Prior Year	84.027	FT171509	253,157.00	9-1-08	8-31-09
Prior Year	84.027	FT171510	244,190.00	9-1-09	8-31-10
Current Year	84.027	FT171511	238,231.00	9-1-10	8-31-11
IDEIA - ARRA:					
Current Year	84.391	ARRA171510	236,084.00	7-1-09	8-31-11
Total Special Revenue Fund					
U.S. Department of Agriculture					
Passed-through State Department of Education:					
Enterprise Fund:					
Child Nutrition Cluster:					
Non-Cash Assistance (Food Distribution):					
Food Distribution Program	10.550	N/A	41,801.29	7-1-09	6-30-10
Food Distribution Program	10.550	N/A	40,668.43	7-1-10	6-30-11
Non-Cash Assistance Subtotal					
Cash Assistance:					
National School Lunch Program	10.555	N/A	191,844.83	7-1-09	6-30-10
National School Lunch Program	10.555	N/A	208,151.14	7-1-10	6-30-11
School Breakfast Program	10.553	N/A	13,750.72	7-1-09	6-30-10
School Breakfast Program	10.553	N/A	35,505.04	7-1-10	6-30-11
Special Milk Program	10.556	N/A	576.96	7-1-09	6-30-10
Special Milk Program	10.556	N/A	558.80	7-1-10	6-30-11
Cash Assistance Subtotal					
Total Child Nutrition Cluster					
Total Federal Awards					

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

Balance July 1, 2010	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment Prior Years' Balances	Balance June 30, 2011		
						(Accounts Receivable)	Deferred Revenue	Due to Grantor
\$ (4,783.06)		\$ 8,349.87 4,783.06	\$ 15,589.68			\$ (7,239.81)		
(4,783.06)	-	13,132.93	15,589.68	-	-	(7,239.81)	-	-
2,552.13 (32,529.30) (70,002.13)	\$ 34,422.00 (34,422.00)	69,524.00	28,902.87 79,950.89		\$ 2,112.40 1,892.70	(63,803.00) (79,950.89)		\$ 439.73
3,866.92 (10,119.00) (2,789.29)		9,386.00 2,101.00	25,890.71		3,515.02	(733.00) (26,579.00)		351.90
(19,941.37) (19,214.25)	20,603.00 (20,603.00)	26,135.00	5,515.75 20,207.81			(19,198.00) (20,207.81)		661.63
34.00 (788.00)	(2,454.00)	728.00	319.00 67.28			(2,833.00) (67.28)		34.00
(2,454.00) (2,594.00)	2,454.00	2,047.00				(547.00)		
769.44 (236,462.80) (144,961.72)		1,280.00 236,463.00 170,357.00	7,718.32 235,751.00	\$ 769.44	1,280.00	(7,718.12) (65,394.00) (61,963.72)		
(534,633.37)	-	692,141.00	496,215.07	-	8,800.12	(348,994.82)	-	1,487.26
8,803.02		40,668.43	8,803.02 37,403.12				\$ 3,265.31	
8,803.02	-	40,668.43	46,206.14		-	-	3,265.31	-
(14,739.95) (1,326.40) (30.40)		14,739.95 194,111.68 1,326.40 32,323.26 30.40 544.43	208,151.14 35,505.04 558.80			(14,039.46) (3,181.78) (14.37)		
(16,096.75)	-	243,076.12	244,214.98	-	-	(17,235.61)	-	-
(7,293.73)	-	283,744.55	290,421.12	-	-	(17,235.61)	3,265.31	-
\$ (546,710.16)	\$ -	\$ 989,018.48	\$ 802,225.87	\$ -	\$ 8,800.12	\$ (373,470.24)	\$ 3,265.31	\$ 1,487.26

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance
 For the Fiscal Year Ended June 30, 2011

<u>State Grantor/ Program Title</u>	Grant or State Project Number	Program or Award Amount	<u>Grant Period</u>		<u>Balance July 1, 2010</u>	
			<u>From</u>	<u>To</u>	<u>Deferred Revenue (Accounts Receivable)</u>	<u>Due to Grantor</u>
State Department of Education:						
General Fund:						
Equalization Aid	495-034-5120-078	\$ 5,631,829.00	07/01/10	06/30/11		
Transportation Aid	495-034-5120-014	108,373.00	07/01/10	06/30/11		
Special Education Aid	495-034-5120-089	441,542.00	07/01/10	06/30/11		
Security Aid	495-034-5120-084	111,194.00	07/01/10	06/30/11		
Equalization Aid	495-034-5120-078	4,637,190.00	07/01/09	06/30/10	\$ (536,238.61)	
Transportation Aid	495-034-5120-014	440,383.00	07/01/09	06/30/10	(37,712.75)	
Special Education Aid	495-034-5120-089	462,240.00	07/01/09	06/30/10	(60,899.23)	
Security Aid	495-034-5120-084	93,518.00	07/01/09	06/30/10	(8,008.57)	
Adjustment Aid	495-034-5120-085	496,458.00	07/01/09	06/30/10	(42,514.84)	
Extraordinary Aid	100-034-5120-473	25,976.00	07/01/10	06/30/11		
Extraordinary Aid	100-034-5120-473	12,988.00	07/01/09	06/30/10	(12,988.00)	
Nonpublic School Transportation Aid	495-034-0510-319	12,233.84	07/01/10	06/30/11		
Nonpublic School Transportation Aid	495-034-0510-319	9,017.00	07/01/09	06/30/10	(9,017.00)	
Reimbursed T.P.A.F. Social Security	100-034-5095-002	572,425.37	07/01/10	06/30/11		
Reimbursed T.P.A.F. Social Security	495-034-5095-002	584,808.28	07/01/09	06/30/10	(28,327.73)	
Total General Fund					(735,706.73)	-
Special Revenue Fund:						
N.J. Nonpublic Aid:						
Textbook	100-034-5120-064	7,389.40	07/01/10	06/30/11		
Textbook	100-034-5120-064	8,072.00	07/01/09	06/30/10	\$	268.00
Nursing Services	100-034-5120-070	8,756.00	07/01/10	06/30/11		
Nursing Services	100-034-5120-070	9,573.00	07/01/09	06/30/10		386.00
Auxiliary Services:						
Compensatory Education	100-034-5120-067	18,420.00	07/01/10	06/30/11		
Compensatory Education	100-034-5120-067	37,428.00	07/01/09	06/30/10		26,871.00
Transportation	100-034-5120-067	5,438.00	07/01/10	06/30/11		
Handicapped Services:						
Examination and Classification	100-034-5120-066	8,136.00	07/01/10	06/30/11		
Corrective Speech	100-034-5120-066	3,129.00	07/01/10	06/30/11		
Supplementary Instruction	100-034-5120-066	3,474.00	07/01/10	06/30/11		
Examination and Classification	100-034-5120-066	8,958.00	07/01/09	06/30/10		2,378.00
Corrective Speech	100-034-5120-066	4,484.00	07/01/09	06/30/10		4,484.00
Supplementary Instruction	100-034-5120-066	4,779.00	07/01/09	06/30/10		2,390.00
Total Special Revenue Fund						36,777.00
Enterprise Fund:						
State School Lunch Program	100-010-3350-023	6,785.91	07/01/10	06/30/11		
State School Lunch Program	100-010-3350-023	10,105.62	07/01/09	06/30/10	(764.30)	
State School Breakfast Program	100-010-3350-021	988.40	07/01/09	06/30/10	(89.50)	
Total Enterprise Fund					(853.80)	-
Total State Financial Assistance					\$ (736,560.53)	\$ 36,777.00

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

Carryover/ (Walkover) Amount	Balance June 30, 2011							Memo	
	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable June 30, 2011	Cumulative Total Expenditures
	\$ 5,126,222.16	\$ 5,631,829.00			\$ (505,606.84)			\$ (505,606.84)	\$ 5,631,829.00
	98,643.63	108,373.00			(9,729.37)			(9,729.37)	108,373.00
	401,901.83	441,542.00			(39,640.17)			(39,640.17)	441,542.00
	101,211.37	111,194.00			(9,982.63)			(9,982.63)	111,194.00
	536,238.61								4,637,190.00
	37,712.75								440,383.00
	60,899.23								462,240.00
	8,008.57								93,518.00
	42,514.84								496,458.00
		25,976.00			(25,976.00)				25,976.00
	12,988.00								12,988.00
		12,233.84			(12,233.84)				12,233.84
	9,017.00								9,017.00
	544,286.89	572,425.37			(28,138.48)				572,425.37
	28,327.73								584,808.28
-	7,007,972.61	6,903,573.21	-	-	(631,307.33)	-	-	(564,959.01)	13,640,175.49
	7,389.40	7,124.04					\$ 265.36		7,124.04
				\$ 268.00					7,804.00
	8,756.00	7,273.80					1,482.20		7,273.80
							386.00		9,187.00
	18,420.00	14,233.59					4,186.41		14,233.59
				26,211.00			660.00		10,557.00
	5,438.00	5,438.00							5,438.00
	8,136.00	8,134.85					1.15		8,134.85
	3,129.00	1,564.44					1,564.56		1,564.44
	3,474.00	3,474.00							3,474.00
				2,378.00					6,580.00
				4,484.00					-
				2,390.00					2,389.00
-	54,742.40	47,242.72	-	35,731.00	-	-	8,545.68	-	76,635.68
	6,309.62	6,785.91			(476.29)				6,785.91
	764.30								10,105.62
	89.50								988.40
-	7,163.42	6,785.91	-	-	(476.29)	-	-	-	17,879.93
\$ -	\$ 7,069,878.43	\$ 6,957,601.84	\$ -	\$ 35,731.00	\$ (631,783.62)	\$ -	\$ 8,545.68	\$ (564,959.01)	\$ 13,734,691.10

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2011

Note 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Gateway Regional High 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 \$0 for the general fund and (\$18,924.34) 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	\$ 15,589.68	\$ 6,903,573.21	\$ 6,919,162.89
Special Revenue	477,290.73	47,242.72	524,533.45
Food Service	290,421.12	6,785.91	297,207.03
Total Awards and Financial Assistance	<u>\$ 783,301.53</u>	<u>\$ 6,957,601.84</u>	<u>\$ 7,740,903.37</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 transfer of prior year Basic grant balance to the ARRA grant allocation.

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, 2011.

Note 7: MAJOR PROGRAMS

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

**GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011**

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? X yes 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 a material weakness? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with 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>
84.027 and 84.391	Special Education Cluster (IDEIA Cluster)
84.010 and 84.389	Title I Cluster

Dollar threshold used to determine Type A programs \$ 300,000.00

Auditee qualified as low-risk auditee? yes X no

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

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.

Finding No. 2011-1

Criteria or Specific Requirement

In accordance with the State of New Jersey, Department of Education, 2010-2011 Audit Program, the District must prepare and follow written internal procedures that provide a description of the count and reporting process.

Condition

It was noted that while preparing the ASSA report for finalization, documentation was not maintained in accordance with the internal procedures for corrections that were made as a result of the edit check report received from the County Office of Education.

Context

During our examination of the final ASSA report, we noted there was not documentation maintained for changes that were made as a result of the edit check report received from the County Office of Education.

Effect

The District did not maintain documentation for changes to the ASSA report in accordance with the internal procedures.

Cause

The District made corrections based on the edit check report received from the County without maintaining adequate documentation for the changes.

Recommendation

That the District maintains adequate documentation for all corrections made to the ASSA report.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2011-2

Criteria or Specific Requirement

A governmental entity is required to follow the procedures of the Pay-to-Play legislation and *Local Public Contracts Law* when awarding a contract whose payments, in aggregate, are in excess of the entity's bid threshold.

Condition

During our examination of the District's compliance with *Public School Contracts Law*, we noted one instance regarding compliance with Pay-to-Play legislation and competitive contracting where the District did not follow the non-fair and open, the fair and open process or competitive contracting requirements for a vendor who received aggregate payments in excess of the stipulated threshold.

Context

During our test of bids and contracts we found one vendor, out of eight tested, was not issued a contract in compliance with Pay-to-Play legislation and *Public School Contracts Law*.

Effect

The District is not in compliance with rules and regulations as mandated by the State governing Pay-to-Play legislation and *Public School Contracts Law*.

Cause

Client oversight

Recommendation

That the District verifies that the required documentation be obtained and procedures followed as mandated by Pay-to-Play legislation and *Public School Contracts Law* for all applicable contracts.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

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.

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

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.

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

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

FINANCIAL STATEMENT FINDINGS

Finding No. 2010-1

Condition

The Board Secretary's records required significant adjusting journal entries in order to accurately reflect the assets, liabilities, revenues and expenditures of the School District for the year.

Current Status

This finding has been resolved.

Finding No. 2010-2

Condition

Certain financial reports were not accurately or timely filed as required by the State Department of Education and unexpended funds from various projects were not refunded to the state on a timely basis.

Current Status

This finding has been resolved.

Finding No. 2010-3

Condition

The School District processed a duplicate check for a tuition payment, but did not void the first check that was written, but never mailed.

Current Status

This finding has been resolved.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE PROGRAMS

None.

