

**SCHOOL DISTRICT OF THE
PAULSBORO BOROUGH**

PAULSBORO BOARD OF EDUCATION
Paulsboro, New Jersey
County of Gloucester

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

PAULSBORO BOROUGH BOARD OF EDUCATION

PAULSBORO, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Prepared by

**Paulsboro Borough Board of Education
Business Office**



OUTLINE OF CAFR – GASB 34

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8

FINANCIAL SECTION	
Independent Auditor’s Report	9

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management’s Discussion and Analysis	11
--------------------------------------	----

BASIC FINANCIAL STATEMENTS

A. District-wide Financial Statements:	
A-1 Statement of Net Assets	17
A-2 Statement of Activities	18
B. Fund Financial Statements:	
B-1 Balance Sheet	20
B-2 Statement of Revenues, Expenditures & Changes in Fund Balances	21
B-3 Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Proprietary Funds:	
B-4 Statement of Net Assets	23
B-5 Statement of Revenues, Expenditures & Changes in Fund Net Assets	24
B-6 Statement of Cash Flows	25
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets	26
B-8 Statement of Changes in Fiduciary Net Assets	27
Notes to Financial Statements	28

REQUIRED SUPPLEMENTARY INFORMATION – PART II

C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule – General Fund	51
C-1a Combining Schedule of Revenues, Expenditures & Changes in Fund Balance - Budget & Actual	N/A
C-1b Americas Recovery & Reinvestment Act – Budget & Actual	63
C-1c Education Jobs Fund Program – Budget & Actual	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	64

(continued)

OUTLINE OF CAFR – GASB 34 (continued):

	PAGE
Notes to the Required Supplementary Information	
C-3 Budget-to-GAAP Reconciliation	65
D. School Based Budget Schedules Fund –	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues & Expenditures Special Revenue Fund – Budgetary Basis	66
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	69
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	N/A
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Schedule of Net Assets	74
G-2 Combining Schedule of Revenues, Expenses & Changes in in Fund Net Assets	75
G-3 Combining Schedule of Cash Flows	76
Internal Service Fund –	
G-4 Combining Schedule of Net Assets	N/A
G-5 Combining Schedule of Revenues, Expenses & Changes in Fund Net Assets	N/A
G-6 Combining Schedule of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Assets	77
H-2 Combining Statement of Changes in Fiduciary Net Assets	78
H-3 Student Activity Agency Fund Schedule of Receipts & Disbursements	79
H-4 Payroll Agency Fund Schedule of Receipts & Disbursements	79
I. Long-Term Debt:	
I-1a Schedule of Serial Bonds	80
I-1b Schedule of Loans Payable	80
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Statement	81

(continued)

OUTLINE OF CAFR – GASB 34 (continued):

STATISTICAL SECTION (unaudited)

	PAGE
Financial Trends:	
J-1 Net Assets by Component	82
J-2 Changes in Net Assets	83
J-3 Fund Balances – Governmental Funds	86
J-4 Changes in Fund Balances – Governmental Funds	87
J-5 General Fund Other Local Revenue by Source	89
Revenue Capacity:	
J-6 Assessed Value & Estimated Actual Value of Taxable Property	90
J-7 Direct & Overlapping Property Tax Rates	91
J-8 Principal Property Taxpayers	92
J-9 Property Tax Levies & Collections	93
Debt Capacity:	
J-10 Ratios of Outstanding Debt by Type	94
J-11 Ratios of General Bonded Debt Outstanding	95
J-12 Direct & Overlapping Governmental Activities Debt	95
J-13 Legal Debt Margin Information	96
Demographic & Economic Information:	
J-14 Demographic & Economic Statistics	97
J-15 Principal Employers	N/A
Operating Information:	
J-16 Full-Time Equivalent District Employees by Function/Program	98
J-17 Operating Statistics	99
J-18 School Building Information	100
J-19 Schedule of Required Maintenance	101
J-20 Insurance Schedule	102

K SINGLE AUDIT SECTION

K-1 Report on Compliance and on Internal Control Over Financial Reporting and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	103
K-2 Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular Letter 04-04	105
K-3 Schedule of Expenditures of Federal Awards, Schedule A	107
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	108
K-5 Notes to Schedules of Awards and Financial Assistance	109
K-6 Schedule of Findings and Questioned Costs	111
K-7 Summary Schedule of Prior Audit Findings	113

(concluded)

INTRODUCTORY SECTION

Paulsboro Public Schools

Administration Building, 662 North Delaware Street, Paulsboro, NJ 08066
Telephone: (856) 423-5515 - Ext. 218 • Fax: (856) 423-4602

Dr. Frank Scambra, Superintendent

November 4, 2011

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

Dear Board Members and Citizens of the District:

The comprehensive annual financial report of the Paulsboro 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 my knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1997 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments," and Non-Profit Organizations, and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES

The Paulsboro School District, consisting of two elementary and one junior/senior high school provides quality education for 1,216 students in a Pre K-12 setting. Teachers and other professionals provide large group, small, and individual attention at various times during the day to give students what is needed to be successful. The elementary schools are configured with grade-grouping in mind where grades pre K to 2 are at Billingsport and 3 to 6 are at Loudenslager Schools.

Based on the needs of the district, adjustments in our programs are made. During the past years there has been a slow and steady progress being made in the state-wide testing programs. Over prior years testing

was limited to third and fourth graders at the elementary level and eighth and eleventh graders at the junior high/high school levels. Now the testing program has expanded from grades one through eleven. New programs, tutors, and special help have been provided for students who have not done well in these tests.

During the 2010-2011 school year we continued the alternative special education program: an 8 am to 12 noon class for special needs students who had been or would have been, sent out of district prior to the creation of this class. Also continued was the alternative high school which operates from 3 to 7 PM for students who have difficulty in the regular high school daytime program.

We are using technology to improve efficiency in many aspects of the district's educational and operational systems:

- Every classroom has three to five computers.
- Every classroom has a high-speed laser printer. The libraries have color laser printers.
- Each elementary school has a dedicated computer lab. The High School has four specialized labs.
- Laptop computers are available to classrooms via a cart system (COW) Computers on Wheels.
- Every computer in the district has protected high-speed Internet access.
- All teachers, administrators and staff have e-mail addresses.
- Students, teachers, and administrators from the high school and Loudenslager School (grades 3 to 6) have access to the district's computer network applications and files from their home computers via the Internet.
- The district completed its first year with Genesis, the new student information system, with much success and will be utilizing the parent portal next fiscal year in grades seventh thru twelfth which will allow parents access to student grades on-line.
- The school libraries use computerized card catalog systems that are accessible from all classrooms.
- The district uses a computerized lunch point of sale system.
- Teachers are able to download education films to show to students using video projectors.
- Video conferencing allows students to question subject matter experts.
- Cyber trips have replaced some of the bus trips for all students in the district.

The district has been successful in receiving grants that have provided additional special education services, basic skills instruction, library services, character education, and drug and alcohol education. We are proud that we have obtained additional dollars from these programs because of our record keeping and management of these programs. Each year we are able to obtain more dollars.

We continue having advanced placement classes at the high school. These programs allow students to earn college credits for special elevated courses taken at Paulsboro High School.

Developing a well rounded person is one of our goals. By working with teachers, staff, administrators, community members, parents, and service organizations, our students are exposed to a variety of classes, opportunities, and events in a small community setting. We feel that we can achieve great things by working together. Our motto is "Together We Can."

From a curriculum perspective, a sampling of programs offered by the Paulsboro Public Schools include the following:

- * Gifted and Talented Programs
- * Computer Education Programs
- * Family Life Education
- * Honors Courses
- * Special Education Programs
- * Remedial and Basic Skills Programs
- * Environmental Awareness Education Programs
- * Advanced Placement Courses
- * Instrumental and Choral Music Programs
- * School to Career Program

- * Technology Programs
- * Full-Day Preschool/Kindergarten Programs
- * Regularly scheduled classes in Art, Music, Library Science, and Physical Education
- * World Language Programs in Spanish & Italian
- * Developmental & Career Guidance Counseling

From a co-curricular activities perspective, a sampling of programs offered by the Paulsboro Public Schools include the following:

- * Elementary Enrichment Program
- * National Junior Honor Society
- * Choirs
- * Jazz, Marching, and Concert Bands
- * Gallery Literary Publication
- * Boys' & Girls' Cross Country
- * Football
- * Wrestling
- * Boys' Baseball & Girls' Softball
- * Boys' & Girls' Tennis
- * Big Brother Big Sister Program
- * Students Against Drunk Drivers
- * Student Council
- * National Honor Society
- * School Musical Performance
- * Paulsentinel (school newspaper)
- * Cheerleading
- * Field Hockey
- * Boys' & Girls' Soccer
- * Boys' & Girls' Basketball
- * Boys' & Girls' Track
- * Athletes Being Leaders Everywhere
- * Students United for Respect & Equality

Paulsboro Public Schools average daily enrollment figures for the previous years are as follows:

Fiscal Year	Student Enrollment	Difference	Percent Change
2010-11	1,216	-18	-1%
2009-10	1,234	-81	-6%
2008-09	1,315	-84	-6%
2007-08	1,399	-32	-2.23%
2006-07	1,431	-13	-0.10%
2005-06	1,444	-24	-1.63%
2004-05	1,468	- 4	-0.27%
2003-04	1,472	0	0 %
2002-03	1,472	+19	+1.31%
2001-02	1,453	+43	+3.05%
2000-01	1,410	-56	-3.82%
1999-00	1,466	-17	-1.15%
1998-99	1,483	+103	+7.46%
1997-98	1,380	-63	-4.37%

New Jersey Department of Education Monitoring

The last monitoring from the New Jersey Department of Education took place during the 2010-2011 school year through the QSAC process. Paulsboro will have a six month review for areas identified as needing improvement during the QSAC process in January 2012. CAPA visits were also made at Paulsboro High School and Loudenslager Elementary. Levels of improvement were needed in several areas. The district continues to work hard in providing improvement in all areas. The CAPA reports show this progress.

New Courses and Textbooks

Courses have been updated meeting the standards as required by the end of the 2010-2011 school year. Calculators and other "hands on" items have been purchased for mathematics and science classes. Additional money has been expended enhance the Paulsboro Public Schools' computer network.

The School District maintained a strong cooperative relationship with local business and industry. The ExxonMobil grant funding program "Earn & Learn" was continued this year allowing students to participate in a summer work-study program.

STAFF DEVELOPMENT

Training

Staff members are encouraged to participate in staff development programs offered locally as well as out of district. After-school professional development is offered through a cooperative program between Paulsboro and Gibbstown. This GAP Program provides staff development led by our own teachers and administrators.

A computer trainer remains on staff to manage our website and provide teachers with group and individual guidance in both classroom instruction in technology and administrative electronic record keeping.

FINANCIAL AND ORGANIZATIONAL

Low Costs Compared to Other Schools

Paulsboro continues to look at ways to save money by combining efforts with other districts in joint purchases and the utilization of resources. Some of the costs saving methods are indicated below:

- The Board of Education is a charter member of a Joint Insurance Fund (JIF) composed of school districts in southern New Jersey. The JIF has the potential of leveling costs in the future. During the next fiscal year we have joined a new JIF comprised of over 180 school districts in an effort to cut costs even further in this area.
- The Board of Education has joined a HIF (Health Insurance Fund) composed of several school districts and municipalities. This venture reduces the cost of health care for all of its members.
- Paulsboro High School has become a "Choice" School. Student smay apply tuition free.
- The District also offers professional courtesy to staff members so that their children can attend the Paulsboro Public Schools. Staff members recognize the quality of education at Paulsböro and therefore request that their children attend.

PUBLIC RELATIONS - RECOGNITION

The Chamber of Commerce continues to offer Honor Cards to students who earn all "A" marks. The Honor Cards provide discounts for families shopping at participating businesses. The Renaissance Program provides incentives for students.

The administration of the Paulsboro Public Schools worked directly with the staff of the Gill Memorial Library on technology upgrades.

The Paulsboro Public Schools build community support by utilizing many strategies. Examples of these strategies include the Memorial Tree Fund, Veterans Commencement, Alumni Park, Volunteers in Paulsboro Schools (VIPS), Grandparents' Day, Key Communicators, Community Use of the Schools, Alumni Tours, Collect School Antiques and Memorabilia, and Senior Citizen Gold Card Passes.

ECONOMIC CONDITION AND OUTLOOK

The Borough of Paulsboro had been fully developed with little potential for an increase in the number of residential units. There is, however, a considerable amount of recycling of existing homes. Some large homes had been converted into multi-unit apartments. Young families are purchasing other homes. The student population is declining slightly each year. There is also a substantial amount of subsidized housing within the borough. Forty percent of the homes in town are rental properties. This impacts the schools in two ways. First, nearly 21% of the elementary school students either enroll after the school year begins or leave prior to the end of the school year. Second, many of these students have special educational needs. For example, 74% of the school children are eligible for free or reduced priced meals because of low family income.

At present, there is a plan for the development of senior housing and port area development. This will take place within the next four years. During the 2010-2011 school year, the port project has taken new legs and plans are underway.

In the 2008-2009 school year the amount of ratables in the borough diminished again and ExxonMobil won a tax relief case which lowered their taxes considerably which had a total negative effect on the school district budget. This drop in ratables was still felt during the 2010-2011 school year with a \$9million decrease in ratables. This, along with the cuts from the state, has made budging difficult.

MAJOR INITIATIVES

On May 16, 2008, the Department of Education approved the Paulsboro Board of Education Long Range Facility Plan. Garrison Architects assisted immeasurably in the development of this plan covering the years 2006 to 2011.

In addition, the Board of Education is reviewing plans for work in each of the schools, but the prospect of the poor economy and lack of state money makes it difficult to implement this 41 plus million dollar plan.

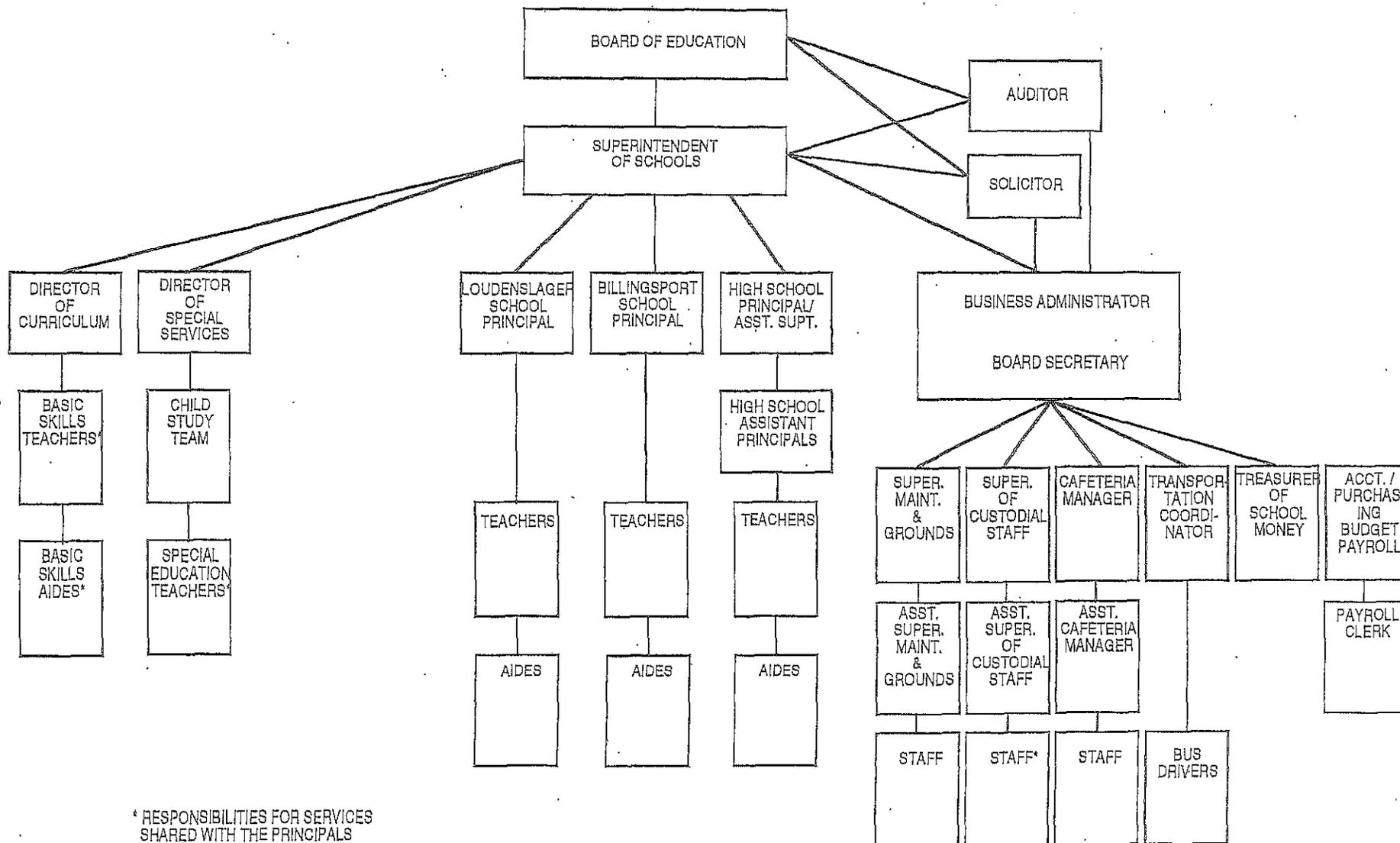
Respectfully submitted,



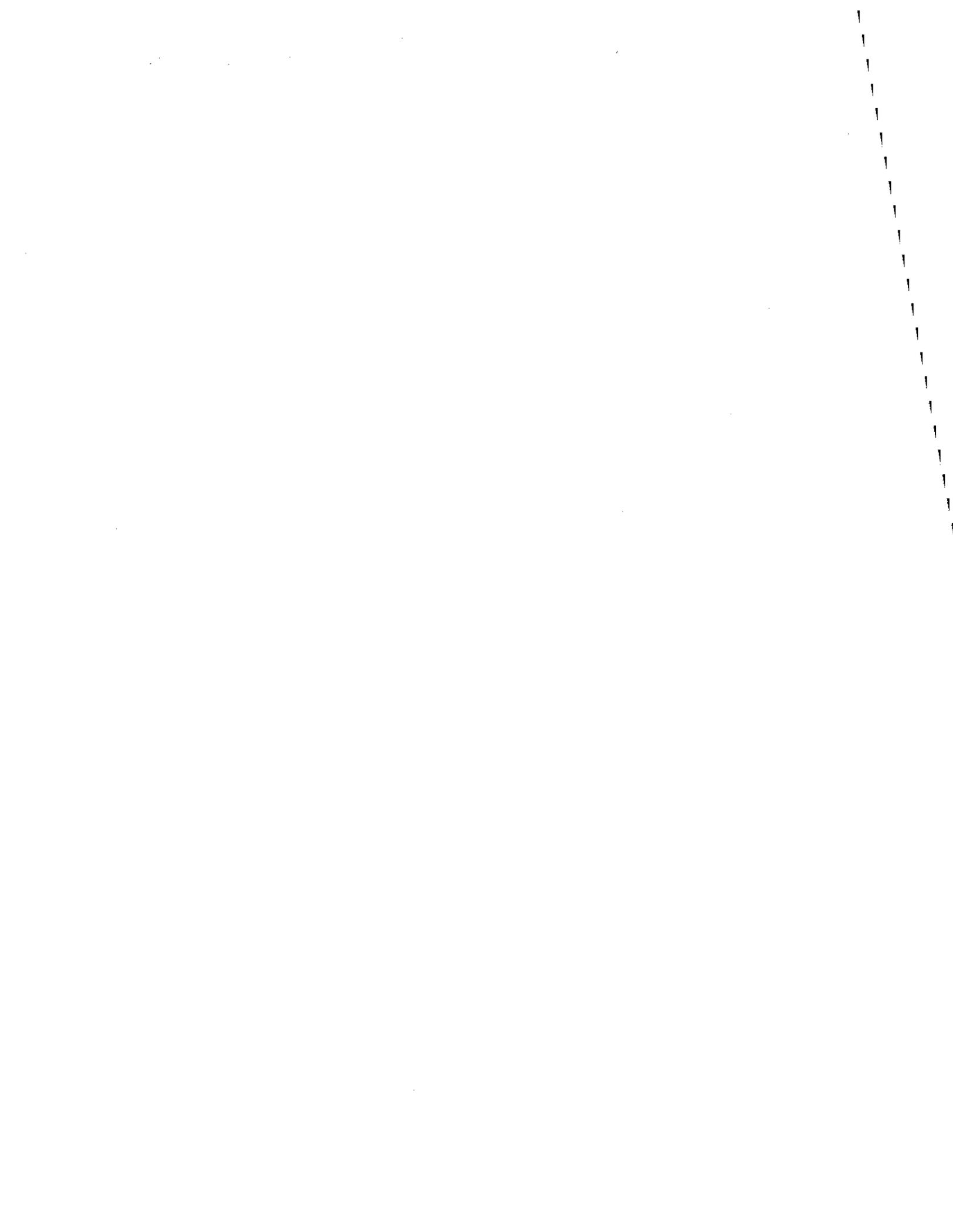
Frank Scambia, Ed.D.
Superintendent of Schools

PAULSBORO PUBLIC SCHOOLS - ORGANIZATIONAL CHART

Chain of Command



* RESPONSIBILITIES FOR SERVICES SHARED WITH THE PRINCIPALS



PAULSBORO BOROUGH BOARD OF EDUCATION
662 N. Delaware Street
Paulsboro, New Jersey 08066

ROSTER OF OFFICIALS
JUNE 30, 2011

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Thomas Ridinger, President	2012
Bonnie Eastlack, Vice-President	2013
Sharon Downs Thomas	2012
Barbara Dunn	2013
Louis Fabiani (1)	
Paula Giampola	2014
Gerald D. Hodges, Sr.	2012
Jospeh L. Lisa	2014
Lisa Lozada – Shaw	2013
Jarryd Scott, Sr.	2014

OTHER OFFICIALS

Dr. Frank Scambia, Superintendent
Jennifer Johnson, CPA, Business Administrator/Board Secretary
Lisa Capasso, Treasurer
Philipp Duvilla, Solicitor

(1) Representative from Greenwich Township Public Schools

PAULSBORO BOROUGH BOARD OF EDUCATION
662 N. Delaware Street
Paulsboro, N.J. 08066

CONSULTANTS AND ADVISORS

AUDIT FIRM

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

ATTORNEY

Philipp Duvilla
39 South Broad Street
Woodbury, New Jersey 08096

OFFICIAL DEPOSITORY

TD Bank
1101 Mantua Pike
Mantua, New Jersey 08051

INSURANCE ADMINISTRATOR

William Ryan, Executive Director
Gloucester, Cumberland, Salem School Districts Joint Insurance Fund
P.O. Box 530
Marlton, New Jersey 08053

FINANCIAL SECTION



Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Paulsboro Borough
County of Gloucester
Paulsboro, New Jersey 08066

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Paulsboro Borough School District, County of Gloucester, State of New Jersey, as of and for the year ended June 30, 2011, which collectively comprise the District's financial statements as listed in the table of contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Paulsboro Borough School District, County of Gloucester, State of New Jersey, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2011, on our consideration of the Paulsboro Borough Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 11 through 16 and 51 through 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers

it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Paulsboro Borough School District's financial statements. The accompanying introductory section, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, schedule of expenditures of state and federal financial assistance and statistical information are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of state and federal financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and is also not a required part of the financial statements. The combining and individual fund financial statements, long-term debt schedules and the accompanying schedule of expenditures of state and federal financial assistance 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 section and statistical information 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.

Respectively submitted,

HOLMAN & FRENIA, P. C.



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

Medford, New Jersey
November 4, 2011

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis

PAULSBORO BOARD OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Fiscal Year Ended June 30, 2011

UNAUDITED

The Management Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – Management's Discussion and Analysis for State and Local Governments (commonly referred to as GASB 34) issued in June 1999, and is required to be incorporated by the New Jersey Department of Education.

Objectives:

In the Concepts Statement No. 1, Objective of Financial Reporting, the GASB established a number of objectives of financial reporting by state and local governments and GASB further believes that the MD&A will help users to:

Evaluate the operating results of the government for the year (GASB Concepts Statement No. 1, paragraph 78) by providing an easily readable summary of operating results and the reasons for changes in the components of operating results.

Assess the financial position and condition of the government and determine whether the government's financial position improved or deteriorated as a result of the year's operations (paragraph 78c and 79a) by providing financial management's analysis directed specifically to this point, including the reasons for changes.

Determine whether current-year revenues were sufficient to pay for current-year services (paragraph 77a) by discussing operating results, including decisions already made that will affect future operations.

Understand the sources and uses of financial resources (paragraph 78a) by providing an analysis of the balances and transaction of individual funds, particularly for *governmental* funds.

Understand how the government financed its activities and met its cash requirements (paragraph 78b) by describing (a) important economic factors, such as changes in tax or employment bases, that significantly affected operating results for the year; and (b) debt limitations that may affect the financing of planned facilities or services and any changes in credit ratings.

Determine whether resources were obtained and used in accordance with the entity's legally adopted budget (paragraph 77b) by providing management's analysis of significant variations between original and final budget amounts and between final budget and actual amounts for the government's general fund.

Assess the service efforts, costs and accomplishments (SEA) of the governmental entity (paragraph 77c) by discussing currently known facts that are expected to affect the services a government provides and the cost of those services.

Assess the level of services that can be provided by the government and its ability to meet obligations as they become due (paragraph 79) by describing debt limitations, changes in credit ratings, reasons for significant changes in individual fund balances and the effect of any limitations on their use, as well as important economic factors that significantly affected operating results for the year.

Gain information about a government's physical and other nonfinancial resources having useful lives that extend beyond current year (paragraph 79b) by describing significant capital assets activity during the year, commitments made to acquire new capital assets, and in some cases, the condition level of infrastructure assets.

Assess legal or contractual restrictions on resources and risks of potential loss of resources (paragraph 79c) by describing debt limitations and any changes in credit ratings, limitations on individual fund balances, as well as currently known facts, decisions, or conditions that are expected to have a significant effect on financial position or results of operations.

Thus, it is the objective of this statement to assess for the readers the financial position of the Paulsboro School District and to explain the major sources of revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

District-Wide Financial Statements. The district-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to the reporting for the private sector. For governmental entities these statements tell new services were financed and what remains for future spending.

The combined statement of net assets (A-1) presents information on all of the assets and liabilities of the District, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The combined statement of activities (A-2) presents information showing how the net assets of the District changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The district-wide financial statements can be found as Exhibits A-1 and A-2 in this report.

Fund Financial Statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because of the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information

presented for governmental activities in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund, capital projects fund and debt service fund, all of which are considered to be major funds.

The general and special revenue funds utilize a legally adopted annual budget. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

Proprietary Funds - The District maintains one proprietary fund type, an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing goods or services be financed through user charges. The food services enterprise fund provides for the operation of food services in all schools within the District. The proprietary fund has been included within business-type activities in the district-wide financial statements.

The food services fund detail financial statements can be found as Exhibits B-4 through B-6 in this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statement because the resources of those funds are not available to support the District's own programs.

The District uses trust and agency funds to account for resources held for payroll transactions, Student activities and scholarship funds. The basic fiduciary fund financial statements can be found as Exhibits H-1 and H-4 in this report.

Notes to the Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in this report.

Other information. The combining and individual fund statements referred to earlier in connection with governmental and enterprise funds are presented immediately following the notes to the financial statements.

Overview of the District as a Whole

The Paulsboro School District is a Pre K-12 School District, serving approximately 1,234 students from the Borough of Paulsboro and tuition students from Greenwich Township. There are three (3) school buildings, Billingsport Elementary (Grades Pre K-2), Loudenslager Elementary (Grades 3-6) and Paulsboro High School (Grades 7-12), the Administration Building (Ireland House), and various other structures for vehicles and/or storage capabilities.

General revenues received by the District are predominantly made up of state aid (67%), local tax levy (24%) and tuition for students attending from Greenwich Township (8%).

Financial Highlights

Some of the significant financial highlights of the 2010/2011 school year (FY'11) as compared to the 2009/2010 school year (FY'10):

The District's maintenance department has been effective in saving the district money by completing as many repairs as possible by district personnel.

The District monitors overtime expenditures closely to prevent excess spending.

The District is very effective in contracting with other school districts in a cooperative bidding arrangement for many items in the District. This includes copier paper, maintenance supplies, and an ACES agreement with other New Jersey schools districts in purchasing electrical power.

Gasoline used for the district vehicles, including buses, is purchased with an arrangement with the Borough of Paulsboro, thus, provided a major savings to the District.

The following table, also shown as Exhibit A-1, is a worksheet indicator of the District's financial position:

**PAULSBORO BOARD OF EDUCATION
STATEMENT OF NET ASSETS
JUNE 30, 2011
(With Comparative Totals for June 30, 2010)**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	2011	2010
Cash & Cash Equivalents	\$33,018	150,463	183,481	1,140,639
Receivables, Net	2,784,283	31,386	2,815,669	1,829,170
Interfund Receivable	7,680		7,680	182,394
Inventory		7,802	7,802	11,920
Restricted Assets:				
Capital Reserve Account - Cash	45,754		45,754	67,511
Capital Assets, Net (Note 6)	6,593,136	25,441	6,618,577	6,618,455
Total Assets	9,463,871	215,092	9,678,963	9,850,089
LIABILITIES				
Accounts Payable	938,814	42,913	981,727	660,186
Interfund Payable		3,609	3,609	177,873
Deferred Revenue	36,440		36,440	46,874
Accrued Interest Payable	13,522		13,522	17,007
State Aid Anticipation Note				603,133
Noncurrent Liabilities (Note 7):				
Due Within One Year	280,370		280,370	280,370
Due Beyond One Year	1,824,796		1,824,796	2,094,765
Total Liabilities	3,093,942	46,522	3,140,464	3,880,208

NET ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	2011	2010
Invested in Capital Assets, Net of Related Debt	5,522,026	25,441	5,547,467	5,266,975
Restricted For:				
Debt Service	(13,519)		(13,519)	(17,005)
Other Purposes	45,754		45,754	2,346,318
Unrestricted	815,668	143,129	958,797	(1,626,407)
Total Net Assets	\$6,369,929	168,570	6,538,499	5,969,881

Financial Analysis of the District's Funds

As discussed previously, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's governmental fund is to provide information on near term inflows, outflows, as balance, of spendable resources. Such information is useful in assessing the District financing requirements. The unreserved fund balance is divided between designated balance and undesignated balances.

Financial Information at Fiscal Year End

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the governmental fund revenues for the fiscal year ended June 30, 2011 and the amount and percentage of increase/(decrease) relative to FY'10 amounts.

Revenue	Amount	Percent of Total	Increase/(Decrease) from 2010	Percent of Increase/(Decrease)
Local Sources	\$ 6,720,245	30.29%	\$ 327,948	5.13%
State Sources	13,757,771	62.01%	1,150,160	9.12%
Federal Sources	<u>1,709,567</u>	7.71%	<u>(2,528,730)</u>	(59.66%)
Total	<u>\$22,187,583</u>	100.00%	<u>\$ (1,050,622)</u>	(4.52%)

The following schedule presents a summary of the general fund expenditures for the fiscal year ended June 30, 2011 and the percentage of increase/(decrease) relative to FY'10 amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/(Decrease) from 2010</u>	<u>Percent of Increase/(Decrease)</u>
Instruction Undistributed	\$ 7,387,735	38.53%	\$ (143,775)	(1.91%)
Expenditures	11,716,026	61.11%	236,245	2.06%
Capital Outlay	<u>67,796</u>	.35%	<u>40,582</u>	149.12%
Total	<u>\$19,171,557</u>	100.00%	<u>\$ 133,052</u>	.70%

Spending during FY'11 required an aggressive approach to ensure surplus was available at year end. All spending was monitored closely and only essential spending was approved.

Proprietary Funds. The District's proprietary fund provides the same type of information found in the district wide financial statements.

CAPITAL ASSESTS

**PAULSBORO BOARD OF EDUCATION
RECAP-FIXED ASSETS
June 30, 2011**

	June 30, 2010	Additions	Deletions	June 30, 2011
Land & Land				
Improvements	\$ 2,021,446			\$ 2,021,446
Buildings	9,438,159			9,438,159
Construction In Progress	299,938	\$ 101,410		401,348
Machinery & Equipment	<u>1,813,116</u>	<u>317,374</u>	_____	<u>2,130,490</u>
Subtotal	<u>13,484,101</u>	<u>418,784</u>	_____	<u>13,991,443</u>
Accumulated Depreciation	<u>(6,988,140)</u>	<u>(410,167)</u>	_____	<u>(7,398,307)</u>
Total	<u>\$ 6,584,519</u>	<u>\$ 8,617</u>	=====	<u>\$ 6,593,136</u>

Economic Factors and the Forecast on the 2011/2012 (FY'12) Budget

The District anticipates the approved 2011-2012 budget will be adequate to satisfy all 2011-2012 financial needs. With local and state tax revenues depleting it is anticipated that the district will face an extremely difficult task when preparing the 2012-2013 budget.

Requests for Information

This financial report is designed to provide a general overview of the Paulsboro School District's finances. Questions concerning any of the information contained in this report or any requests for additional information should be addressed to Jennifer Johnson, School Business Administrator/Board Secretary at the Paulsboro Board of Education, Administration Building, 662 N. Delaware Street, Paulsboro, NJ 08066.

BASIC FINANCIAL STATEMENTS

A. District-Wide Financial Statements



PAULSBORO BOARD OF EDUCATION
STATEMENT OF NET ASSETS
JUNE 30, 2011
(With Comparative Totals for June 30, 2010)

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)	
			JUNE 30, 2011	JUNE 30, 2010
Cash & Cash Equivalents	\$33,018	150,463	183,481	1,140,639
Receivables, Net	2,784,283	31,386	2,815,669	1,829,170
Interfund Receivable	7,680		7,680	182,394
Inventory		7,802	7,802	11,920
Restricted Assets:				
Capital Reserve Account - Cash	45,754		45,754	67,511
Capital Assets, Net (Note 6)	6,593,136	25,441	6,618,577	6,618,455
Total Assets	9,463,871	215,092	9,678,963	9,850,089
LIABILITIES				
Accounts Payable	938,814	42,913	981,727	660,186
Interfund Payable		3,609	3,609	177,873
Deferred Revenue	36,440		36,440	46,874
Accrued Interest Payable	13,522		13,522	17,007
State Aid Anticipation Note				603,133
Noncurrent Liabilities (Note 7):				
Due Within One Year	280,370		280,370	280,370
Due Beyond One Year	1,824,796		1,824,796	2,094,765
Total Liabilities	3,093,942	46,522	3,140,464	3,880,208
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	5,522,026	25,441	5,547,467	5,266,975
Restricted For:				
Debt Service	(13,519)		(13,519)	(17,005)
Other Purposes	45,754		45,754	2,346,318
Unrestricted	815,668	143,129	958,797	(1,626,407)
Total Net Assets	\$6,369,929	168,570	6,538,499	5,969,881

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

PAULSBORO BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Totals for June 30, 2010)

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS				
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)		
						JUNE 30, 2011	JUNE 30, 2010	
Governmental Activities:								
Instruction:								
Regular	\$4,763,317			(4,763,317)		(4,763,317)	(5,268,425)	
Special Education	3,111,445		1,519,217	(1,592,228)		(1,592,228)	(1,694,632)	
Other Special Instruction	575,042			(575,042)		(575,042)	(243,456)	
Other Instruction	457,148			(457,148)		(457,148)	(478,573)	
Support Services & Undistributed Costs:								
Instruction	1,664,571		250,143	(1,414,428)		(1,414,428)	(1,127,884)	
Attendance & Social Work Services	41,617			(41,617)		(41,617)	(55,257)	
Health Services	210,301			(210,301)		(210,301)	(206,011)	
Other Support Services	1,042,167			(1,042,167)		(1,042,167)	(992,458)	
Improvement of Instructional Services	266,645			(266,645)		(266,645)	(272,424)	
Educational Media Services	403,316			(403,316)		(403,316)	(334,772)	
Instructional Staff Training Services	23,304			(23,304)		(23,304)	(67,454)	
General Administration	432,311			(432,311)		(432,311)	(402,982)	
School Administration	901,402			(901,402)		(901,402)	(867,692)	
Central Services	223,923			(223,923)		(223,923)	(215,827)	
Administrative Information Technology	66,717			(66,717)		(66,717)	(43,857)	
Plant Operations & Maintenance	1,443,238			(1,443,238)		(1,443,238)	(1,467,734)	
Pupil Transportation	514,984			(514,984)		(514,984)	(541,498)	
Unallocated Benefits	4,926,711		188,967	(4,737,744)		(4,737,744)	(4,883,931)	
Interest on Long-Term Debt	42,310			(42,310)		(42,310)	(52,798)	
Unallocated Adjustment to Compensated Absences	10,401			(10,401)		(10,401)	(66,439)	
Unallocated Depreciation	410,167			(410,167)		(410,167)	(395,963)	
Total Governmental Activities	21,531,037		1,958,327	(19,572,710)		(19,572,710)	(19,680,067)	

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

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS	
						(MEMORANDUM ONLY)	
						JUNE 30, 2011	JUNE 30, 2010
Business-Type Activities:							
Food Service	626,024	83,878	454,218		(87,928)	(87,928)	(15,158)
19 Total Business - Type Activities	626,024	83,878	454,218		(87,928)	(87,928)	(15,158)
Total Primary Government	<u>\$22,157,061</u>	<u>83,878</u>	<u>2,412,545</u>	<u>(19,572,710)</u>	<u>(87,928)</u>	<u>(19,660,638)</u>	<u>(19,695,225)</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				4,706,960		4,706,960	4,858,863
Taxes Levied for Debt Service				160,965		160,965	138,099
Federal & State Aid				13,524,139		13,524,139	14,342,786
Tuition Received				1,710,901		1,710,901	1,330,571
Miscellaneous Income				126,291		126,291	39,548
Transfers				(150,000)	150,000		
Total General Revenues, Special Items, Extraordinary Items & Transfers				<u>20,079,256</u>	<u>150,000</u>	<u>20,229,256</u>	<u>20,709,867</u>
Change In Net Assets				506,546	62,072	568,618	1,014,642
Net Assets - Beginning				<u>5,863,383</u>	<u>106,498</u>	<u>5,969,881</u>	<u>4,955,239</u>
Net Assets - Ending				<u>\$6,369,929</u>	<u>168,570</u>	<u>6,538,499</u>	<u>5,969,881</u>

See Accompanying Notes to Financial Statements

B. Fund Financial Statements

Governmental Funds

**PAULSBORO BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2011
(With Comparative Totals for June 30, 2010)**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS (MEMORANDUM ONLY)	
					JUNE 30, 2011	JUNE 30, 2010
Assets:						
Cash & Cash Equivalents	\$33,016	1		1	33,018	909,787
Capital Reserve Account	45,754				45,754	67,511
Accounts Receivable:						
Tax Levy	784,493			26,828	811,321	
State	142,832		621,501		764,333	505,262
Federal	24,742	1,183,887			1,208,629	1,294,564
Interfund	945,265				945,265	1,077,092
Other						531
Total Assets	<u>\$1,976,102</u>	<u>1,183,888</u>	<u>621,501</u>	<u>26,829</u>	<u>3,808,320</u>	<u>3,854,747</u>
Liabilities & Fund Balances:						
Liabilities:						
Accounts Payable	\$467,221	371,198	100,395		938,814	639,036
State Aid Anticipation Note						603,133
Interfund Payable		776,250	134,509	26,826	937,585	894,698
Deferred Revenue		36,440			36,440	46,874
Total Liabilities	<u>467,221</u>	<u>1,183,888</u>	<u>234,904</u>	<u>26,826</u>	<u>1,912,839</u>	<u>2,183,741</u>
Fund Balances:						
Restricted for:						
Capital Reserve	15,111				15,111	67,511
Capital Reserve - Designated for Subsequent Year's Expenditures	30,643				30,643	
Excess Surplus - Designated for Subsequent Year's Expenditures						20,682
Capital Projects Fund			180,392		180,392	101,993
Debt Service Fund				3	3	2
Committed to:						
Other Purposes			206,205		206,205	256,663
Assigned to:						
Designated for Subsequent Year's Expenditures	1,463,127				1,463,127	1,224,155
Total Fund Balances	<u>1,508,881</u>		<u>386,597</u>	<u>3</u>	<u>1,895,481</u>	<u>1,671,006</u>
Total Liabilities & Fund Balances	<u>\$1,976,102</u>	<u>1,183,888</u>	<u>621,501</u>	<u>26,829</u>		
Amounts reported for governmental activities in the statement of net assets (A-5) 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 \$13,991,443, and the accumulated depreciation is \$7,398,307.					6,593,136	6,584,519
Accrued interest payable is not recorded in the fund financial statements due to the fact that payable is not due in the period.					(13,522)	(17,007)
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. Long-term liabilities at year-end consist of:						
Bonds Payable					(980,000)	(1,230,000)
Loans Payable					(91,110)	(121,480)
Compensated Absences Payable					(1,034,056)	(1,023,655)
Net assets of Governmental Activities					<u>\$6,369,929</u>	<u>5,863,383</u>

See Accompanying Notes to Financial Statements

**PAULSBORO BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Totals for June 30, 2010)**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS (MEMORANDUM ONLY)	
					JUNE 30, 2011	JUNE 30, 2010
Revenues:						
Local Sources:						
Local Tax Levy	\$4,706,960			160,965	4,867,925	4,996,962
Tuition Charges	1,710,901				1,710,901	1,330,571
Miscellaneous	126,291	15,128			141,419	64,764
Total Local Sources	6,544,152	15,128		160,965	6,720,245	6,392,297
State Sources	12,978,320	314,250	300,000	165,201	13,757,771	12,607,611
Federal Sources	80,618	1,628,949			1,709,567	4,238,297
Total Revenues	19,603,090	1,958,327	300,000	326,166	22,187,583	23,238,205
Expenditures:						
Current:						
Regular Instruction	4,763,317				4,763,317	5,268,425
Special Education Instruction	1,592,228	1,519,217			3,111,445	3,627,921
Other Special Instruction	575,042				575,042	243,456
Other Instruction	457,148				457,148	478,573
Support Services & Undistributed Costs:						
Instruction	1,414,428	250,143			1,664,571	1,427,257
Attendance & Social Work Services	41,617				41,617	55,257
Health Services	210,301				210,301	206,011
Other Support Services	1,042,167				1,042,167	992,458
Improvement of Instructional Services	266,645				266,645	272,424
Educational Media Services	403,316				403,316	334,772
Instructional Staff Training Services	23,304				23,304	67,454
General Administration	432,311				432,311	402,982
School Administration	901,402				901,402	867,692
Central Services	223,923				223,923	215,827
Administrative Information Technology	66,717				66,717	43,857
Plant Operations & Maintenance	1,437,167				1,437,167	1,467,734
Pupil Transportation	514,984				514,984	541,498
Unallocated Benefits	4,737,744	188,967			4,926,711	5,179,607
Capital Outlay	67,796		357,059		424,855	88,558
Debt Service:						
Principal				280,370	280,370	285,370
Interest				45,795	45,795	56,350
Total Expenditures	19,171,557	1,958,327	357,059	326,165	21,813,108	22,123,483
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	431,533		(57,059)	1	374,475	1,114,722
Other Financing Sources/(Uses):						
Transfers In/(Out)	(235,000)		85,000		(150,000)	(202,000)
Total Other Financing Sources & Uses	(235,000)		85,000		(150,000)	(202,000)
Net Change in Fund Balances	196,533		27,941	1	224,475	912,722
Fund Balance - July 1	1,312,348		358,656	2	1,671,006	758,284
Fund Balance - June 30	\$1,508,881	-	386,597	3	1,895,481	1,671,006

See Accompanying Notes to Financial Statements

**PAULSBORO BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

Total Net Change in Fund Balances - Governmental Funds (From B-2)		<u>\$224,475</u>
---	--	------------------

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

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. The amount that exceeded capital outlays is as follows:

Depreciation Expense	(\$410,167)	
Capital Outlays	418,784	8,617

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statements of Net Assets and is not reported in the Statement of Activities.	280,370
--	---------

Interest on long-term debt in the Statement of Activities is accrued, regardless when it is due. It is reported in the Governmental Funds when it is due. The difference in the accrued interest is an addition in the reconciliation.

Prior Year	17,007	
Current Year	(13,522)	3,485

Certain operating expenses, e.g. compensated absences (vacations, sick pay, etc.) are accrued in the Statement of Activities. In the governmental funds these amounts are recorded when due and paid. The amount accrued that exceeded the amount paid is deducted in the reconciliation.

Prior Year	1,023,655	
Current Year	(1,034,056)	(10,401)

Change in Net Assets of Governmental Activities		<u>\$506,546</u>
---	--	------------------

See Accompanying Notes to Financial Statements

Proprietary Funds

**PAULSBORO BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2011
 (With Comparative Totals for June 30, 2010)**

ASSETS	BUSINESS-TYPE	TOTALS	
	ACTIVITIES - ENTERPRISE FUNDS	(MEMORANDUM ONLY)	
	FOOD SERVICE	JUNE 30, 2011	JUNE 30, 2010
Current Assets:			
Cash & Cash Equivalents	\$150,463	150,463	230,852
Accounts Receivable:			
State	30,936	30,936	27,464
Federal	450	450	1,349
Inventories	7,802	7,802	11,920
Total Current Assets	189,651	189,651	271,585
Noncurrent assets:			
Furniture, Machinery & Equipment	89,892	89,892	89,892
Less: Accumulated Depreciation	(64,451)	(64,451)	(55,956)
Total Noncurrent Assets	25,441	25,441	33,936
Total Assets	215,092	215,092	305,521
LIABILITIES			
Accounts Payable	20,994	20,994	
Interfund Payable	3,609	3,609	177,873
Compensated Absences Payable	21,919	21,919	21,150
Total Liabilities	46,522	46,522	199,023
NET ASSETS			
Investments in Capital Assets - Net of Related Debt	25,441	25,441	33,936
Unrestricted	143,129	143,129	72,562
Total Net Assets	\$168,570	168,570	106,498

See Accompanying Notes to Financial Statements

**PAULSBORO BOARD OF EDUCATION
PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
AS OF JUNE 30, 2011
(With Comparative Totals for June 30, 2010)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	FOOD SERVICE	2011	2010
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$39,801	39,801	51,794
Daily Sales - Nonreimbursable Programs	44,077	44,077	34,527
Total Operating Revenues	83,878	83,878	86,321
Operating Expenses:			
Cost of Sales	269,455	269,455	249,773
Salaries	221,458	221,458	218,375
Employee Benefits	72,104	72,104	77,787
Supplies & Materials	20,706	20,706	21,308
Other Purchased Services	33,806	33,806	33,475
Depreciation	8,495	8,495	8,495
Total Operating Expenses	626,024	626,024	609,213
Operating Income/(loss)	(542,146)	(542,146)	(522,892)
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	6,102	6,102	12,055
State School Breakfast Program			8,478
Federal Sources:			
National School Lunch Program	281,100	281,100	302,917
National Summer Lunch Program	20,641	20,641	29,596
School Breakfast Program	125,226	125,226	121,405
After School Snacks	1,197	1,197	1,407
Food Distribution Program	19,952	19,952	22,129
Equipment Grant - ARRA			9,747
Total Nonoperating Revenues/(Expenses)	454,218	454,218	507,734
Income/(Loss) Before Contributions & Transfers	(87,928)	(87,928)	(15,158)
Operating Transfers in:			
Board Contribution	150,000	150,000	202,000
Change in Net Assets	62,072	62,072	186,842
Total Net Assets - Beginning	106,498	106,498	(80,344)
Total Net Assets - Ending	\$168,570	168,570	106,498

See Accompanying Notes to Financial Statements

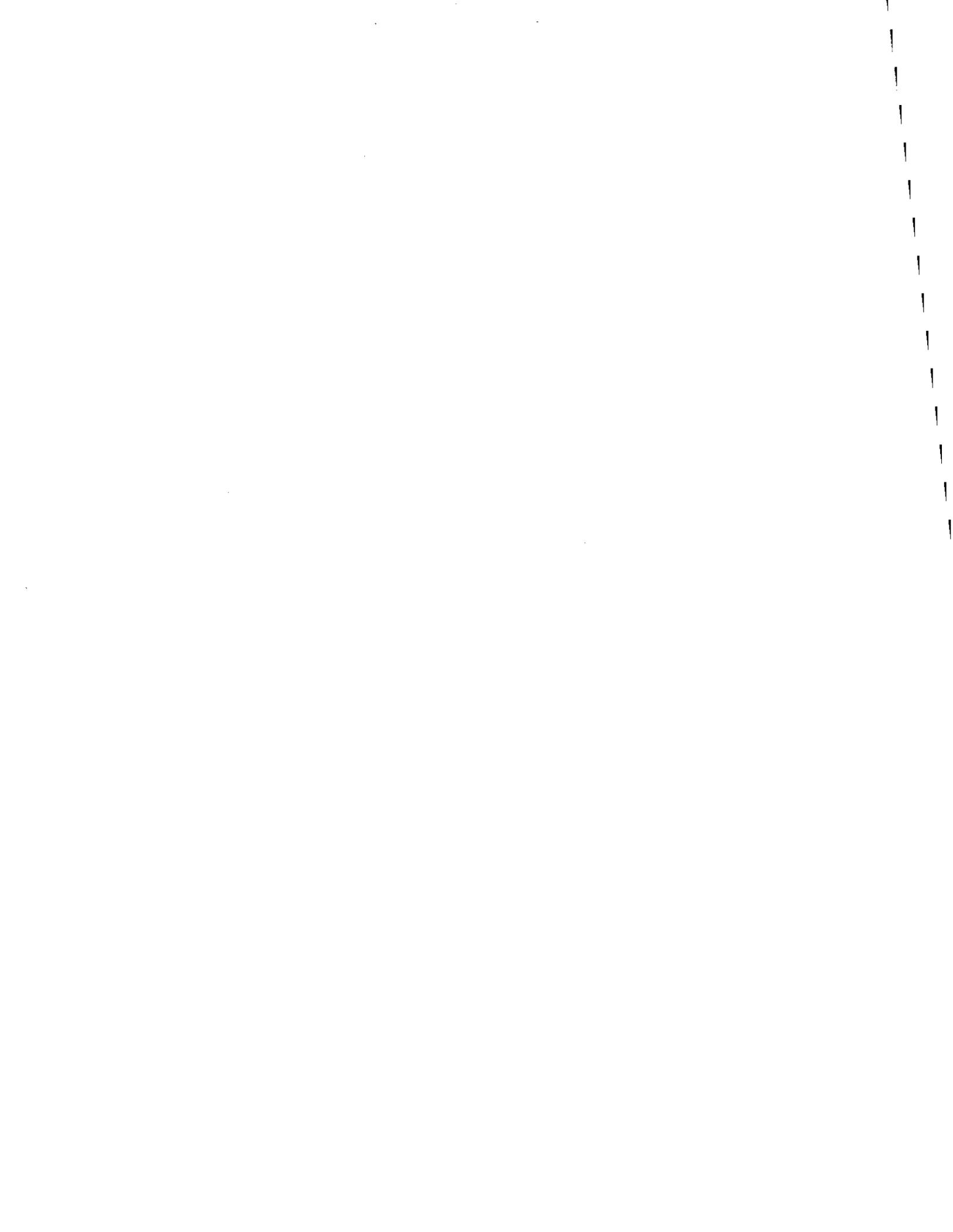
**PAULSBORO BOARD OF EDUCATION
 PROPRIETARY FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 AS OF JUNE 30, 2011
 (With Comparative Totals for June 30, 2010)**

	BUSINESS-TYPE ACTIVITIES - <u>ENTERPRISE FUNDS</u>		
	FOOD SERVICE	2011	2010
Cash Flows From Operating Activities:			
Receipts from Customers	\$103,830	103,830	161,317
Payments to Employees	(292,793)	(292,793)	(306,240)
Payments to Suppliers	(298,855)	(298,855)	(327,027)
Net Cash Provided/(Used) by Operating Activities	(487,818)	(487,818)	(471,950)
Cash Flows From Investing Activities:			
Cash Paid for Acquisition of Capital Assets			(32,807)
Net Cash Provided/(Used) by Investing Activities			(32,807)
Cash Flows From Noncapital Financing Activities:			
Cash Received from Federal & State Reimbursements	431,693	431,693	533,609
Operating Transfers in	150,000	150,000	202,000
Interfunds Liquidated	(174,264)	(174,264)	
Net Cash Provided/(Used) by Noncapital Financing Activities	407,429	407,429	735,609
Net Increase/(Decrease) in Cash & Cash Equivalents	(80,389)	(80,389)	230,852
Balances - Beginning of Year	230,852	230,852	
Balances - End of Year	\$150,463	150,463	230,852

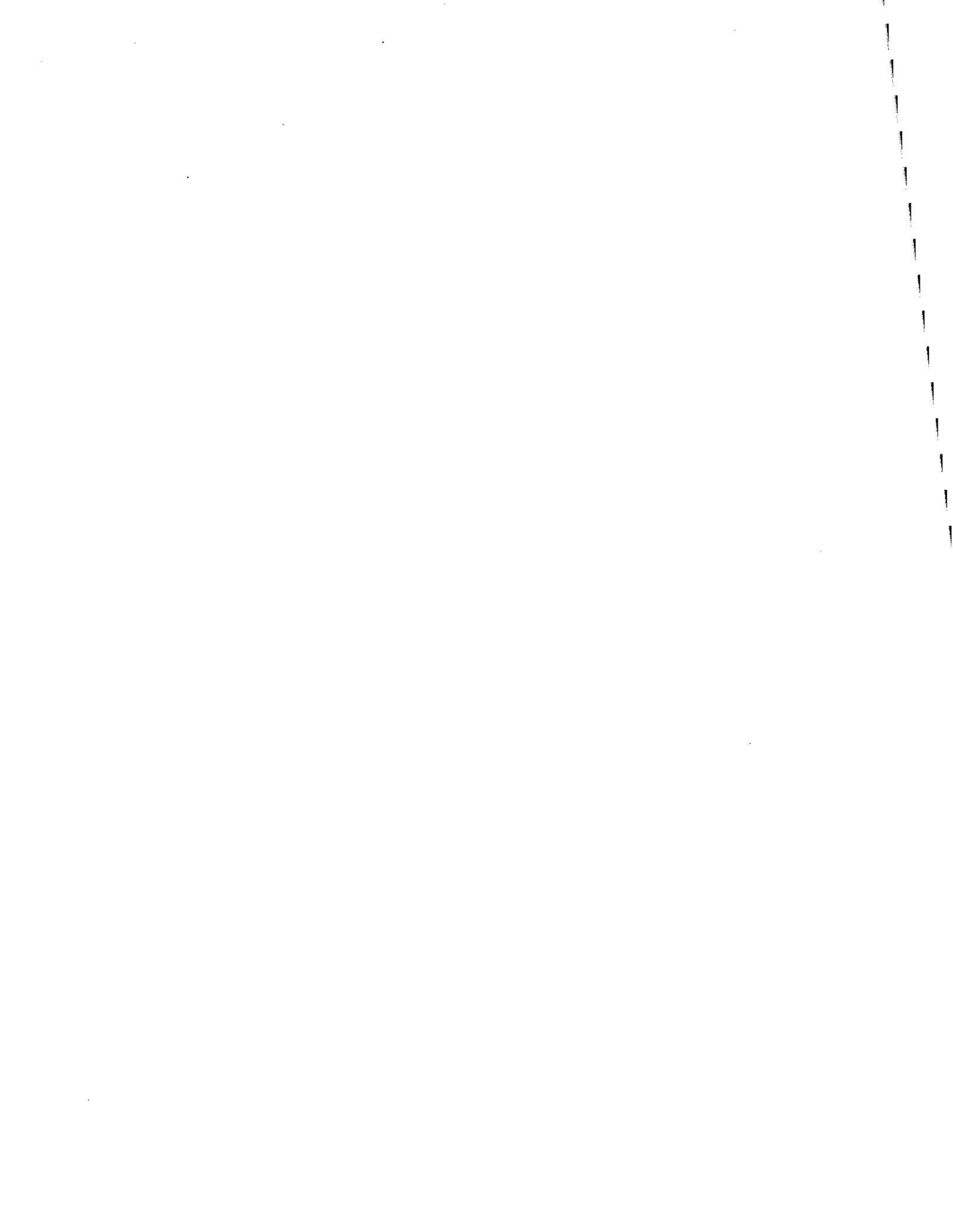
Reconciliation of Operating Income/(Loss) to Net Cash Provided (Used) by Operating Activities:

Operating Income/(Loss)	(\$542,146)	(542,146)	(522,892)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Depreciation & Net Amortization	8,495	8,495	8,495
Food Distribution Program	19,952	19,952	22,129
Changes in Assets & Liabilities:			
(Increase)/Decrease in Inventory	4,118	4,118	(5,242)
Increase/(Decrease) in Accounts Payable	20,994	20,994	(17,229)
(Decrease)/Increase in Interfund			52,867
Increase/(Decrease) in Compensated Absences Payable	769	769	(10,078)
Total Adjustments	54,328	54,328	50,942
Net Cash Provided/(Used) by Operating Activities	(\$487,818)	(487,818)	(471,950)

See Accompanying Notes to Financial Statements



Fiduciary Fund



**PAULSBORO BOARD OF EDUCATION
FIDUCIARY FUNDS
COMPARATIVE COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2011
(With Comparative Totals for June 30, 2010)**

ASSETS	PRIVATE	AGENCY		2011	2010
	PURPOSE	STUDENT	PAYROLL		
	SCHOLARSHIP	ACTIVITY			
Cash & Cash Equivalents	\$118,076	104,508	100,594	323,178	294,415
Total Assets	118,076	104,508	100,594	323,178	294,415
LIABILITIES					
Payroll Deductions & Withholdings			96,523	96,523	91,325
Due to Student Groups		104,508		104,508	102,402
Interfund Payable			4,071	4,071	4,521
Total Liabilities		104,508	100,594	205,102	198,248
NET ASSETS					
Reserved for Scholarships	118,076			118,076	96,167
Total Net Assets	\$118,076	-	-	118,076	96,167

See Accompanying Notes to Financial Statements

PAULSBORO BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Totals for June 30, 2010)

ADDITIONS	PRIVATE PURPOSE SCHOLARSHIP	TOTALS (MEMORANDUM ONLY)	
		JUNE 30, 2011	JUNE 30, 2010
Contributions:			
Other	\$67,980	67,980	40,916
Total Contributions	67,980	67,980	40,916
Investment Earnings:			
Interest	251	251	13
Net Investment Earnings	251	251	13
Total Additions	68,231	68,231	40,929
DEDUCTIONS			
Scholarship Payments	46,322	46,322	25,658
Total Deductions	46,322	46,322	25,658
Change in Net Assets	21,909	21,909	15,271
Net Assets - Beginning of the Year	96,167	96,167	80,896
Net Assets - End of the Year	\$118,076	118,076	96,167

See Accompanying Notes to Financial Statements

**PAULSBORO BOROUGH
BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

PAULSBORO BOROUGH BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

Note 1. Summary of Significant Accounting Policies

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

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

Other GASB Statements are required to be implemented in conjunction with GASB Statement 34. Therefore, the District has implemented the following GASB Statements in the current fiscal year: Statement 33 – *Accounting and Financial Reporting for Nonexchange Transactions*; Statement 36 – *Recipient Reporting for Certain Shared Nonexchange Revenues*; Statement 37 - *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus* and Statement 38 – *Certain Financial Statement Note Disclosures*; Statement 40 – *Deposit and Investment Risk Disclosures* and Statement 44 – *Economic Condition Reporting – The Statistical Section*; Statement 45 – *Accounting and Reporting by employers for Postemployment Benefits Other Than Pension*; and Statement 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*.

The accompanying financial statements present the financial position of the District and the various funds and fund types, the results of operations of the District and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2011 and for the year then ended with comparative totals as of and for the year ended June 30, 2010 (Memorandum Only).

A. Reporting Entity:

The Paulsboro Borough Board of Education 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 ten members appointed to three-year terms and one member is appointed annually by the sending district of Greenwich Township. The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The Paulsboro Borough Board of Education has an approximate enrollment at June 30, 2011 of 1,234 students.

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

PAULSBORO BOROUGH BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2011

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

- ◆ the organization is legally separate (can sue or be sued in their own name)
- ◆ the District holds the corporate powers of the organization
- ◆ the District appoints a voting majority of the organization's board
- ◆ the District is able to impose its will on the organization
- ◆ the organization has the potential to impose a financial benefit/burden on the District
- ◆ there is a fiscal dependency by the organization on the District

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

B. District-Wide and Fund Financial Statements

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

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

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

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

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

District-Wide Financial Statements – The governmental fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related

PAULSBORO BOROUGH BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2011

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

cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

D. Fund Accounting:

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

Governmental Funds

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

PAULSBORO BOROUGH BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2011

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

D. Fund Accounting (continued):

As required by the New Jersey Department of Education Paulsboro Borough Board of Education includes budgeted Capital Outlay in this fund. Generally accepted accounting principles (GAAP) 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, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

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

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

Proprietary Fund

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

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

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

PAULSBORO BOROUGH BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2011

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

D. Fund Accounting (continued):

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

Proprietary Fund

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

Food Service Fund:	
Equipment	5-15 Years

Fiduciary Fund

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

Private Purpose Trust Funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The District currently maintains a Scholarship Trust Fund as a private purpose trust.

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

E. Basis of Accounting:

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

PAULSBORO BOROUGH BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2011

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

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

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

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

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

F. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in *N.J.A.C.6:20-2A(m)1*. All budget amendments must be approved by School Board resolution.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue

PAULSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2011**

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

F. Budgets/Budgetary Control (continued):

fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$19,487,267	\$1,954,487
Difference – Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized		3,840
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	1,180,190	
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	<u>(1,064,367)</u>	
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$19,603,090</u>	<u>\$1,958,327</u>

PAULSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2011**

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

F. Budgets/Budgetary Control (continued):

Uses/Outflows of Resources

Actual amounts (budgetary basis) "total outflows"		
from the budgetary comparison schedule	\$19,171,557	\$1,954,487
Differences – budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	_____	_____ 3,840
 Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	 <u>\$19,171,557</u>	 <u>\$1,958,327</u>

G. Encumbrances:

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

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

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

H. Cash, Cash Equivalents and Investments:

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

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

PAULSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2011**

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

H. Cash, Cash Equivalents and Investments (continued):

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

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

I. Tuition Receivable/Payable

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

These adjustments are recorded upon certification by the State Board of Education, which is normally three years following the contract year. The cumulative adjustments through June 30, 2011, which have not been recorded, are not determinable.

The tuition rate adjustments for the years 2007-2008 and 2008-2009 have been established and the District has billed/paid the school boards that have adjustments.

J. Inventories & Prepaid Expenses

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

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

Prepaid expenses, which benefit future periods, other than those recorded in the enterprise funds, are recorded as expenditure during the year of purchase. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2011.

PAULSBORO BOROUGH BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2011

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

K. Short-Term Interfund Receivables/Payables

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

L. Fixed Assets:

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

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

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

M. Accrued Salaries and Wages

District employees, who provide services to the District over the ten-month academic year and extended eleven-month calendar, have the option to have their salaries disbursed during the entire twelve-month year. Therefore, there is an accrual as of June 30, 2011 for such salaries.

N. Compensated Absences

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

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

PAULSBORO BOROUGH BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2011

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

O. Deferred Revenue

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

P. Long-term Obligations

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

Q. Fund Equity

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

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

R. Subsequent Events

Paulsboro Borough Board of Education has evaluated subsequent events occurring after June 30, 2011 through the date of November 4, 2011, which is the date the financial statements were available to be issued.

Note 2. Cash and Cash Equivalents and Investments

The District is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at June 30, 2011, and reported at fair value are as follows:

Type	Carrying Value
Deposits:	
Demand Deposits	\$563,410
Total Deposits	<u>\$563,410</u>
Reconciliation to Statements of Net Assets:	
Governmental Activities	\$ 78,772
Proprietary Funds	150,463
Fiduciary Funds	<u>334,175</u>
Total Cash and Cash Equivalents	<u>\$563,410</u>

PAULSBORO BOROUGH BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2011

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

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$1,357,089 at June 30, 2011. Of the bank balance \$250,000 was fully insured by the FDIC (Federal Depository Insurance Corporation) and \$1,107,089 was secured by a collateral pool held by the bank, but not in the District's name, as required by New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Governmental Unit Deposit Protection Act is more fully described in Note 3 of these financial statements.

Investment Interest Rate Risk – The District has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investment held at June 30, 2011, are provided in the above schedule.

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

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

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

PAULSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2011**

Note 3. Governmental Unit Deposit Protection Act (GUDPA)

The District has deposited cash in 2011 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the District invests monies in certificates of deposits.

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

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

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

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

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the

PAULSBORO BOROUGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2011

Note 3. Governmental Unit Deposit Protection Act (GUDPA)

Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

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

Note 4. Capital Reserve Account

A capital reserve account was established by the Paulsboro Borough Board of Education by inclusion of \$1 on October 19, 2000 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 district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a 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 year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriated additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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	\$67,511
Utilized in Budget	<u>(21,757)</u>
Ending Balance, June 30, 2011	<u>\$45,754</u>

The June 30, 2011 LRFP balance of local support costs of uncompleted capital projects at June 30, 2011 is \$45,754. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District's Long Range Facilities Plan.

PAULSBORO BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2011**

Note 5. Transfers to Capital Outlay

During the year ending June 30, 2011, the District transferred \$-0- to the capital outlay account to supplement a capital project previously approved by the voters in the budget certified for taxes pursuant *N.J.A.C.6A:23-8.4*.

Note 6. Fixed Assets

The following schedule is a summarization of the general fixed assets by source for the fiscal year ended June 30, 2011:

	June 30, 2010	Additions	Deletions	Adjustments	June 30, 2011
Land & Land					
Improvements	\$ 2,021,446		\$ -	\$ -	\$ 2,021,446
Buildings	9,438,159				9,438,159
Construction In					
Progress	299,938	\$101,410			401,348
Machinery & Equipment	<u>1,813,116</u>	<u>317,374</u>			<u>2,130,490</u>
Subtotal	13,572,659	418,784			13,991,443
Accumulated Depreciation	<u>(6,988,140)</u>	<u>(410,167)</u>			<u>(7,398,307)</u>
Total	<u>\$ 6,584,519</u>	<u>\$ 8,617</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,593,136</u>

The following schedule is a summarization of the proprietary fund fixed assets recorded at historical cost by source for the fiscal year ended June 30, 2011:

	June 30, 2010	Additions	Deletions	June 30, 2011
Machinery & Equipment	\$89,892		\$ -	\$89,892
Less: Accumulated Depreciation	<u>(55,956)</u>	<u>\$(8,495)</u>		<u>(64,451)</u>
Net Fixed Assets	<u>\$33,936</u>	<u>\$(8,495)</u>	<u>\$ -</u>	<u>\$25,441</u>

PAULSBORO BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2011**

Note 7. Long-Term Debt

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

	Balance 6/30/10	Issued	Retired/ Adjustments	Balance 6/30/11	Due Within One Year
Governmental Funds:					
Compensated Absences Payable	\$1,023,655	\$10,401		\$1,034,056	
Bonds Payable	1,230,000		\$250,000	980,000	\$250,000
Loans Payable	<u>121,480</u>		<u>30,370</u>	<u>91,110</u>	<u>30,370</u>
Total	<u>\$2,375,135</u>	<u>\$10,401</u>	<u>\$280,370</u>	<u>\$2,105,166</u>	<u>\$280,000</u>
		Balance 6/30/10	Issued	Retired/ Adjustments	Balance 6/30/11
Proprietary Funds:					
Compensated Absences Payable		<u>\$21,150</u>	<u>\$769</u>	<u>\$ -</u>	<u>\$ 21,919</u>

Bonds and loans payable have been liquidated in the Debt Service Fund compensated absences have been liquidated in the General Fund.

Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with state law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

Principal and interest due on the 2002 Serial Bonds outstanding is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$250,000	\$34,200	\$ 284,200
2013	250,000	24,200	274,200
2014	245,000	14,300	259,300
2015	<u>235,000</u>	<u>4,700</u>	<u>239,700</u>
Total	<u>\$980,000</u>	<u>\$77,400</u>	<u>\$1,057,400</u>

PAULSBORO BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2011**

Note 7. Long-Term Debt (continued):

Loan Payable

The District obtained loans from the New Jersey Economic Development Authority for the purpose of major improvements to the District's buildings and grounds. The loans were received in 1993 and will be paid back over a 20-year period.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$30,370	\$1,139	\$31,509
2013	30,370	683	31,053
2014	<u>30,370</u>	<u>228</u>	<u>30,598</u>
Total	<u>\$91,110</u>	<u>\$2,050</u>	<u>\$93,160</u>

Note 8. Pension Plans

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

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

PAULSBORO BOROUGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2011

Note 8. Pension Plans (continued):

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established in January 1955 under the provisions of *N.J.S.A.43:15A* to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

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

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

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

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

PAULSBORO BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2011**

Note 8. Pension Plans (continued):

that all current retirees will have their original pension recalculated under the N/55 formula. Starting February 1, 2002, pension cost of living adjustments will be based on the new original pension.

Contribution Requirements – The contribution policy is set by *N.J.S.A.43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A.18:66*, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a noncontributing employer of the TPAF.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/11	\$214,439	100%	\$ -0-
6/30/10	177,905	100%	-0-
6/30/09	141,149	100%	-0-

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

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/11	\$627,257	100%	\$ -0-
6/30/10	629,969	100%	-0-
6/30/09	588,934	100%	-0-

During the year ended June 30, 2011 the State of New Jersey contributed \$627,257 to the TPAF for normal post-retirement benefits on behalf of the District. Also in accordance with *N.J.S.A.18A:66-66* the State of New Jersey reimbursed the District \$684,512 for the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

PAULSBORO BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2011**

Note 9. Post-Retirement Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State Employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in Fiscal Year 2010.

Note 10. Risk Management

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

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

New Jersey Unemployment Compensation Insurance – The District has elected to fund their New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the 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 District is billed quarterly for amounts due to the State.

Joint Insurance Pool – The Borough of Paulsboro School District participates in the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund (GCSSDSIF), public entity risk pool, which was formed July 1, 1999. The Fund provides its members with the following coverage's:

- Property – Blanket Building & Grounds
- Boiler and Machinery
- General and Automobile Liability
- Workers' Compensation
- School Board Legal Liability
- Crime Coverage

PAULSBORO BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2011**

Note 11. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2011 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

The District is occasionally involved in certain legal claims arising in the ordinary course of its operations. It is believed that the outcome, or exposure to the Board, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 12. Economic Dependency

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District's programs and activities.

Note 13. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2011:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$945,265	
Special Revenue Fund		\$776,250
Capital Projects Fund		134,509
Debt Service Fund		26,826
Enterprise Fund		3,609
Payroll	<u> </u>	<u>4,071</u>
Total	<u>\$945,265</u>	<u>\$945,265</u>

The purpose of these interfunds are short-term borrowings.

Note 14. GASB #54 - Fund Balance Disclosures

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the District classifies governmental fund balances as follows:

PAULSBORO BOROUGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2011

Note 14. GASB #54 - Fund Balance Disclosures (continued):

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Administrator.
- Unassigned – includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

General Fund – Of the \$1,508,881 fund balance of the General Fund at June 30, 2011; \$15,111 is restricted for the Capital Reserve Account; \$30,643 is restricted for the Capital Reserve Account Designated for Subsequent Years Expenditures and \$1,463,127 is assigned to Designated for Subsequent Years Expenditures.

The district uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available, unless prohibited by law or regulation. Additionally, the District would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Capital Project Fund – Of the \$386,597 of the Capital Projects Fund balance at June 30, 2011; \$206,205 is committed to other purposes and \$180,392 is restricted to future capital expenditures.

Note 15. Deferred Compensation

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

PAULSBORO BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

Note 16. Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2011 is \$1,034,056.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2011 the amount is \$21,919.

Note 17. Calculation of Excess Surplus

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2011 is \$-0-.



REQUIRED SUPPLEMENTARY INFORMATION – PART II

C. Budgetary Comparison Schedules

PAULSBORO BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	ACCOUNT NUMBERS	JUNE 30, 2011				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	JUNE 30, 2010				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Revenues:												
Local Sources:												
	Local Tax Levy	10-1210-000-000	\$4,706,960		4,706,960	4,706,960		4,858,863		4,858,863	4,858,863	
	Tuition	10-1300-000-000	1,682,620		1,682,620	1,710,901	28,281	1,371,099		1,371,099	1,330,571	(40,528)
	Interest Earned on Capital Reserve	10-1000-000-000						100		100		(100)
	Miscellaneous	10-1000-000-000	22,177		22,177	126,291	104,114	50,000		50,000	39,548	(10,452)
Total Local Sources			6,411,757		6,411,757	6,544,152	132,395	6,280,062		6,280,062	6,228,982	(51,080)
State Sources:												
	Extraordinary Aid	10-3000-000-000				107,330	107,330	50,000		50,000	122,492	72,492
	Categorical Special Education Aid	10-3132-000-000	73,903	512,521	586,424	586,424		614,020		614,020	614,020	
	Equalization Aid	10-3176-000-000	11,369,495	(512,521)	10,856,974	10,856,974		11,321,749	(2,054,287)	9,267,462	9,267,462	
	Categorical Security Aid	10-3177-000-000						402,765		402,765	306,066	(96,699)
	Categorical Transportation Aid	10-3121-000-000						105,600		105,600	68,640	(36,960)
	DEPA Carryover	10-3xxx-000-000									6,422	6,422
	TARA Carryover	10-3xxx-000-000									15,606	15,606
Nonbudgeted:												
	On-Behalf TPAF Pension Contributions					627,257	627,257				629,969	629,969
	Reimbursed TPAF Social Contributions					684,512	684,512				721,856	721,856
Total State Sources			11,443,398		11,443,398	12,862,497	1,419,099	12,494,134	(2,054,287)	10,439,847	11,752,533	1,312,686
Federal Sources:												
	ARRA - Education Stabilization Fund	10-4520-000-000							1,977,726	1,977,726	1,977,726	
	ARRA - Government Services Fund	10-4521-000-000						76,561		76,561	76,561	
	Special Education - Medicaid Initiative	10-4200-000-000	52,795		52,795	80,618	27,823	60,000		60,000	87,914	27,914
Total Federal Sources			52,795		52,795	80,618	27,823	60,000	2,054,287	2,114,287	2,142,201	27,914
Total Revenues			17,907,950		17,907,950	19,487,267	1,579,317	18,834,196		18,834,196	20,123,716	1,289,520

51

PAULSBORO BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	ACCOUNT NUMBERS	JUNE 30, 2011			VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	JUNE 30, 2010			VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)			
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS		FINAL BUDGET	ACTUAL	
Expenditures:												
Current Expense:												
Instruction - Regular Programs:												
Salaries of Teachers:												
	Kindergarten	11-110-100-101	314,811		314,811	302,349	12,462	296,736	42,400	339,136	329,920	9,216
	Grades 1 - 5	11-120-100-101	1,384,456	(68,718)	1,315,738	1,189,423	126,315	1,422,497	(47,715)	1,374,782	1,284,951	89,831
	Grades 6 - 8	11-130-100-101	980,686	(7,493)	973,193	872,983	100,210	892,936	(14,638)	878,298	812,595	65,703
	Grades 9 - 12	11-140-100-101	2,036,901	(220,745)	1,816,156	1,809,328	6,828	2,385,684	(92,846)	2,292,838	2,221,858	70,980
	Home Instruction:											
	Salaries of Teachers	11-150-100-101	39,600	5,432	45,032	42,232	2,800	48,000		48,000	38,293	9,707
	Purchased Professional - Educational Services	11-150-100-320	56,400	(2,600)	53,800	35,265	18,535	50,000		50,000	37,132	12,868
	Regular Programs - Undistributed Instruction:											
	Other Salaries for Instruction	11-190-100-106	86,793	(12,304)	74,489	63,816	10,673	120,361	(40,574)	79,787	57,276	22,511
	Purchased Professional - Education	11-190-100-320	179,600	10,000	189,600	178,900	10,700		222,095	222,095	178,794	43,301
	Purchased Technical Services	11-190-100-340	7,000		7,000		7,000					
	Other Purchased Services	11-190-100-500	41,708	21,235	62,943	38,450	24,493	80,000	(58,870)	21,130	17,221	3,909
	General Supplies	11-190-100-610	328,098	(21,554)	306,544	205,227	101,317	44,211	224,945	269,156	262,302	6,854
	Textbooks	11-190-100-640	59,276	(16,903)	42,373	24,224	18,149	232,100	(173,796)	58,304	20,084	38,220
	Other Objects	11-190-100-800	7,705	75	7,780	1,120	6,660	50,400	(42,399)	8,001	7,999	2
	Total Regular Programs - Instruction		5,523,034	(313,575)	5,209,459	4,763,317	446,142	5,622,925	18,602	5,641,527	5,268,425	373,102
	Learning and/or Language Disabilities:											
	Salaries of Teachers	11-204-100-101	674,455		674,455	640,476	33,979	747,815	224	748,039	705,596	42,443
	Other Salaries for Instruction	11-204-100-106	105,305	(40,334)	64,971	64,971		106,420	72	106,492	83,718	22,774
	General Supplies	11-204-100-610	12,872	3,165	16,037	15,050	987	12,358	513	12,871	11,932	939
	Textbooks	11-204-100-640	2,032	(82)	1,950	1,949	1	200	1,832	2,032	1,831	201
	Other Objects	11-204-100-800		2,032	2,032	218	1,814					
	Total Learning and/or Language Disabilities		794,664	(35,219)	759,445	722,664	36,781	866,793	2,641	869,434	803,077	66,357
	Behavioral Disabilities:											
	Salaries of Teachers	11-209-100-101	261,722	(113,262)	148,460	148,460		310,642	384	311,026	223,661	87,365
	Other Salaries for Instruction	11-209-100-106	49,314	(7,765)	41,549	41,549		73,733	72	73,805	18,990	54,815
	General Supplies	11-209-100-610	8,000	11,811	19,811	13,446	6,365	5,000	306	5,306	5,117	189
	Textbooks	11-209-100-640		2,000	2,000		2,000					
	Other Objects	11-209-100-800	2,000	(1,937)	63	63		20,000		20,000	3,142	16,858
	Total Behavioral Disabilities		321,036	(109,153)	211,883	203,518	8,365	409,375	762	410,137	250,910	159,227

PAULSBORO BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	ACCOUNT NUMBERS	JUNE 30, 2011				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	JUNE 30, 2010				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Multiple Disabilities:											
Salaries of Teachers	11-212-100-101	149,600	77,602	227,202	227,202		148,368	1,232	149,600	149,088	512
Other Salaries for Instruction	11-212-100-106	35,225	36,486	71,711	71,711		35,364	132	35,496	35,225	271
General Supplies	11-212-100-610	4,363	1,252	5,615	5,599	16	3,760	603	4,363	4,006	357
Textbooks	11-212-100-640	1,503	(1,503)				2,779	(1,276)	1,503	1,069	434
Total Multiple Disabilities		190,691	113,837	304,528	304,512	16	190,271	691	190,962	189,388	1,574
Resource Room/Resource Center:											
Salaries of Teachers	11-213-100-101	250,583	(38,657)	211,926	211,925	1	208,600	1,153	209,753	209,752	1
Other Salaries for Instruction	11-213-100-106		39,889	39,889	39,888	1	20,121		20,121		20,121
General Supplies	11-213-100-610	312	256	568	198	370	1,129	358	1,487	1,477	10
Total Resource Room/Resource Center		250,895	1,488	252,383	252,011	372	229,850	1,511	231,361	211,229	20,132
Preschool Disabilities - Part-Time:											
Salaries of Teachers	11-215-100-101	72,617	4,075	76,692	75,273	1,419	71,193	1,424	72,617	72,617	
Other Salaries for Instruction	11-215-100-106	13,312	20,938	34,250	34,250		1,500	11,898	13,398	13,312	86
General Supplies	11-215-100-610	2,000	(1,000)	1,000		1,000	1,500	500	2,000	523	1,477
Total Preschool Disabilities - Part-Time		87,929	24,013	111,942	109,523	2,419	74,193	13,822	88,015	86,452	1,563
Total Special Education		1,645,215	(5,034)	1,640,181	1,592,228	47,953	1,770,482	19,427	1,789,909	1,541,056	248,853
Basic Skills/Remedial:											
Salaries of Teachers	11-230-100-101	276,415	256,218	532,633	532,633		200,612	2,214	202,826	189,214	13,612
Other Salaries for Instruction	11-230-100-106	35,157	(29)	35,128	35,089	39	75,267	823	76,090	53,586	22,504
General Supplies	11-230-100-610	15,732	(15,652)	80		80	13,129	(10,397)	2,732	656	2,076
Other Objects	11-230-100-800						20,000		20,000		20,000
Total Basic Skills/Remedial		327,304	240,537	567,841	567,722	119	309,008	(7,360)	301,648	243,456	58,192
Bilingual Education - Instruction:											
Salaries of Teachers	11-240-100-101		9,472	9,472	7,320	2,152					
Total Bilingual Education - Instruction			9,472	9,472	7,320	2,152					
School Sponsored Cocurricular Activities:											
Salaries	11-401-100-100	86,498		86,498	80,548	5,950	86,498		86,498	81,850	4,648
Purchased Services	11-401-100-500	4,545		4,545	450	4,095	1,000	3,175	4,175	4,110	65
Supplies and Materials	11-401-100-600	7,101		7,101	2,810	4,291	10,201	(3,168)	7,033	6,127	906
Other Objects	11-401-100-800	625		625		625	1,300	(607)	693	693	

PAULSBORO BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

ACCOUNT NUMBERS	JUNE 30, 2011				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	JUNE 30, 2010				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Total School Sponsored Cocurricular Activities	98,769		98,769	83,808	14,961	98,999	(600)	98,399	92,780	5,619
School Sponsored Athletics - Instruction:										
Salaries of Teachers 11-402-100-100	320,107	(2,850)	317,257	281,407	35,850	289,245		289,245	268,405	20,840
Purchased Services 11-402-100-500	95,400		95,400	55,833	39,567	98,400	(3,000)	95,400	66,075	29,325
Supplies and Materials 11-402-100-600	59,900	192	60,092	33,782	26,310	59,900		59,900	48,613	11,287
Other Objects 11-402-100-800	25,210		25,210	2,318	22,892	25,210		25,210	2,700	22,510
Total School Sponsored Athletics - Instruction	500,617	(2,658)	497,959	373,340	124,619	472,755	(3,000)	469,755	385,793	83,962
Total Instruction	8,094,939	(71,258)	8,023,681	7,387,735	635,946	8,274,169	27,069	8,301,238	7,531,510	769,728
Undistributed Expenditures:										
Instruction:										
Tuition to Other LEA's -State Regular 11-000-100-561	76,311	10,417	86,728	60,963	25,765	122,525	(24,920)	97,605	33,541	64,064
Tuition to Other LEA's -State Special 11-000-100-562	212,003	(10,417)	201,586	186,819	14,767	79,649	150,213	229,862	222,077	7,785
Tuition to County Voc. School District Regular 11-000-100-563	126,800	(49,800)	77,000	71,500	5,500					
Tuition to CSSD & Regular Day Schools 11-000-100-565	768,240	123,461	891,701	878,158	13,543	786,894	43,556	830,450	742,878	87,572
Tuition to Private Schools for the Handicapped - State 11-000-100-566	292,042	(119,664)	172,378	120,985	51,393	377,829	(205,588)	172,241	86,906	85,335
Tuition - State Facilities 11-000-100-568	50,000	46,003	96,003	96,003		42,482		42,482	42,482	
Tuition - Other 11-000-100-569						10,000	(10,000)			
Total Undistributed Expenditures - Instruction	1,525,396		1,525,396	1,414,428	110,968	1,419,379	(46,739)	1,372,640	1,127,884	244,756
Attendance & Social Work Services:										
Salaries of Teachers 11-000-211-100	40,441	1,200	41,641	41,617	24	34,952	4,593	39,545	39,395	150
Purchased Professional & Technical Services 11-000-211-300	20,000	(1,200)	18,800		18,800	8,000	7,862	15,862	15,862	
Supplies and Materials 11-000-211-600	300	(255)	45		45	300		300		300
Other Objects 11-000-211-800	3,000	(3,000)				3,000	(593)	2,407		2,407
Total Attendance & Social Work Services	63,741	(3,255)	60,486	41,617	18,869	46,252	11,862	58,114	55,257	2,857

54

PAULSBORO BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	ACCOUNT NUMBERS	JUNE 30, 2011				VARIANCE FINAL TO ACTUAL (UNFAVORABLE)	JUNE 30, 2010				VARIANCE FINAL TO ACTUAL (UNFAVORABLE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Health Services:											
Salaries	11-000-213-100	184,192	2,850	187,042	185,762	1,280	190,142	(5,950)	184,192	182,878	1,314
Purchased Professional & Technical Services	11-000-213-300	14,930	7,421	22,351	19,881	2,470	10,000	5,965	15,965	15,061	904
Supplies and Materials	11-000-213-600	8,826	(4,166)	4,660	4,658	2	8,000	850	8,850	8,072	778
Total Health Services		207,948	6,105	214,053	210,301	3,752	208,142	865	209,007	206,011	2,996
Other Support Services - Students - Related Services:											
Salaries of Other Professional Staff	11-000-216-100	73,584	3,000	76,584	75,014	1,570	36,792	1	36,793	36,792	1
Purchased Educational Services	11-000-216-320	218,600		218,600	179,892	38,708	226,400	(29,365)	197,035	177,068	19,967
Supplies and Materials	11-000-216-600	500		500	424	76	1,000	(1)	999	237	762
Total Other Support Services - Students - Related Services		292,684	3,000	295,684	255,330	40,354	264,192	(29,365)	234,827	214,097	20,730
Other Support Services - Special Education Extraordinary Services:											
Salaries	11-000-217-100	10,131		10,131		10,131	10,230		10,230	10,075	155
Purchased Educational Services	11-000-217-320							23,400	23,400	3,124	20,276
Total Other Support Services - Special Education Extraordinary Services		10,131		10,131		10,131	10,230	23,400	33,630	13,199	20,431
Other Support Services - Students - Regular:											
Salaries of Other Professional Staff	11-000-218-104	237,130	(3,225)	233,905	231,745	2,160	317,736		317,736	297,668	20,068
Salaries of Secretarial & Clerical Assistants	11-000-218-105	41,492	593	42,085	42,085		41,492		41,492	41,492	
Purchased Professional & Educational Services	11-000-218-320	27,899		27,899	9,884	18,015					
Other Purchased Services	11-000-218-500	8,318		8,318	6,654	1,664	8,100		8,100	4,488	3,612
Supplies and Materials	11-000-218-600	15,160		15,160	6,833	8,327	34,768		34,768	12,942	21,826
Other Objects	11-000-218-800	493	180	673	290	383	10,700		10,700	1,414	9,286
Total Other Support Services - Students - Regular		330,492	(2,452)	328,040	297,491	30,549	412,796		412,796	358,004	54,792
Other Support Services - Students - Special Services:											
Salaries of Other Professional Staff	11-000-219-104	377,222	42,801	420,023	418,289	1,734	379,032	(5,000)	374,032	364,289	9,743

55

PAULSBORO BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

ACCOUNT NUMBERS	JUNE 30, 2011				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	JUNE 30, 2010				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)		
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL			
Other Support Services - Students - Special Services (continued):												
Salaries of Secretarial & Clerical Assistants	11-000-219-105	43,492	2,632	46,124	43,407	2,717	22,746	2,248	24,994	24,993	1	
Other Salaries	11-000-219-110						27,275	(2,248)	25,027	1,476	23,551	
Purchased Professional - Educational Services	11-000-219-320	33,255		33,255	21,701	11,554	8,000		8,000	7,175	825	
Other Purchased Professional & Technical Services	11-000-219-390	25,010		25,010	1,805	23,205	36,810		36,810	2,083	34,727	
Other Purchased Services	11-000-219-592	6,800		6,800	921	5,879	13,400	142	13,542	1,357	12,185	
Supplies and Materials	11-000-219-600	22,600		22,600	3,223	19,377	33,390	(12,843)	20,547	5,617	14,930	
Other Objects	11-000-219-800	3,900		3,900		3,900	4,950		4,950	168	4,782	
Total Other Support Services - Students Special Services		512,279	45,433	557,712	489,346	68,366	525,603	(17,701)	507,902	407,158	100,744	
Improvement of Instruction Services/Other Support Services - Instruction Staff:												
Salaries	11-000-221-102	119,061	(119,061)						243,795	243,795	243,794	1
Salaries of Other Professional Staff	11-000-221-104		232,664	232,664	232,663	1	233,971	(233,078)	893		893	
Salaries of Secretarial & Clerical Assistants	11-000-221-105	13,693	7,325	21,018	21,018		13,693	830	14,523	14,522	1	
Purchased Professional - Educational Services	11-000-221-320	5,000	451	5,451	5,450	1	1,000	100	1,100	1,100		
Other Purchased Services	11-000-221-500	10,000	725	10,725	3,504	7,221	10,000		10,000	3,068	6,932	
Supplies and Materials	11-000-221-600	11,000	(813)	10,187	2,321	7,866	2,000	4,347	6,347	5,433	914	
Other Objects	11-000-221-800	1,600	89	1,689	1,689		20,000	(7,517)	12,483	4,507	7,976	
Total Improvement of Instruction Services/Other Support Services Instructional Staff		160,354	121,380	281,734	266,645	15,089	280,664	8,477	289,141	272,424	16,717	
Educational Media Services/School Library:												
Salaries	11-000-222-100	271,563	36,805	308,368	302,734	5,634	251,790		251,790	251,474	316	
Purchased Professional & Technical Services	11-000-222-300	5,200	6,996	12,196	12,195	1	5,200		5,200		5,200	
Other Purchased Services	11-000-222-500	63,888	(2,578)	61,310		61,310	58,777	(16,062)	42,715	12,975	29,740	
Supplies and Materials	11-000-222-600	91,306	4,276	95,582	88,387	7,195	82,252	9,827	92,079	70,323	21,756	

56

PAULSBORO BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

ACCOUNT NUMBERS	JUNE 30, 2011				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	JUNE 30, 2010				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Total Educational Media Services/Library	431,957	45,499	477,456	403,316	74,140	398,019	(6,235)	391,784	334,772	57,012	
Instructional Staff Training Services:											
Salaries of Other Professional Staff	11-000-223-104	44,409	(31,030)	13,379	13,378	1	44,409	1	44,410	44,409	1
Salaries of Secretarial & Clerical Assistants	11-000-223-105						13,700		13,700	13,692	8
Other Purchased Services	11-000-223-500	37,500	(899)	36,601	8,205	28,396	7,200	9,282	16,482	6,679	9,803
Supplies & Materials	11-000-223-600	10,000		10,000	1,626	8,374	13,691	(640)	13,051	2,674	10,377
Other Objects	11-000-223-800	7,200		7,200	95	7,105	2,000		2,000	2,000	2,000
Total Instructional Staff Training Services		99,109	(31,929)	67,180	23,304	43,876	81,000	8,643	89,643	67,454	22,189
Support Services General Administration:											
Salaries	11-000-230-100	197,123	(6,230)	190,893	190,838	55	211,692	500	212,192	199,425	12,767
Legal Services	11-000-230-331	15,000	(1,446)	13,554	13,553	1	15,000		15,000	10,175	4,825
Audit Fees	11-000-230-332	18,500		18,500	18,100	400	18,500		18,500	17,500	1,000
Other Purchased											
Professional Services	11-000-230-339	4,150	(2,150)	2,000	1,761	239	4,150		4,150	2,886	1,264
Purchased Technical Services	11-000-230-340	500		500		500	500		500		500
Communications/Telephone	11-000-230-530	117,040	(21,051)	95,989	63,550	32,439	81,400	24,000	105,400	71,689	33,711
BOE Other Purchased Services	11-000-230-585	3,000	(341)	2,659		2,659	3,000		3,000	2,380	620
Other Purchased Services	11-000-230-590	100,892	22,241	123,133	122,932	201	78,000	1,000	79,000	78,508	492
Supplies and Materials	11-000-230-610	6,000	59	6,059	5,891	168	6,000		6,000	5,982	18
BOE In-House Training/Meeting											
Supplies	11-000-230-630	500		500	24	476	500		500		500
Miscellaneous Expenditures	11-000-230-890	4,000	2,688	6,688	6,587	101	15,000	(11,000)	4,000	3,861	139
BOE Membership Dues & Fees	11-000-230-895	10,600		10,600	9,075	1,525	10,600		10,600	10,576	24
Total Support Services General Administration		477,305	(6,230)	471,075	432,311	38,764	444,342	14,500	458,842	402,982	55,860
Support Services School Administration:											
Salaries of Principals & Assistant Principals	11-000-240-103	660,317	6,546	666,863	666,862	1	651,430	(175)	651,255	635,183	16,072
Salaries of Other Professional Staff	11-000-240-104	19,960	6,665	26,625	26,625		25,000	175	25,175	24,600	575
Salaries of Secretarial & Clerical Assistants	11-000-240-105	179,106	(1,402)	177,704	177,470	234	189,547		189,547	174,588	14,959

PAULSBORO BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	ACCOUNT NUMBERS	JUNE 30, 2011				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	JUNE 30, 2010				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Support Services School Administration (continued):											
Other Purchased Services	11-000-240-500	13,600		13,600	6,716	6,884	10,500	3,000	13,500	9,473	4,027
Supplies and Materials	11-000-240-600	16,671	550	17,221	14,488	2,733	20,462	(875)	19,587	13,266	6,321
Other Objects	11-000-240-800	10,200	(364)	9,836	9,241	595	12,900	(2,125)	10,775	10,582	193
Total Support Services School Administration		899,854	11,995	911,849	901,402	10,447	909,839		909,839	867,692	42,147
Central Services:											
Salaries	11-000-251-100	187,150	10,763	197,913	196,242	1,671	192,858	(1,500)	191,358	190,144	1,214
Purchased Professional & Technical Services	11-000-251-340	24,000	(6,896)	17,104	15,755	1,349	24,000		24,000	20,163	3,837
Miscellaneous Purchased Services	11-000-251-592	1,300		1,300	75	1,225		1,300	1,300	375	925
Supplies and Materials	11-000-251-600	4,000	5,500	9,500	9,133	367	6,000		6,000	3,876	2,124
Other Objects	11-000-251-890	4,000	(1,000)	3,000	2,718	282	4,000		4,000	1,269	2,731
Total Central Services		220,450	8,367	228,817	223,923	4,894	226,858	(200)	226,658	215,827	10,831
Administrative Information Technology:											
Salaries	11-000-252-100						19,000		19,000	18,979	21
Purchased Professional Services	11-000-252-330	31,623	31,487	63,110	57,617	5,493	30,497	1,126	31,623	18,900	12,723
Supplies and Materials	11-000-252-600	31,623	(13,374)	18,249	9,100	9,149	7,500	(1,126)	6,374	5,978	396
Total Administrative Information Technology		63,246	18,113	81,359	66,717	14,642	56,997		56,997	43,857	13,140
Allowable Maintenance for School Facilities:											
Salaries	11-000-261-100	107,148		107,148	92,818	14,330	108,435		108,435	96,490	11,945
Cleaning, Repair & Maintenance Services	11-000-261-420	126,000	16,451	142,451	122,822	19,629	120,000	30,123	150,123	109,369	40,754
General Supplies	11-000-261-610	63,315	3,942	67,257	49,545	17,712	60,000	(2,700)	57,300	39,251	18,049
Total Allowable Maintenance for School Facilities		296,463	20,393	316,856	265,185	51,671	288,435	27,423	315,858	245,110	70,748

58

PAULSBORO BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	ACCOUNT NUMBERS	JUNE 30, 2011				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	JUNE 30, 2010				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Operation & Maintenance of Plant Services & School Facilities:											
Salaries	11-000-262-100	575,778	(70,218)	505,560	462,834	42,726	665,200	(111,238)	553,962	494,859	59,103
Salaries of Non-Instructional Aides	11-000-262-107		59,455	59,455	42,044	17,411		59,988	59,988	54,141	5,847
Purchased Professional & Technical Services	11-000-262-300	25,000	(2,010)	22,990	6,511	16,479	25,000		25,000	3,879	21,121
Cleaning, Repair & Maintenance Services	11-000-262-420	100,000	(5,000)	95,000	12,365	82,635	100,000	(27,123)	72,877	25,529	47,348
Other Purchased Property Services	11-000-262-490	17,500		17,500		17,500	10,000		10,000	9,632	368
Insurance	11-000-262-520	55,250	22,488	77,738	77,738		42,500		42,500	42,500	
Miscellaneous Purchased Services	11-000-262-590	17,000	6,146	23,146	18,787	4,359	17,000		17,000	11,964	5,036
General Supplies	11-000-262-610	132,547	(1,125)	131,422	17,909	113,513	129,500	1,017	130,517	55,776	74,741
Energy (Natural Gas)	11-000-262-621	248,850		248,850	160,403	88,447	237,000		237,000	180,846	56,154
Energy (Electricity)	11-000-262-622	315,000	(17,637)	297,363	254,881	42,482	300,000		300,000	223,169	76,831
Energy (Oil)	11-000-262-624	3,150	37	3,187	3,186	1	3,000		3,000	2,596	404
Other Objects	11-000-262-800		300	300	216	84					
Total Operation & Maintenance of Plant Services & School Facilities		1,490,075	(7,564)	1,482,511	1,056,874	425,637	1,529,200	(77,356)	1,451,844	1,104,891	346,953
Care & Upkeep of Grounds:											
Salaries	11-000-263-100	139,453		139,453	87,059	52,394	114,258		114,258	110,565	3,693
Cleaning, Repair & Maintenance Services	11-000-263-420	10,000	(3,777)	6,223	2,617	3,606	7,500		7,500		7,500
Supplies and Materials	11-000-263-610	12,950	3,777	16,727	15,763	964	12,950		12,950		12,950
Other Objects	11-000-263-800	3,000	(795)	2,205	218	1,987	3,000		3,000		3,000
Total Care & Upkeep of Grounds		165,403	(795)	164,608	105,657	58,951	137,708		137,708	110,565	27,143
Security:											
Salaries	11-000-266-100	8,640		8,640	8,092	548	8,640		8,640	7,168	1,472
Cleaning, Repair & Maintenance Services	11-000-266-420		1,359	1,359	1,359						
Total Security		8,640	1,359	9,999	9,451	548	8,640		8,640	7,168	1,472
Student Transportation Services:											
Salaries of Non-Instructional Aides	11-000-270-107	39,253	5,605	44,858	24,383	20,475		23,403	23,403	22,680	723
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	2,283	(605)	1,678		1,678	97,166	(94,883)	2,283		2,283

59

PAULSBORO BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	ACCOUNT NUMBERS	JUNE 30, 2011				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	JUNE 30, 2010				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Student Transportation Services (continued):											
Salaries for Pupil Transportation (Between Home & School) - Special	11-000-270-161	32,371	13,129	45,500	41,248	4,252		43,960	43,960	42,538	1,422
Salaries for Pupil Transportation (Other Than Between Home & School)	11-000-270-162	124,226	(8,088)	116,138	85,667	30,471	49,350	76,826	126,176	105,462	20,714
Cleaning, Repair & Maintenance Services	11-000-270-420	8,500	12,784	21,284	21,284		4,000		4,000	606	3,394
Contracted Services (Between Home & School) - Vendors	11-000-270-511	15,000	2,662	17,662	17,662		50,000	(42,334)	7,666		7,666
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	60,000	(18,982)	41,018	11,463	29,555	60,000	(7,000)	53,000	31,063	21,937
Contracted Services (Special Education Students)	11-000-270-515	322,300	(2,334)	319,966	292,878	27,088	330,000	(3,000)	327,000	326,640	360
Contracted Services (Aid in Lieu Of Payments) - (Charter Schools)	11-000-270-504		3,536	3,536	3,536						
Miscellaneous Purchased Services - Transportation	11-000-270-593	12,320	2,334	14,654	14,654		12,320		12,320	12,320	
Supplies and Materials	11-000-270-600	500		500	139	361	2,000		2,000	189	1,811
Transportation Supplies	11-000-270-615	10,000		10,000	2,033	7,967					
Miscellaneous Expenditures	11-000-270-800	250		250	37	213	600		600		600
Total Student Transportation Services		627,003	10,041	637,044	514,984	122,060	605,436	(3,028)	602,408	541,498	60,910

PAULSBORO BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

19

ACCOUNT NUMBERS	JUNE 30, 2011				VARIANCE FINAL TO ACTUAL (UNFAVORABLE)	JUNE 30, 2010				VARIANCE FINAL TO ACTUAL (UNFAVORABLE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Unallocated Benefits - Employee Benefits:											
Social Security Contributions -											
Other	11-000-291-220	200,000	8,315	208,315	161,690	46,625	225,000	(40,000)	185,000	183,726	1,274
Other Retirement Contributions	11-000-291-241	200,000	14,439	214,439	214,439		185,000	(94)	184,906	177,905	7,001
Unemployment Compensation	11-000-291-250	33,500	9,603	43,103	43,102	1	30,446	7,234	37,680	37,680	
Workmen's Compensation	11-000-291-260	264,120		264,120	189,103	75,017	240,109		240,109	240,109	
Health Benefits	11-000-291-270	3,122,363	(173,000)	2,949,363	2,741,945	207,418	2,849,175	(60,753)	2,788,422	2,770,273	18,149
Tuition Reimbursements	11-000-291-280	27,000		27,000	22,127	4,873	19,000	6,916	25,916	25,916	
Other Employee Benefits	11-000-291-290	97,101		97,101	53,569	43,532	55,000	41,497	96,497	96,497	
Total Unallocated Benefits - Employee Benefits		3,944,084	(140,643)	3,803,441	3,425,975	377,466	3,603,730	(45,200)	3,558,530	3,532,106	26,424
Nonbudgeted:											
On-Behalf TPAF Pension Contributions					627,257	(627,257)				629,969	(629,969)
Reimbursed TPAF Social Security Contributions					684,512	(684,512)				721,856	(721,856)
Total Undistributed Expenditures		11,826,614	98,817	11,925,431	11,716,026	209,405	11,457,462	(130,654)	11,326,808	11,479,781	(152,973)
Total Expenditures - Current Expense		19,921,553	27,559	19,949,112	19,103,761	845,351	19,731,631	(103,585)	19,628,046	19,011,291	616,755
Capital Outlay:											
Increase in Capital Reserve	10-604-000-000						100		100		100
Equipment:											
Kindergarten	12-110-100-730						2,000		2,000		2,000
Grades 1-5	12-120-100-730	15,000	(15,000)				2,000		2,000		2,000
Grades 9-12	12-130-100-730	6,360	(55)	6,305	5,100	1,205	8,801		8,801		8,801
School-Sponsored & Other Instructional Programs	12-400-100-730	6,000	(6,000)				7,500		7,500		7,500
Required Maintenance for School Facilities	12-000-261-730	23,952	5,043	28,995	28,995						
Custodial Services	12-000-262-730	22,800	(15,488)	7,312		7,312	7,800		7,800		7,800
Total Equipment		74,112	(31,500)	42,612	34,095	8,517	28,201		28,201		28,201

**PAULSBORO BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

ACCOUNT NUMBERS	JUNE 30, 2011				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	JUNE 30, 2010				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Facilities Acquisition & Construction Services										
Architectural/Engineering Services		31,500	31,500	27,630	3,870					
Construction Services	85,000	(71,467)	13,533		13,533	40,748	40,748	27,214	13,534	
Other Objects	6,071		6,071	6,071						
Total Facilities Acquisition & Construction Services	91,071	(39,967)	51,104	33,701	17,403	40,748	40,748	27,214	13,534	
Total Capital Outlay	165,183	(71,467)	93,716	67,796	25,920	28,201	40,748	68,949	27,214	41,735
Total Expenditures	20,086,736	(43,908)	20,042,828	19,171,557	871,271	19,759,832	(62,837)	19,696,995	19,038,505	658,490
Excess/(Deficiency) of Revenues Over/(Under)										
Expenditures Before Other Financing Sources/(Uses)	(2,178,786)	43,908	(2,134,878)	315,710	2,450,588	(925,636)	62,837	(862,799)	1,085,211	1,948,010
Other Financing Sources/(Uses):										
Operating Transfer Out - Capital Projects Fund		(85,000)	(85,000)	(85,000)			(98,499)	(98,499)	(98,499)	
Operating Transfer Out - Special Revenue Fund	11-105-100-930					(76,936)	(101,873)	(178,809)	(153,576)	25,233
Operating Transfer Out - Enterprise Fund	11-000-310-930	(150,000)		(150,000)	(150,000)	(202,000)		(202,000)	(202,000)	
Total Other Financing Sources/(Uses)	(150,000)	(85,000)	(235,000)	(235,000)		(278,936)	(200,372)	(479,308)	(454,075)	25,233
Excess/(Deficiency) of Revenues Over/(Under)										
Expenditures After Other Financing Sources/(Uses)	(2,328,786)	(41,092)	(2,369,878)	80,710	2,450,588	(1,204,572)	(137,535)	(1,342,107)	631,136	1,973,243
Fund Balances, July 1	2,492,538		2,492,538	2,492,538		1,861,402		1,861,402	1,861,402	
Fund Balances, June 30	\$163,752	(41,092)	122,660	2,573,248	2,450,588	656,830	(137,535)	519,295	2,492,538	1,973,243

RECAPITULATION OF BUDGET TRANSFERS:

Prior Year Reserve for Encumbrances	<u>\$41,092</u>
Total Budget Transfers	<u>\$41,092</u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$15,111
Capital Reserve - Designated for Subsequent Year's Expenditures	30,643
Assigned Fund Balance:	
Year-End Encumbrances	55,345
Designated for Subsequent Year's Expenditures	2,126,591
Unassigned Fund Balance	<u>345,558</u>
Subtotal	<u>2,573,248</u>
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payments Not Recognized on GAAP Basis	<u>(1,064,367)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$1,508,881</u>

**PAULSBORO BOARD OF EDUCATION
AMERICAN RECOVERY AND REINVESTMENT ACT - BUDGET AND ACTUAL
FOR FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

REVENUES	ACCOUNT NUMBERS	JUNE 30, 2011		VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2010		VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS FINAL BUDGET ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS FINAL BUDGET ACTUAL	
Federal Sources		\$ -			2,054,287	2,054,287	2,054,287
Total Revenues					2,054,287	2,054,287	2,054,287
EXPENDITURES:							
Instruction:							
ARRA - State Fiscal Stabilization Fund							
Education Stabilization Fund:							
	Salaries of Teachers Gr 1-5	16-120-100-101			232,586	232,586	232,586
	Salaries of Teachers Gr 6-8	16-130-100-101			446,728	446,728	446,728
	Salaries of Teachers Gr 9-12	16-140-100-101			1,298,412	1,298,412	1,298,412
Total Education Stabilization Fund					1,977,726	1,977,726	1,977,726
ARRA - State Fiscal Stabilization Fund - ESF							
Government Services Fund:							
	Salaries of Teachers Gr 1-5	17-120-100-101			76,561	76,561	76,561
Total Government Services Fund					76,561	76,561	76,561
Total State Fiscal Stabilization Fund					2,054,287	2,054,287	2,054,287
Total Expenditures					2,054,287	2,054,287	2,054,287
Total Outflows					2,054,287	2,054,287	2,054,287
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)		\$ -	-	-	-	-	-

**PAULSBORO BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2010				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES:										
State Sources	\$260,750	108,573	369,323	310,410	(58,913)	260,750	150,749	411,499	410,866	(633)
Federal Sources	1,307,841	1,435,696	2,743,537	1,628,949	(1,114,588)	1,216,937	1,856,101	3,073,038	2,096,096	(976,942)
Local Sources		34,196	34,196	15,128	(19,068)	76,936	131,355	208,291	178,792	(29,499)
Total Revenues	1,568,591	1,578,465	3,147,056	1,954,487	(1,192,569)	1,554,623	2,138,205	3,692,828	2,685,754	(1,007,074)
EXPENDITURES:										
Instruction:										
Salaries of Teachers	790,605	247,689	1,038,294	821,617	216,677	790,605	497,834	1,288,439	1,099,646	188,793
Other Salaries for Instruction	38,027	86,300	124,327	99,933	24,394	38,027	177,100	215,127	200,416	14,711
Purchased Professional - Educational Services	8,550	-379,907	388,457	193,596	194,861	8,550	211,566	220,116	212,386	7,730
Other Purchased Services		5,000	5,000		5,000		51,430	51,430	40,260	11,170
General Supplies	4,648	416,264	420,912	96,065	324,847	4,648	512,588	517,236	105,547	411,689
Tuition	250,000	202,189	452,189	297,415	154,774	250,000	308,943	558,943	422,848	136,095
Textbooks		5,911	5,911	5,911			5,388	5,388	5,388	
Miscellaneous		1,200	1,200	840	360		4,214	4,214	4,214	
Total Instruction	1,091,830	1,344,460	2,436,290	1,515,377	920,913	1,091,830	1,769,063	2,860,893	2,090,705	770,188
Support Services:										
Salaries of Supervisors of Instruction	21,117	(19,617)	1,500		1,500	21,117	2,866	23,983	20,305	3,678
Salaries of Other Professional Staff	24,046	25,528	49,574	34,293	15,281	24,046	12,857	36,903	29,917	6,986
Salaries of Secretarial & Clerical Assistants	151,968	64,123	216,091	156,335	59,756	151,968	71,082	223,050	152,976	70,074
Personal Services - Employee Benefits	265,662	45,460	311,122	188,967	122,155	265,662	141,067	406,729	295,676	111,053
Purchased Professional - Educational Services	13,968	70,583	84,551	45,851	38,700		110,159	110,159	86,278	23,881
Other Purchased Services		600	600		600		2,000	2,000	2,000	
Supplies		47,328	47,328	13,664	33,664		29,111	29,111	7,897	21,214
Total Support Services	476,761	234,005	710,766	439,110	271,656	462,793	369,142	831,935	595,049	236,886
Total Expenditures	1,568,591	1,578,465	3,147,056	1,954,487	1,192,569	1,554,623	2,138,205	3,692,828	2,685,754	1,007,074
Total Outflows	1,568,591	1,578,465	3,147,056	1,954,487	1,192,569	1,554,623	2,138,205	3,692,828	2,685,754	1,007,074
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	-	-	-	-	-	-	-	-	-

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**PAULSBORO BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

	GENERAL FUND N-1	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$19,487,267	1,954,487
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized		3,840
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	1,180,190	
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	(1,064,367)	
	<hr/>	
Total Revenue as reported on the statement of revenues, expenditures and changes in fund balances -- governmental funds	<u>\$19,603,090</u>	<u>1,958,327</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$19,171,557	1,954,487
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year		3,840
		<hr/>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$19,171,557</u>	<u>1,958,327</u>

N-1 The general fund budget uses GAAP basis therefore no reconciliation is necessary.

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules

Not Applicable

E. Special Revenue Fund

PAULSBORO BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(With Comparative Totals for June 30, 2010)

	I.D.E.A.							
	PART B REGULAR 2010-2011	PART B REGULAR CARRYOVER	ARRA PART B PRESCHOOL 2009-2011	ARRA PART B REGULAR 2009-2011	PRESCHOOL EDUCATION PROGRAM AID	UNIFORM DONATIONS	EARN TO LEARN	TEACHER OF THE YEAR
Revenues:								
State Sources					225,637			
Federal Sources	\$239,494	48,654	75	138,816				
Local Sources						2,706	12,228	194
Total Revenues	\$239,494	48,654	75	138,816	225,637	2,706	12,228	194
Expenditures:								
Instruction:								
Salaries of Teachers		2,240		43,350	129,631		11,024	
Other Salaries for Instruction		1,020		9,770	25,238			
Purchase Professional - Educational Services								
Other Purchased Services								
Tuition	\$213,348	41,423	75	42,569				
Supplies					3,100		361	194
Textbooks								
Miscellaneous	840							
Total Instruction	214,188	44,683	75	95,689	157,969		11,385	194
Support Services:								
Salaries of Supervisors of Instruction								
Salaries of Other Professional Staff		3,458		30,835				
Salaries of Secretarial & Clerical Assistants								
Personal Services - Employee Benefits		513		747	67,668		843	
Purchased Professional - Educational Services	25,306			11,545				
Other Purchased Services								
Supplies						2,706		
Total Support Services	25,306	3,971		43,127	67,668	2,706	843	
Total Expenditures	\$239,494	48,654	75	138,816	225,637	2,706	12,228	194

**PAULSBORO BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(With Comparative Totals for June 30, 2010)**

	TITLE I SIA	TITLE I	TITLE I CARRYOVER	TITLE I ARRA	TITLE I SIA CARRYOVER	TITLE I SIA ARRA	TITLE III	TITLE II	TITLE III CARRYOVER	TITLE IIA CARRYOVER
Revenues:										
State Sources										
Federal Sources	\$27,450	805,614	52,994	141,992	44,680	23,836	1,724	99,109	3,891	620
Local Sources										
Total Revenues	\$27,450	805,614	52,994	141,992	44,680	23,836	1,724	99,109	3,891	620
Expenditures:										
Instruction:										
Salaries of Teachers	\$256	505,526	27,904	25,008		2,144		74,534		
Other Salaries for Instruction			2,348	61,557						
Purchased Professional - Educational Services		48,483	3,699	31,025		6,952		24,575		
Other Purchased Services										
Tuition										
Supplies	27,173		8,495		44,680	5,827	1,724		3,891	620
Textbooks										
Miscellaneous										
Total Instruction	27,429	554,009	42,446	117,590	44,680	14,923	1,724	99,109	3,891	620
Support Services:										
Salaries of Supervisors of Instruction										
Salaries of Other Professional Staff										
Salaries of Secretarial & Clerical Assistants		136,276	4,867	15,192						
Personal Services - Employee Bene:	21	107,487	2,315	9,210		163				
Purchased Professional - Educational Services			250			8,750				
Other Purchased Services										
Supplies		7,842	3,116							
Total Support Services	21	251,605	10,548	24,402		8,913				
Total Expenditures	\$27,450	805,614	52,994	141,992	44,680	23,836	1,724	99,109	3,891	620

PAULSBORO BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(With Comparative Totals for June 30, 2010)

	NONPUBLIC							2011	2010
	SUPPLEMENTAL INSTRUCTION	EXAM CLASSIFICATION	NONPUBLIC SPEECH	BASIC SKILLS	TEXTBOOK	TRANSPORT	NURSING		
Revenues:									
State Sources	\$7,643	20,575	11,657	20,932	5,911	11,051	7,004	310,410	410,866
Federal Sources								1,628,949	2,096,096
Local Sources								15,128	178,792
Total Revenues	\$7,643	20,575	11,657	20,932	5,911	11,051	7,004	1,954,487	2,685,754
Expenditures:									
Instruction:									
Salaries of Teachers								821,617	1,099,646
Other Salaries for Instruction								99,933	200,416
Purchased Professional - Educational Services	\$7,643	20,575	11,657	20,932		11,051	7,004	193,596	212,386
Other Purchased Services									40,260
Tuition								297,415	422,848
Supplies								96,065	105,547
Textbooks						5,911		5,911	5,388
Miscellaneous								840	4,214
Total Instruction	7,643	20,575	11,657	20,932	5,911	11,051	7,004	1,515,377	2,090,705
Support Services:									
Salaries of Supervisors of Instruction									20,305
Salaries of Other Professional Staff								34,293	29,917
Salaries of Secretarial & Clerical Assistants								156,335	152,976
Personal Services - Employee Benefits								188,967	295,676
Purchased Professional - Educational Services								45,851	86,278
Other Purchased Services									2,000
Supplies								13,664	7,897
Total Support Services								439,110	595,049
Total Expenditures	\$7,643	20,575	11,657	20,932	5,911	11,051	7,004	1,954,487	2,685,754

28

**PAULSBORO BOROUGH BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$149,568	129,631	19,937
Other Salaries for Instruction	\$33,975	25,238	8,737
Supplies	7,200	3,100	4,100
	<hr/>	<hr/>	<hr/>
Total Instruction	190,743	157,969	32,774
	<hr/>	<hr/>	<hr/>
Support Services:			
Personal Services - Employee Benefits	70,007	67,668	2,339
	<hr/>	<hr/>	<hr/>
Total Support Services	70,007	67,668	2,339
	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>\$260,750</u>	<u>225,637</u>	<u>35,113</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2010-2011 Preschool Education Aid Allocation	\$260,750
Add: Local Contribution - General Fund	
Add: Actual ECPA Carryover (June 30, 2010)	<hr/>
Total Preschool Education Aid Funds Available for 2010-2011 Budget	260,750
Less: 2010-2011 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<hr/> (260,750)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2011	-
Add: June 30, 2011 Unexpended Preschool Education Aid Funds	<hr/> 35,113
2010-2011 Actual Carryover - Preschool Education Aid Funds	<hr/> <u>\$35,113</u>
2010-2011 Preschool Education Aid Funds Carryover Budgeted in 2011-2012	<hr/> <u></u>

F. Capital Projects Fund

**PAULSBORO BOARD OF EDUCATION
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NUMBER	PROJECT TITLE	APPROPRIATIONS	EXPENDITURES TO DATE		(OVER)/UNDER EXPENDED BALANCE
			PRIOR YEAR	CURRENT YEAR	
2010	Renovation of High School Gym	\$420,000	61,344	255,649	103,007
2011	Paulsboro High School HVAC Replacement	385,000		101,410	283,590
Total		\$805,000	61,344	357,059	386,597

PAULSBORO BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS TO HIGH SCHOOL GYMNASIUM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

Revenues & Other Financing Sources:	
State Sources - SCC Grant	\$300,000
Transfers	85,000
	<hr/>
Total Revenues	385,000
	<hr/>
Expenditures & Other Financing Uses:	
Construction Services	357,059
	<hr/>
Total Expenditures	357,059
	<hr/>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	27,941
Fund Balance - Beginning	358,656
	<hr/>
Fund Balance - Ending	\$386,597
	<hr/> <hr/>

**PAULSBORO BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS TO HIGH SCHOOL GYMNASIUM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$321,501		321,501	321,501
Transfers	98,499		98,499	98,499
Total Revenues	420,000		420,000	420,000
Expenditures & Other Financing Uses:				
Construction Services	61,344	255,649	316,993	420,000
Total Expenditures	61,344	255,649	316,993	420,000
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$358,656	(255,649)	103,007	-

ADDITIONAL PROJECT INFORMATION

Project Number	4020-050-09-1001
Grant Date	6/30/2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$420,000
Additional Authorized Cost	\$85,000
Revised Authorized Cost	\$505,000
Percentage Increase/(Decrease) Over Original Authorized Cost	-
Percentage Completion	62.77%
Original Target Completion Date	12/31/2010
Revised Target Completion Date	6/30/2011

**PAULSBORO BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
PAULSBORO HIGH SCHOOL HVAC
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ -	300,000	300,000	300,000
Transfers		85,000	85,000	85,000
Total Revenues		385,000	385,000	385,000
Expenditures & Other Financing Uses:				
Construction Services		101,410	101,410	385,000
Total Expenditures		101,410	101,410	385,000
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	283,590	283,590	-

ADDITIONAL PROJECT INFORMATION

Project Number	4020-050-10-1001
Grant Date	6/30/2011
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$385,000
Additional Authorized Cost	
Revised Authorized Cost	\$385,000
Percentage Increase/(Decrease) Over Original Authorized Cost	-
Percentage Completion	26.34%
Original Target Completion Date	12/31/2011
Revised Target Completion Date	-

G. Proprietary Funds

Enterprise Funds

**PAULSBORO BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF NET ASSETS
AS OF JUNE 30, 2011
(With Comparative Totals for June 30, 2010)**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS FOOD SERVICE	2011	2010
Current Assets:			
Cash & Cash Equivalents	\$150,463	150,463	230,852
Accounts Receivable:			
State	450	450	1,349
Federal	30,936	30,936	27,464
Inventories	7,802	7,802	11,920
Total Current Assets	189,651	189,651	271,585
Noncurrent assets:			
Furniture, Machinery & Equipment	89,892	89,892	89,892
Less: Accumulated Depreciation	(64,451)	(64,451)	(55,956)
Total Noncurrent Assets	25,441	25,441	33,936
Total Assets	215,092	215,092	305,521
LIABILITIES			
Accounts Payable	20,994	20,994	
Interfund Payable	3,609	3,609	177,873
Compensated Absences Payable	21,919	21,919	21,150
Total Liabilities	46,522	46,522	199,023
NET ASSETS			
Investments in Capital Assets - Net of Related Debt	25,441	25,441	33,936
Unrestricted	143,129	143,129	72,562
Total Net Assets	\$168,570	168,570	106,498

**PAULSBORO BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
AS OF JUNE 30, 2011
(With Comparative Totals for June 30, 2010)**

	BUSINESS-TYPE ACTIVITIES - FOOD SERVICE	2011	2010
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$39,801	39,801	51,794
Daily Sales - Nonreimbursable Programs	44,077	44,077	34,527
Total Operating Revenues	83,878	83,878	86,321
Operating Expenses:			
Cost of Sales	269,455	269,455	249,773
Salaries	221,458	221,458	218,375
Employee Benefits	72,104	72,104	77,787
Supplies & Materials	20,706	20,706	21,308
Other Purchased Services	33,806	33,806	33,475
Depreciation	8,495	8,495	8,495
Total Operating Expenses	626,024	626,024	609,213
Operating Income/(loss)	(542,146)	(542,146)	(522,892)
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	6,102	6,102	12,055
State School Breakfast Program			8,478
Federal Sources:			
National School Lunch Program	281,100	281,100	302,917
National Summer Lunch Program	20,641	20,641	29,596
School Breakfast Program	125,226	125,226	121,405
After School Snacks	1,197	1,197	1,407
Food Distribution Program	19,952	19,952	22,129
Equipment Grant - ARRA			9,747
Total Nonoperating Revenues/(Expenses)	454,218	454,218	507,734
Income/(Loss) Before Contributions & Transfers	(87,928)	(87,928)	(15,158)
Operating Transfers in:			
Board Contribution	150,000	150,000	202,000
Change in Net Assets	62,072	62,072	186,842
Total Net Assets - Beginning	106,498	106,498	(80,344)
Total Net Assets - Ending	\$168,570	168,570	106,498

**PAULSBORO BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2011
(With Comparative Totals for June 30, 2010)**

	BUSINESS-TYPE ACTIVITIES - FOOD SERVICE	2011	2010
Cash Flows From Operating Activities:			
Receipts from Customers	\$103,830	103,830	161,317
Payments to Employees	(292,793)	(292,793)	(306,240)
Payments to Suppliers	(298,855)	(298,855)	(327,027)
Net Cash Provided/(Used) by Operating Activities	(487,818)	(487,818)	(471,950)
Cash Flows From Investing Activities:			
Cash Paid for Acquisition of Capital Assets			(32,807)
Net Cash Provided/(Used) by Investing Activities			(32,807)
Cash Flows From Noncapital Financing Activities:			
Cash Received from Federal & State Reimbursements	431,693	431,693	533,609
Operating Transfers in	150,000	150,000	202,000
Interfunds Liquidated	(174,264)	(174,264)	
Net Cash Provided/(Used) by Noncapital Financing Activities	407,429	407,429	735,609
Net Increase/(Decrease) in Cash & Cash Equivalents	(80,389)	(80,389)	230,852
Balances - Beginning of Year	230,852	230,852	
Balances - End of Year	\$150,463	150,463	230,852

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

Operating Income/(Loss)	(\$542,146)	(542,146)	(522,892)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Depreciation & Net Amortization	8,495	8,495	8,495
Food Distribution Program	19,952	19,952	22,129
Changes in Assets & Liabilities:			
(Increase)/Decrease in Inventory	4,118	4,118	(5,242)
Increase/(Decrease) in Accounts Payable	20,994	20,994	(17,229)
(Decrease)/Increase in Interfund			52,867
Increase/(Decrease) in Compensated Absences Payable	769	769	(10,078)
Total Adjustments	54,328	54,328	50,942
Net Cash Provided/(Used) by Operating Activities	(\$487,818)	(487,818)	(471,950)

Internal Service Fund

Not Applicable



H. Fiduciary Fund

PAULSBORO BOARD OF EDUCATION
 FIDUCIARY FUNDS
 COMPARATIVE COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 JUNE 30, 2011
 (With Comparative Totals for June 30, 2010)

ASSETS	PRIVATE	AGENCY		2011	2010
	PURPOSE	STUDENT	PAYROLL		
	SCHOLARSHIP	ACTIVITY			
Cash & Cash Equivalents	\$118,076	104,508	100,594	323,178	294,415
Total Assets	118,076	104,508	100,594	323,178	294,415
LIABILITIES					
Payroll Deductions & Withholdings			96,523	96,523	91,325
Due to Student Groups		104,508		104,508	102,402
Interfund Payable			4,071	4,071	4,521
Total Liabilities		104,508	100,594	205,102	198,248
NET ASSETS					
Reserved for Scholarships	118,076			118,076	96,167
Total Net Assets	\$118,076	-	-	118,076	96,167

**PAULSBORO BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Totals for June 30, 2010)**

ADDITIONS	<u>PRIVATE PURPOSE TRUST FUND</u>	2011	2010
Contributions:			
Other	\$67,980	67,980	40,916
Total Contributions	<u>67,980</u>	<u>67,980</u>	<u>40,916</u>
Investment Earnings:			
Interest	251	251	13
Net Investment Earnings	<u>251</u>	<u>251</u>	<u>13</u>
Total Additions	<u>68,231</u>	<u>68,231</u>	<u>40,929</u>
 DEDUCTIONS			
Scholarship Payments	46,322	46,322	25,658
Total Deductions	<u>46,322</u>	<u>46,322</u>	<u>25,658</u>
Change in Net Assets	21,909	21,909	15,271
Net Assets - Beginning of the Year	<u>96,167</u>	<u>96,167</u>	<u>80,896</u>
Net Assets - End of the Year	<u>\$118,076</u>	<u>118,076</u>	<u>96,167</u>

**PAULSBORO BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	BALANCE JULY 1, 2010	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2011
Elementary Schools:				
Billingsport	\$9,253	1,246	1,418	9,081
Loudenslager	636	2,333	2,701	268
Total Elementary Schools	9,889	3,579	4,119	9,349
Paulsboro High School	92,513	178,037	175,391	95,159
Total Student Activity	\$102,402	181,616	179,510	104,508

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

ASSETS	BALANCE JULY 1, 2010	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2011
Cash & Cash Equivalents	\$95,846	15,902,757	15,898,009	100,594
Total Assets	\$95,846	15,902,757	15,898,009	100,594
LIABILITIES				
Payroll Deductions & Withholding	\$91,325	15,902,757	15,897,559	96,523
Interfund Payable	4,521		450	4,071
Total Liabilities	\$95,846	15,902,757	15,898,009	100,594

I. Long-Term Debt

**PAULSBORO BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2011**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE	ISSUED	RETIRED	BALANCE
			DATE	AMOUNT		JULY 1, 2010			JUNE 30, 2011
Refunding - Additions & Renovations to Buildings & Grounds	09/01/2002	\$2,560,000	09/01/2011	250,000	4.00%	\$1,230,000		250,000	980,000
			09/01/2012	250,000	4.00%				
			09/01/2013	245,000	4.00%				
			09/01/2014	235,000	4.00%				
					Total	\$1,230,000	-	250,000	980,000

**SCHEDULE OF LOANS PAYABLE
JUNE 30, 2011**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE	ISSUED	RETIRED	BALANCE
			DATE	AMOUNT		JULY 1, 2010			JUNE 30, 2011
New Jersey Public School Facilities	8/18/1993	\$577,034	7/15/2010-2013	\$30,370	1.5%	\$121,480		30,370	91,110

**PAULSBORO BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

	ACCOUNT NUMBERS	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2010				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:											
Local Sources:											
Local Tax Levy	40-1210	\$160,965		160,965	160,965		138,099		138,099	138,099	
State Sources:											
Debt Service Aid Type II	40-3160	165,201		165,201	165,201		203,623		203,623	203,623	
Total Revenues		326,166		326,166	326,166		341,722		341,722	341,722	
Expenditures:											
Regular Debt Service:											
Interest	40-701-510-834	45,795		45,795	45,795		56,351		56,351	56,350	1
Redemption of Principal	40-701-510-910	280,371		280,371	280,370	1	285,371		285,371	285,370	1
Total Expenditures		326,166		326,166	326,165	1	341,722		341,722	341,720	2
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		-	-	-	1	(1)	-	-	-	2	(2)
Fund Balance, July 1		2	-	2	2	-	-	-	-	-	-
Fund Balance, June 30		2	-	2	3	(1)	-	-	-	2	(2)

STATISTICAL SECTION (Unaudited)



PAULSBORO BOARD OF EDUCATION
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities:									
Invested in Capital Assets, Net of Related Debt	\$5,522,026	5,233,039	5,255,074	5,449,923	5,140,860	5,289,657	5,512,362	5,311,121	4,787,401
Restricted	32,235	2,329,313	1,409,742	1,557,504	3,877,201	5,953,775	7,574,926	6,308,911	5,059,429
Unrestricted	815,668	(1,698,969)	(1,629,233)	(1,079,068)	(985,433)	(879,733)	(900,271)	(1,026,075)	(570,498)
Total Governmental Activities Net Assets	\$6,369,929	5,863,383	5,035,583	5,928,359	8,032,628	10,363,699	12,187,017	10,593,957	9,276,332
Business-Type Activities:									
Invested in Capital Assets, Net of Related Debt	\$25,441	33,936	9,624	12,933	14,216	19,134	11,817	15,970	20,122
Unrestricted	143,129	72,562	(89,968)	(239,028)	(121,206)	18,798	116,331	181,235	145,204
Total Business-Type Activities Net Assets	\$168,570	106,498	(80,344)	(226,095)	(106,990)	37,932	128,148	197,205	165,326
District-Wide:									
Invested in Capital Assets, Net of Related Debt	\$5,547,467	5,266,975	5,264,698	5,462,856	5,155,076	5,308,791	5,524,179	5,327,091	4,807,523
Restricted	32,235	2,329,313	1,409,742	1,557,504	3,877,201	5,953,775	7,574,926	6,308,911	5,059,429
Unrestricted	958,797	(1,626,407)	(1,719,201)	(1,318,096)	(1,106,639)	(860,935)	(783,940)	(844,840)	(425,294)
Total District Net Assets	\$6,538,499	5,969,881	4,955,239	5,702,264	7,925,638	10,401,631	12,315,165	10,791,162	9,441,658

PAULSBORO BOARD OF EDUCATION
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST EIGHT FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30,							
	2011	2010	2009	2008	2007	2006	2005	2004
Expenses:								
Governmental Activities								
Instruction:								
Regular	\$4,763,317	5,268,425	7,217,984	6,718,833	6,942,947	6,381,987	6,172,956	5,283,076
Special Education	3,111,445	3,627,921	1,457,620	1,494,270	1,295,817	1,372,273	1,159,509	1,078,769
Other Special Education	575,042	243,456	249,942	352,029	240,703	255,430	230,311	905,794
Other Instruction	457,148	478,573	424,739	436,374	499,599	513,278	399,637	477,241
Support Services:								
Tuition	1,664,571	1,427,257	1,732,517	2,036,724	1,646,116	1,382,874	825,354	916,160
Student & Instruction Related Services	6,914,061	7,107,983	6,804,807	6,648,721	6,307,383	5,261,132	4,801,163	5,493,558
School Administrative Services	901,402	867,692	932,919	1,036,648	1,003,093	973,114	649,501	598,501
General & Business Administrative Services	722,951	662,666	694,277	790,737	767,210	679,420	513,600	529,565
Plant Operations & Maintenance	1,443,238	1,467,734	1,570,277	1,755,357	1,658,804	1,524,302	1,312,171	1,313,140
Pupil Transportation	514,984	541,498	524,958	653,828	589,733	512,692	442,889	487,757
Business & Other Support Services							950	
Interest on Long-Term Debt	42,310	52,798	62,871	72,177	80,050	86,776	99,878	115,230
Unallocated Depreciation	410,167	395,963	694,070	350,000	562,085	480,805	205,971	
Total Governmental Activities Expenses	21,520,636	22,141,966	22,366,981	22,345,698	21,593,540	19,424,083	16,813,890	17,198,791
Business-Type Activities:								
Food Service	626,024	609,213	685,131	805,196	767,184	680,989	629,172	603,934
Total Business-Type Activities Expense	626,024	609,213	685,131	805,196	767,184	680,989	629,172	603,934
Total District Expenses	\$22,146,660	22,751,179	23,052,112	23,150,894	22,360,724	20,105,072	17,443,062	17,802,725

83

PAULSBORO BOARD OF EDUCATION
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST EIGHT FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30,							
	2011	2010	2009	2008	2007	2006	2005	2004
Program Revenues:								
Governmental Activities:								
Operating Grants & Contributions	\$1,958,327	2,528,338	2,452,753	3,923,997	3,749,370	3,416,857	3,079,187	3,231,222
Total Governmental Activities								
Program Revenues	1,958,327	2,528,338	2,452,753	3,923,997	3,749,370	3,416,857	3,079,187	3,231,222
Business-Type Activities:								
Charges for Services:								
Food Service	83,878	86,321	115,495	123,064	138,633	124,993	122,850	155,069
Operating Grants & Contributions	454,218	507,734	513,387	482,966	473,629	449,652	437,265	370,870
Total Business Type Activities								
Program Revenues	538,096	594,055	628,882	606,030	612,262	574,645	560,115	525,939
Total District Program Revenues	\$2,496,423	3,122,393	3,081,635	4,530,027	4,361,632	3,991,502	3,639,302	3,757,161
Net (Expense)/Revenue:								
Governmental Activities	(\$19,562,309)	(19,613,628)	(19,914,228)	(18,421,701)	(17,844,170)	(16,007,226)	(13,734,703)	(13,967,569)
Business-Type Activities	(87,928)	(15,158)	(56,249)	(199,166)	(154,922)	(106,344)	(69,057)	(77,995)
Total District-Wide Net Expense	(\$19,650,237)	(19,628,786)	(19,970,477)	(18,620,867)	(17,999,092)	(16,113,570)	(13,803,760)	(14,045,564)

PAULSBORO BOARD OF EDUCATION
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST EIGHT FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30,							
	2011	2010	2009	2008	2007	2006	2005	2004
General Revenues & Other Changes in Net Assets:								
Governmental Activities:								
Property Taxes Levied for General Purposes, Net	\$4,706,960	4,858,863	4,671,984	4,492,292	4,491,320	3,637,228	3,896,693	3,640,805
Taxes Levied for Debt Service	160,965	138,099	140,089	145,608	146,580	151,336	147,083	134,154
Unrestricted Grants & Contributions	13,524,139	14,342,786	13,062,177	10,338,984	9,586,254	9,023,052	8,940,418	9,165,438
Tuition	1,710,901	1,330,571	1,237,204	1,240,012	1,035,186	1,223,301	2,022,288	2,215,888
Miscellaneous Income	126,291	39,548	54,455	217,839	400,011	392,169	311,978	238,783
Transfers	(150,000)	(202,000)	(202,000)	(90,237)	(10,000)	(16,128)		(109,874)
Unallocated Adjustment to Compensated Absences	(10,401)	(66,439)	57,543	(27,066)	(135,652)	110,063	9,303	
Loss on Revaluation of Assets					(100,600)	(237,113)		
Total Governmental Activities	20,068,855	20,441,428	19,021,452	16,317,432	15,413,099	14,283,908	15,327,763	15,285,194
Business-Type Activities:								
Transfers	150,000	202,000	202,000	80,061	10,000	16,128		109,874
Total Business-Type Activities	150,000	202,000	202,000	80,061	10,000	16,128		109,874
Total District-Wide	\$20,218,855	20,643,428	19,223,452	16,397,493	15,423,099	14,300,036	15,327,763	15,395,068
Change in Net Assets:								
Governmental Activities	\$506,546	827,800	(892,776)	(2,104,269)	(2,431,071)	(1,723,318)	1,593,060	1,317,625
Business-Type Activities	62,072	186,842	145,751	(119,105)	(144,922)	(90,216)	(69,057)	31,879
Total District	\$568,618	1,014,642	(747,025)	(2,223,374)	(2,575,993)	(1,813,534)	1,524,003	1,349,504

25

**PAULSBORO BOARD OF EDUCATION
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund:									
Reserved	\$1,508,881	2,346,318	1,430,301	1,581,473	3,903,929	5,989,578	7,672,415	6,308,911	5,036,304
Unreserved		(1,033,970)	(672,017)	(4,957)	2,260	(27,693)	61,833	29,993	467,797
Total General Fund	\$1,508,881	1,312,348	758,284	1,576,516	3,906,189	5,961,885	7,734,248	6,338,904	5,504,101
All Other Governmental Funds:									
Unreserved, Reported in:									
Special Revenue Fund				(59,352)			(59,353)	(88,011)	(90,751)
Capital Projects Fund	\$386,597	358,656						3,350	
Debt Service Fund	3	2				(6,782)	(6,782)		23,125
Total All Other Governmental Funds	\$386,600	358,658	-	(59,352)	-	(6,782)	(66,135)	(84,661)	(67,626)

PAULSBORO BOARD OF EDUCATION
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues:										
Tax Levy	\$4,867,925	4,996,962	4,812,073	4,637,900	4,637,900	3,788,564	4,043,776	3,774,959	3,718,509	3,467,677
Tuition Charges	1,710,901	1,330,571	1,237,204	1,240,012	1,035,186	1,223,301	2,022,288	2,215,888	2,294,522	2,194,790
Interest Earnings							158,986	48,534	71,631	113,254
Miscellaneous	141,419	64,764	291,839	453,537	441,837	410,255	152,992	190,249	266,449	196,780
State Sources	13,757,771	12,607,611	13,438,865	12,315,098	11,347,947	10,559,647	10,709,616	10,759,244	10,038,481	9,676,193
Federal Sources	1,709,567	4,238,297	1,838,681	1,712,185	1,945,851	1,862,176	1,309,989	1,637,415	543,683	932,792
Total Revenue	22,187,583	23,238,205	21,618,662	20,358,732	19,408,721	17,843,943	18,397,647	18,626,289	16,933,275	16,581,486
Expenditures:										
Instruction:										
Regular Instruction	4,763,317	5,268,425	7,217,984	6,718,833	6,942,947	6,381,987	6,172,956	5,283,076	4,937,339	5,444,594
Special Education Instruction	3,111,445	3,627,921	1,457,620	1,494,270	1,295,817	1,372,273	1,159,509	1,078,769	1,094,202	955,648
Other Special Instruction	575,042	243,456	249,942	352,029	240,703	255,430	230,311	905,794	947,670	
Other Instruction	457,148	478,573	424,739	436,374	499,599	513,278	399,637	477,241	453,752	673,396
Support Services:										
Tuition	1,664,571	1,427,257	1,732,517	2,036,724	1,646,116	1,382,874	825,354	916,160	986,939	734,101
Student & Instruction Related Services	6,914,061	7,107,983	6,804,807	6,648,721	6,307,383	5,261,132	4,803,154	4,668,471	4,446,850	3,735,214
School Administrative Services	901,402	867,692	932,919	1,036,648	1,003,093	973,114	649,501	598,501	633,718	757,587
General & Business Administration Services	722,951	662,666	694,277	790,737	767,210	679,420	511,609	529,565	581,059	486,336
Plant Operations & Maintenance	1,437,167	1,467,734	1,564,256	1,755,357	1,658,804	1,524,302	1,312,171	1,313,140	1,396,269	1,101,638
Pupil Transportation	514,984	541,498	524,958	653,828	589,733	512,692	442,889	487,757	536,041	428,837
Other Support Services							950			
Capital Outlay	424,855	88,558	224,872	373,693	133,518	309,843	94,996	1,050,985	319,214	1,622,104
Debt Service:										
Principal	280,370	285,370	280,370	285,370	280,370	285,370	275,370	270,370	230,370	230,370
Interest & Other Charges	45,795	56,350	66,281	74,936	82,342	89,110	105,370	118,818	154,374	189,555
Total Expenditures	21,813,108	22,123,483	22,175,542	22,657,520	21,447,635	19,540,825	16,983,777	17,698,647	16,717,797	16,359,380

PAULSBORO BOARD OF EDUCATION
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Excess (Deficiency) of Revenues Over/(Under) Expenditures	374,475	1,114,722	(556,880)	(2,298,788)	(2,038,914)	(1,696,882)	1,413,870	927,642	215,478	222,106
Other Financing Sources/(Uses): Transfers Out	(150,000)	(202,000)	(202,000)	(90,237)	(10,000)	(16,128)		(109,874)	(120,917)	(165,738)
Total Other Financing Sources/(Uses)	(150,000)	(202,000)	(202,000)	(90,237)	(10,000)	(16,128)		(109,874)	(120,917)	(165,738)
Net Change in Fund Balances	\$224,475	912,722	(758,880)	(2,389,025)	(2,048,914)	(1,713,010)	1,413,870	817,768	94,561	56,368
Debt Service as a Percentage of Noncapital Expenditures	1.5%	1.6%	1.6%	1.6%	1.7%	1.9%	2.3%	2.4%	2.4%	2.9%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

PAULSBORO BOARD OF EDUCATION
GOVERNMENTAL FUNDS - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	TUITION	MISCELLANEOUS	TOTAL
2011	\$30,262	1,710,901	111,157	1,852,320
2010	28,425	1,330,571	36,339	1,395,335
2009	31,981	1,237,204	259,858	1,529,043
2008	141,717	1,240,012	311,820	1,693,549
2007	302,494	1,035,186	139,343	1,477,023
2006	345,398	1,223,301	64,857	1,633,556
2005	158,986	2,022,288	152,992	2,334,266
2004	48,534	2,215,888	190,249	2,454,671
2003	71,631	2,294,522	266,449	2,632,602
2002	113,254	2,194,790	196,780	2,504,824
Total	<u>\$1,272,682</u>	<u>16,504,663</u>	<u>1,729,844</u>	<u>19,507,189</u>

Source: District records

**PAULSBORO BOARD OF EDUCATION
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 LAST SIX FISCAL YEARS**

06

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2011	\$3,301,000	141,909,600	19,000	49,918,600	48,309,232	5,894,500	249,351,932	1,063,294	250,415,226	1.963	495,092,817
2010	3,555,500	141,840,200	19,000	35,368,100	50,723,400	6,867,500	238,373,700	1,114,797	239,488,497	2.060	467,139,776
2009	3,630,000	141,247,200	19,000	30,963,100	64,690,355	6,767,500	247,317,155	1,161,376	248,478,531	1.974	452,372,213
2008	2,953,400	141,034,600	19,000	58,006,000	39,098,600	6,867,500	247,979,100	1,323,857	249,302,957	1.895	446,699,489
2007	2,803,100	140,390,700	19,000	58,333,600	61,126,500	6,867,500	269,540,400	1,577,825	271,118,225	1.711	399,552,499
2006	2,844,400	139,477,800	19,000	58,471,300	61,126,500	6,867,500	268,806,500	1,842,734	270,649,234	1.557	331,152,576

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

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

b. Tax rates are per \$100

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	PAULSBORO BOROUGH	GLOUCESTER COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	
2011	1.96	N/A	1.96	2.04	1.02	N/A	0.08	5.09
2010	2.06	N/A	2.06	2.01	0.98	N/A	0.08	5.13
2009	1.97	N/A	1.97	2.24	0.57	N/A	0.06	4.84
2008	1.90	N/A	1.90	1.86	0.92	N/A	0.07	4.75
2007	1.71	N/A	1.71	1.52	0.75	N/A	0.06	4.05
2006	1.56	N/A	1.56	1.45	0.67	N/A	0.05	3.73
2005	1.43	N/A	1.43	1.34	0.69	N/A	0.05	3.51
2004	1.43	N/A	1.43	1.26	0.65	N/A	0.02	3.36
2003	1.37	N/A	1.37	1.19	0.64	N/A	0.02	3.22
2002	1.31	N/A	1.31	1.15	0.63	N/A	0.02	3.11

Source: Municipal Tax Collector

**PAULSBORO BOARD OF EDUCATION
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND TEN YEARS AGO**

TAXPAYER	2011		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
NuStar Asphalt Refining LLC	\$28,800,000	1	11.50%
RE McElroy LLC	25,510,200	2	10.19%
Exxon/Mobil Oil Corporation	18,106,432	3	7.23%
Paulsboro Acquisition Group	3,225,600	4	1.29%
Paulsboro Gardens	2,634,700	5	1.05%
J & A Properties of NJ, LLC	1,299,000	7	0.52%
AV Paulsboro LLC	1,293,100	8	0.52%
Dependable Management LLC	1,175,000	9	0.47%
Bell Atlantic	1,140,017	10	0.46%
Wawa	916,000	11	0.37%
Total	<u>\$84,100,049</u>		<u>33.58%</u>
Total District Value			

	2002		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE

NOT AVAILABLE

Source: Municipal Tax Assessor

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

FISCAL YEAR ENDED DECEMBER 31,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2008	11,860,374	11,249,700	94.85%	528,990
2007	10,991,279	10,414,444	94.75%	576,835
2006	10,126,476	9,666,038	95.45%	472,359
2005	9,634,609	9,157,225	95.05%	428,874
2004	9,224,309	8,787,465	95.26%	493,941
2003	8,821,618	8,344,557	94.59%	-
2002	8,521,762	8,034,601	94.28%	-
2001	8,348,697	7,729,729	92.59%	-

Source: Municipal Records.

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

94

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES				BUSINESS- TYPE ACTIVITIES CAPITAL LEASES	TOTAL DISTRICT	PERCENTAGE OF PER CAPITA INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	CAPITAL LEASES	ANTICIPATION NOTES (BANs)				
2011	\$1,071,110					1,071,110	N/A	175.68
2010	1,351,480					1,351,480	N/A	221.66
2009	1,636,850	-	-	-	-	1,636,850	0.68%	269.44
2008	1,917,220	-	-	-	-	1,917,220	0.80%	315.59
2007	2,202,590	-	-	-	-	2,202,590	0.96%	362.57
2006	2,482,959	-	-	-	-	2,482,959	1.13%	410.75
2005	2,768,330	-	-	-	-	2,768,330	1.33%	456.44
2004	3,043,701	-	-	-	-	3,043,701	1.51%	498.07
2003	3,314,072	-	-	-	-	3,314,072	1.73%	541.34
2002	3,334,443	-	-	-	-	3,334,443	1.77%	543.87

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS			
2011	\$1,071,110		1,071,110	0.43%	175.68
2010	1,351,480		1,351,480	0.56%	221.66
2009	1,636,850		1,636,850	0.66%	269.44
2008	1,917,220		1,917,220	0.71%	315.59
2007	2,202,590		2,202,590	0.81%	362.57
2006	2,482,959		2,482,959	0.92%	410.75
2005	2,768,330		2,768,330	0.91%	456.44
2004	3,043,701		3,043,701	1.09%	498.07
2003	3,314,072		3,314,072	1.08%	541.34
2002	3,334,443		3,334,443	1.16%	543.87

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2011**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Borough of Paulsboro	N/A	100.000%	N/A
County of Gloucester General Obligation Debt	N/A	1.540%	N/A
Subtotal, Overlapping Debt			
Paulsboro School District Direct Debt			1,071,110
Total Direct & Overlapping Debt			\$1,071,110

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

**PAULSBORO BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	2010	2009	2008	2007	2006	2005	2004	2003	2002
Debt Limit	\$18,842,344	17,695,688	15,560,458	13,740,872	12,349,412	11,730,641	11,346,698	11,270,779	11,687,761
Total Net Debt Applicable to Limit	1,351,480	1,636,850	1,917,220	2,202,590	2,482,959	2,768,330	3,043,701	3,314,072	3,334,443
Legal Debt Margin	17,490,864	16,058,838	13,643,238	11,538,282	9,866,453	8,962,311	8,302,997	7,956,707	8,353,318
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	7.17%	9.25%	12.32%	16.03%	20.11%	23.60%	26.82%	29.40%	28.53%

Legal Debt Margin Calculation for Fiscal Year 2010

	Equalized Valuation Basis
	2009 \$ 478,933,711
	2008 451,281,347
	2007 482,960,760
	<u>\$1,413,175,818</u>
Average Equalized Valuation of Taxable Property	<u>\$471,058,606</u>
Debt Limit (4 % of Average Equalization Value)	\$18,842,344
Net Bonded School Debt	<u>(1,351,480)</u>
Legal Debt Margin	<u>\$17,490,864</u>

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

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

YEAR	POPULATION		PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
2011	6097		N/A	N/A
2010	6097	*	N/A	23.1%
2009	6075		39,591	15.5%
2008	6,075		39,404	15.5%
2007	6,075		37,754	11.1%
2006	6,045		36,401	12.2%
2005	6,065		34,373	13.5%
2004	6,111		32,888	12.2%
2003	6,122		31,317	11.9%
2002	6,131		30,726	13.1%

Source: State of New Jersey, Department of Labor and Workforce Development, Labor Planning and Analysis.

* 2010 Census

EXHIBIT J-15 NOT AVAILABLE

**PAULSBORO BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEAR**

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Instruction:										
Regular *	138.0	145.0	126.0	113.0	112.9	120.0	93.0	102.0	99.0	108.3
Support Services:										
Student & Instruction Related										
Services	14.0	14.0	18.0	16.0	18.8	23.0	16.8	16.8	16.5	16.5
School Administrative Services	18.0	18.0	13.0	10.5	11.3	11.0	9.0	9.0	9.0	9.0
General & Business Administrative										
Services			2.0	2.0	2.0	3.0	2.0	2.0	2.3	2.3
Plant Operations & Maintenance	29.0	29.0	30.0	24.0	23.2	22.0	23.0	23.0	22.0	22.0
Pupil Transportation	6.0	6.0	6.0	6.5	5.5	5.0	2.2	2.2	2.2	2.2
Business & Other Support Services	3.0	3.0	3.0	3.3	3.3	4.0	4.8	4.8	4.8	4.8
Special Schools			40.0	33.0	42.6	40.0	40.0	40.0	46.0	24.1
Food Service	10.0	10.0	9.0	9.0	6.4	-	1.0	1.0	1.0	1.0
Total	218.0	225.0	247.0	217.3	226.0	228.0	191.8	200.8	202.8	190.2

Source: School District Budget Statements.

* Includes Budgeted teachers and classroom aides, information not available for allocation between regular,

PAULSBORO BOARD OF EDUCATION
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO			AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY	MIDDLE SCHOOL	SENIOR HIGH SCHOOL				
2011	1,216	\$19,103,761	15,710	7.51%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2010	1,301	19,011,291	14,613	2.16%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2009	1,343	19,210,618	14,304	11.55%	115	14.1	13.3	10.5	1,343	1,297	-6.15%	96.57%
2008	1,399	17,940,172	12,824	6.68%	119	13.4	12.5	11.2	1,379	1,251	-3.63%	90.72%
2007	1,431	17,202,035	12,021	10.21%	120	13.3	12.9	10.9	1,431	1,309	-0.91%	91.47%
2006	1,421	15,498,998	10,907	14.12%	120	13.2	12.7	10.8	1,444	1,327	-1.64%	91.90%
2005	1,408	13,457,512	9,558	3.95%	93	13.0	12.0	11.6	1,468	1,346	-0.26%	91.66%
2004	1,427	13,120,244	9,194	3.24%	102	12.8	14.3	11.1	1,472	1,355	0.04%	92.01%
2003	1,474	13,126,845	8,906	12.29%	99	14.0	15.2	11.2	1,472	1,350	1.30%	91.76%
2002	1,461	11,586,518	7,931	0.82%	108	13.2	16.9	11.0	1,453	1,347	2.98%	92.70%

Sources: District records

**PAULSBORO BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR**

DISTRICT BUILDINGS	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Elementary Schools:										
Billingsport (1923):										
Square Feet	39,863	39,863	39,863	39,863	39,863	39,863	39,863	39,863	39,863	39,863
Capacity (Students)	390	390	390	390	390	390	390	390	390	390
Enrollment			367	367	387	384	378	346	379	329
Loudenslager (1926):										
Square Feet	39,244	39,244	39,244	39,244	39,244	39,244	39,244	39,244	39,244	39,244
Capacity (Students)	367	367	367	367	367	367	367	367	367	367
Enrollment (a)			331	331	349	349	348	386	394	455
High School:										
Paulsboro H. S. (1916):										
Square Feet	140,863	140,863	140,863	140,863	140,863	140,863	140,863	140,863	140,863	140,863
Capacity (Students)	717	717	717	717	717	717	717	717	717	717
Enrollment			701	701	695	693	733	733	735	696
Other Buildings:										
Central Administration (1920):										
Square Feet	7,551	7,551	7,551	7,551	7,551	7,551	7,551	7,551	7,551	7,551
Number of Buildings at June 30, 2011:										
Elementary = 2										
High School = 1										
Other = 1										

Source: District Facilities Office, Long Range Facility Plan - FES and District Capacity report.

001

**PAULSBORO BOARD OF EDUCATION
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

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

	*	PAULSBORO HIGH SCHOOL	BILLINGSPOINT ELEMENTARY SCHOOL	LOUDENSLAGER ELEMENTARY SCHOOL	TOTAL
2009		149,364	86,586	80,489	316,439
2008		173,221	47,078	96,140	316,439
2007		226,377	58,012	65,486	349,875
2006		138,849	31,928	18,755	189,532
2005		78,362	16,120	13,606	108,088
2004		141,305	36,362	42,956	220,623
2003		151,214	51,050	39,678	241,942
2002		139,191	40,286	46,850	226,327
Total School Facilities		<u>\$1,197,883</u>	<u>367,422</u>	<u>403,960</u>	<u>1,969,265</u>

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

Source: District records

**PAULSBORO BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2011**

	COVERAGE	DEDUCTIBLE
School Package Policy (1):		
Building & Contents (All Locations)		
Limits of Liability per Occurrence	\$150,000,000	500
Boiler & Machinery	100,000,000	1,000
General Automobile Liability	10,000,000	
School Board Legal Liability	10,000,000	
Employers Liability	500,000	500
Workers' Compensation	250,000	
 Student Accident Insurance (2)	 1,000,000	
 Surety Bonds (3)		
Treasurer	250,000	N/A
Board Secretary	25,000	N/A

(1) Gloucester Cumberland Salem School Districts Joint Insurance Fund, coupled with the School Pool for Excess Liability Limits Joint Insurance Fund.

(2) National Union Fire Insurance Company of Pittsburgh, PA through The Maxsin Group, Pennsauken, NJ.

(3) Western Surety Company of South Dakota through Dalton Insurance Agency, LLC, Glassboro, NJ.

Source: District records

SINGLE AUDIT SECTION



Certified Public Accountants & Consultants

EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Paulsboro Borough
County of Gloucester
Paulsboro, New Jersey 08066

We have audited the financial statements of the Board of Education of the Paulsboro Borough School District, 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 4, 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 audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be 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.

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

Compliance and Other Matters

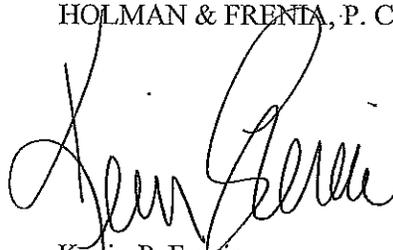
As part of obtaining reasonable assurance about whether the Paulsboro Borough Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an

opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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.

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

Respectively submitted,

HOLMAN & FRENIA, P. C.

A handwritten signature in black ink, appearing to read "Kevin P. Frenia", written over the printed name below.

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

Medford, New Jersey
November 4, 2011



Certified Public Accountants & Consultants

EXHIBIT K-2

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

Honorable President and Members
of the Board of Education
Paulsboro Borough
County of Gloucester
Paulsboro, New Jersey 08066

Compliance

We have audited the compliance of the Board of Education of the Paulsboro Borough School District, in the County of Gloucester, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey Grants Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011. The Board of Education of the Paulsboro Borough 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 Board of Education of the Paulsboro Borough School District's management. Our responsibility is to express an opinion on Board of Education of the Paulsboro Borough School District's compliance based on our audit.

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

In our opinion, the Board of Education of the Paulsboro Borough School District, County of Gloucester, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal or state programs for the year ended June 30, 2011.

However, the results of our auditing procedures disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04.

Internal Control Over Compliance

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

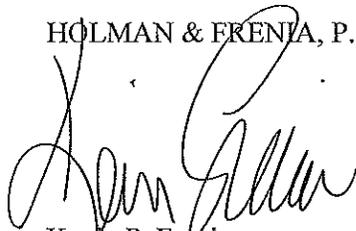
A deficiency in a District's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be 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. Paulsboro Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Paulsboro Board of Education's response and, accordingly, we express no opinion on it.

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

Respectively submitted,

HOLMAN & FRENIA, P. C.



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

Medford, New Jersey
November 4, 2011

PAULSBORO BOARD OF EDUCATION
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

FEDERAL GRANTOR PASS-THROUGH GRANTOR GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2010	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2011	DUE TO GRANTOR JUNE 30, 2011
U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:									
Enterprise Fund:									
National School Lunch Program	10.555		\$302,917	7/1/09-6/30/10	(\$18,155)	18,155			
National School Lunch Program	10.555		281,100	7/1/10-6/30/11		261,446	(281,100)	(19,654)	
National Summer Lunch Program	10.559		20,641	7/1/10-6/30/11		20,641	(20,641)		
School Breakfast Program	10.553		121,405	7/1/09-6/30/10	(9,258)	9,258			
School Breakfast Program	10.553		125,226	7/1/10-6/30/11		113,945	(125,226)	(11,281)	
Food Distribution Program	10.550		19,952	7/1/10-6/30/11		19,952	(19,952)		
After School Snack Program	10.550		1,407	7/1/09-6/30/10	(51)	51			
After School Snack Program	10.550		1,197	7/1/10-6/30/11		1,197	(1,197)		
Total U.S. Department of Agriculture					(27,464)	444,645	(448,116)	(30,935)	
U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:									
General Fund:									
Medical Assistance Program	93.778		87,914	7/1/09-6/30/10	(23,819)	23,819			
Medical Assistance Program	93.778		80,618	7/1/10-6/30/11		55,876	(80,618)	(24,742)	
Special Revenue Fund:									
I.A.S.A.:N.C.L.B.									
Title I	84.010	NCLB402011	849,751	9/1/10-8/31/11		335,500	(805,614)	(470,114)	
Title I	84.010	NCLB402010	929,119	9/1/09-8/31/10	(484,771)	537,765	(52,994)		
Title I - Carryover	84.010	NCLB402009	987,659	9/1/08-8/31/09	(204,411)	204,411			
Title I, SIA	84.010	NCLB402011	31,295	9/1/10-8/31/11			(27,450)	(27,450)	
Title I, SIA - Carryover	84.010	NCLB402007	27,220	9/1/06-8/31/07	5,391		(5,391)		
Title I, SIA - Carryover	84.010	NCLB402009	75,000	9/1/08-8/31/09	(46,786)	51,374	(39,289)	(34,701)	
Title I, SIA - ARRA	84.389	NCLB405010	497,807	9/1/09-8/31/11			(23,836)	(23,836)	
Title I - ARRA	84.389	NCLB405010	497,807	9/1/09-8/31/11	(157,831)	2,588	(141,992)	(297,235)	
Title II - Part A	84.281A	NCLB402011	118,758	9/1/10-8/31/11		36,792	(99,109)	(62,317)	
Title II - Part A - Carryover	84.281A	NCLB402010	121,576	9/1/09-8/31/10	(37,226)	37,846	(620)		
Title II - Part A - Carryover	84.281A	NCLB402009	117,479	9/1/08-8/31/09	(7,580)	7,580			
Title II - Part D - Carryover	84.281D	NCLB402010	3,891	9/1/09-8/31/10		3,891	(3,891)		
Title III	93.052	NCLB402011	1,724	9/1/10-8/31/11		1,724	(1,724)		
Title IV - Carryover	84.186	NCLB402010	12,469	9/1/09-8/31/10	(8,882)	7,762		(1,120)	
Title IV - Carryover	84.186	NCLB402009	13,122	9/1/08-8/31/09	(2,357)	2,357			
I.D.E.A. B -Basic	84.026	IDEA405011	387,044	9/1/10-8/31/11		149,529	(239,494)	(89,965)	
I.D.E.A. B -Basic - Carryover	84.027	IDEA405010	365,500	9/1/09-8/31/10	244	20,374	(48,654)	(28,036)	
I.D.E.A. B -Basic - Carryover	84.027	IDEA405009	368,780	9/1/08-8/31/09	(279,833)	279,833			
I.D.E.A. Part B, Basic Regular - ARRA	84.391	IDEA405010	374,022	9/1/09-8/31/10	(10,297)		(138,816)	(149,113)	
I.D.E.A. Preschool - ARRA	84.392	IDEA405010	13,434	9/1/09-8/31/10	(13,359)	13,434	(75)		
I.D.E.A. - Preschool - Carryover	84.173	IDEA405009	13,359	9/1/08-8/31/09					
Local Capacity Grant	84.027A	N/A	254,000	10/1/04-9/30/05	3,275				3,275
21st Century Grant	84.287	N/A	490,231	7/1/07-6/30/08					
21st Century Grant	84.287	N/A	500,870	7/1/08-6/30/09	(4,053)	4,053			
Technology/Technology	84.048	PERK4020-04	22,789	7/1/03-6/30/04	1,050				1,050
Total Special Revenue Fund					(1,271,245)	1,776,508	(1,709,567)	(1,208,629)	4,325
Total Federal Financial Assistance					(\$1,298,709)	2,221,153	(2,157,683)	(1,239,564)	4,325

107

PAULSBORO BOARD OF EDUCATION
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT		REPAYMENT OF PRIOR YEARS' BALANCES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2011	DEFERRED REVENUE AT JUNE 30, 2011	DUE TO GRANTOR JUNE 30, 2011	MEMO	
				JUNE 30, 2010	CASH RECEIVED					BUDGETARY EXPENDITURES	BUDGETARY RECEIVABLE
State Department of Education											
General Fund:											
Current Expense:											
Categorical Special Education Aid	10-495-034-5120-089	\$586,424	7/1/09-6/30/10		586,424	(586,424)					586,424
Equalization Aid	10-495-034-5120-078	10,856,974	7/1/09-6/30/10		10,856,974	(10,856,974)				(54,544)	10,856,974
Extraordinary Special Education Aid	11-495-034-5120-473	107,330	7/1/10-6/30/11			(107,330)	(107,330)			(1,009,823)	107,330
Extraordinary Special Education Aid	10-495-034-5120-473	122,492	7/1/09-6/30/10	(\$122,492)	122,492						122,492
T.P.A.F. Pension	10-495-034-5095-006	627,257	7/1/10-6/30/11		627,257	(627,257)					627,257
T.P.A.F. Social Security Aid	10-495-034-5095-002	721,856	7/1/09-6/30/10	(35,194)	35,194						721,856
T.P.A.F. Social Security Aid	09-495-034-5095-002	684,512	7/1/10-6/30/11		649,010	(684,512)	(35,502)				684,512
Total General Fund				(157,686)	12,877,351	(12,862,497)	(142,832)			(1,064,367)	12,862,497
Special Revenue Fund:											
Preschool Education Aid	11-495-034-5120-085	260,750	7/1/10-6/30/11		234,675	(225,637)		9,038			225,637
Preschool Education Aid	10-495-034-5120-085	260,750	7/1/09-6/30/10	(26,075)	26,075						26,075
Character Education Aid	06-495-034-5120-053	4,000	7/1/05-6/30/06	4,000						4,000	4,000
Initiative Development for the Early Achievement in Literacy	07-100-034-5063-H300	25,000	7/1/06-6/30/07	2,677	1,724					4,401	2,677
REBEL	N/A	3,000	7/1/06-6/30/07		677					677	3,000
REBEL	N/A	6,000	7/1/07-6/30/08		2,576		(2,470)			106	6,000
Non-Public Basic Skills	09-100-034-5120-066	43,098	7/1/08-6/30/09		1,594		(1,594)				1,594
Non-Public Basic Skills	10-100-034-5120-066	49,904	7/1/09-6/30/10		6,717					6,717	49,904
Non-Public Basic Skills	11-100-034-5120-066	20,932	7/1/09-6/30/11		20,932	(20,932)					20,932
Non-Public Supplemental Instruction	11-100-034-5120-066	7,643	7/1/10-6/30/11		7,643	(7,643)					7,643
Non-Public Supplemental Instruction	10-100-034-5120-066	9,319	7/1/09-6/30/10		1			(1)			9,319
Non-Public Exam Classification	11-100-034-5120-065	20,575	7/1/10-6/30/11		20,575	(20,575)					20,575
Non-Public Exam Classification	10-100-034-5120-066	14,260	7/1/09-6/30/10		366			(366)			14,260
Non-Public Speech	11-100-034-5120-066	11,657	7/1/10-6/30/11		11,657	(11,657)					11,657
Non-Public Speech	10-100-034-5120-066	8,070	7/1/09-6/30/10		1,793			(1,793)			8,070
Non-Public Nursing	11-100-034-5120-070	7,004	7/1/10-6/30/11		7,004	(7,004)					7,004
Non-Public Transport	11-100-034-5120-066	11,051	7/1/10-6/30/11		11,051	(11,051)					11,051
Non-Public Textbook	11-100-034-5120-064	5,911	7/1/10-6/30/11		5,911	(5,911)					5,911
Teacher Quality Mentoring Grant	N/A	4,560	7/1/08-6/30/09		3,643		(3,643)				3,643
Total Special Revenue Fund				(2,031)	347,247	(310,410)	(9,867)	9,038	15,901		310,410
Capital Projects Fund:											
SDA Grant	4020-050-09-1001	321,501	7/1/10-6/30/11	(46,957)		(274,544)	(321,501)				321,501
SDA Grant	4020-050-10-1001	300,000	7/1/10-6/30/11			(101,410)	(101,410)				300,000
Total Capital Projects Fund				(46,957)		(375,954)	(422,911)				375,954
Debt Service Fund:											
Debt Service Aid Type II	11-495-034-5120-017	165,201	7/1/10-6/30/11		165,201	(165,201)					165,201
Total Debt Service Fund					165,201	(165,201)					165,201
Enterprise Fund:											
School Breakfast Program (State Share)	10-100-010-3360-067	8,478	7/1/09-6/30/10	(632)	632						8,478
National School Lunch Program - (State Share)	10-100-010-3360-067	12,055	7/1/09-6/30/10	(717)	717						12,055
National School Lunch Program - (State Share)	11-100-010-3360-067	6,102	7/1/10-6/30/11		5,652	(6,102)	(450)				6,102
Total Enterprise Fund				(1,349)	7,001	(6,102)	(450)				7,001
Total State Financial Assistance				(208,023)	13,396,800	(13,720,164)	(9,867)	9,038	15,901	(1,064,367)	13,720,164

**PAULSBORO BOROUGH BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2011**

1. General

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

2. Basis of Accounting

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

3. Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$115,823 for the general fund and \$3,840 for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

**PAULSBORO BOROUGH BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2011**

3. Relationship to Basic Financial Statements (continued):

	Federal	State	Total
General Fund	\$ 80,618	\$12,978,320	\$13,058,938
Special Revenue Fund	1,628,949	314,250	1,943,199
Capital Projects Fund		300,000	300,000
Debt Service Fund		165,201	165,201
Food Service Fund	448,116	6,102	454,218
Total Financial Assistance	<u>\$2,157,683</u>	<u>\$13,763,873</u>	<u>\$15,921,556</u>

4. Relationship to Federal and State Financial Reports

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

5. Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2011. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011.

Note 6. Federal and State Loans Outstanding

Paulsboro Board of Education had no loan balances outstanding at June 30, 2011.

**PAULSBORO BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2011**

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Awards

Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance With Section .510(a) of Circular A-133?	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I, Part A
84.391	ARRA – IDEA B, Basic Regular
84.389	ARRA – Title I

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**PAULSBORO BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2011**

Section I – Summary of Auditor’s Results (continued)

State Financial Assistance

Dollar threshold used to distinguish between type A and type B programs:	\$392,787
Auditee qualified as low-risk auditee?	Yes
Type of auditor’s report issued on compliance for major programs	<u>Unqualified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	No
Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04	No

Identification of major programs:

GMIS Number(s)	Name of State Program
11-495-034-5120-078	Equalization Aid

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 audit.

No Current Year Findings

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

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

No Current Year Findings

**PAULSBORO BOROUGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2011**

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

Finding 2009-01:

Condition:

The District has not recorded adjusting journal entries for the years ended June 30, 2007 and 2008. As a result, beginning and ending balances provided by the District are not accurate.

Current Status:

The condition has been corrected by the District.

Finding 2009-02:

Condition:

The District's food service enterprise fund is carrying a deficit fund balance of \$80,344 at June 30, 2009.

Current Status:

The condition has been corrected by the District.

Finding 2010-01:

Condition:

For the 2009-2010 school year, state aid had been adjusted throughout the year. We noted that the adjustments were been charged to budget appropriation lines rather than reducing applicable revenue lines.

Current Status:

The condition has been corrected by the District.

**PAULSBORO BOROUGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT (continued):
For the Fiscal Year Ended June 30, 2011**

Finding 2010-02:

Condition:

The District is required to maintain an accurate accounting of all Capital Assets of the District. This includes recording on the adjusted cost basis and adjusting for any additions and deletions.

Current Status

The condition has been corrected by the District.