

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



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2013**

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INTRODUCTORY SECTION



Gloucester Township Public Schools

John Bilodeau
Superintendent of Schools

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

December 5, 2013

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

Dear Board Members:

The comprehensive annual financial report of the Gloucester Township School District for the fiscal year ended June 30, 2013 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

REPORTING ENTITY AND ITS SERVICES:

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

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, as well as special education for handicapped youngsters. The District completed the 2012-2013 fiscal year with an average daily enrollment of 6,941.8 students, which is 83.5 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

| <u>Fiscal Year</u> | <u>Student Enrollment</u> | <u>Percent Change</u> |
|--------------------|---------------------------|-----------------------|
| 2012-13 | 6,941.8 | (1.19%) |
| 2011-12 | 7,025.3 | (4.29%) |
| 2010-11 | 7,340.3 | (1.20%) |
| 2009-10 | 7,428.9 | (1.41%) |
| 2008-09 | 7,535.3 | (1.13%) |
| 2007-08 | 7,621.2 | (1.70%) |
| 2006-07 | 7,753.2 | (1.15%) |
| 2005-06 | 7,843.7 | (0.98%) |
| 2004-05 | 7,921.2 | (0.76%) |
| 2003-04 | 7,981.7 | (0.44%) |

ECONOMIC CONDITION AND OUTLOOK:

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

INTERNAL ACCOUNTING CONTROLS:

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

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

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

BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2013.

ACCOUNTING SYSTEM AND REPORTS:

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

CASH MANAGEMENT:

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

RISK MANAGEMENT:

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

BUSINESS OPERATIONS:

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

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

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

INDEPENDENT AUDIT:

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

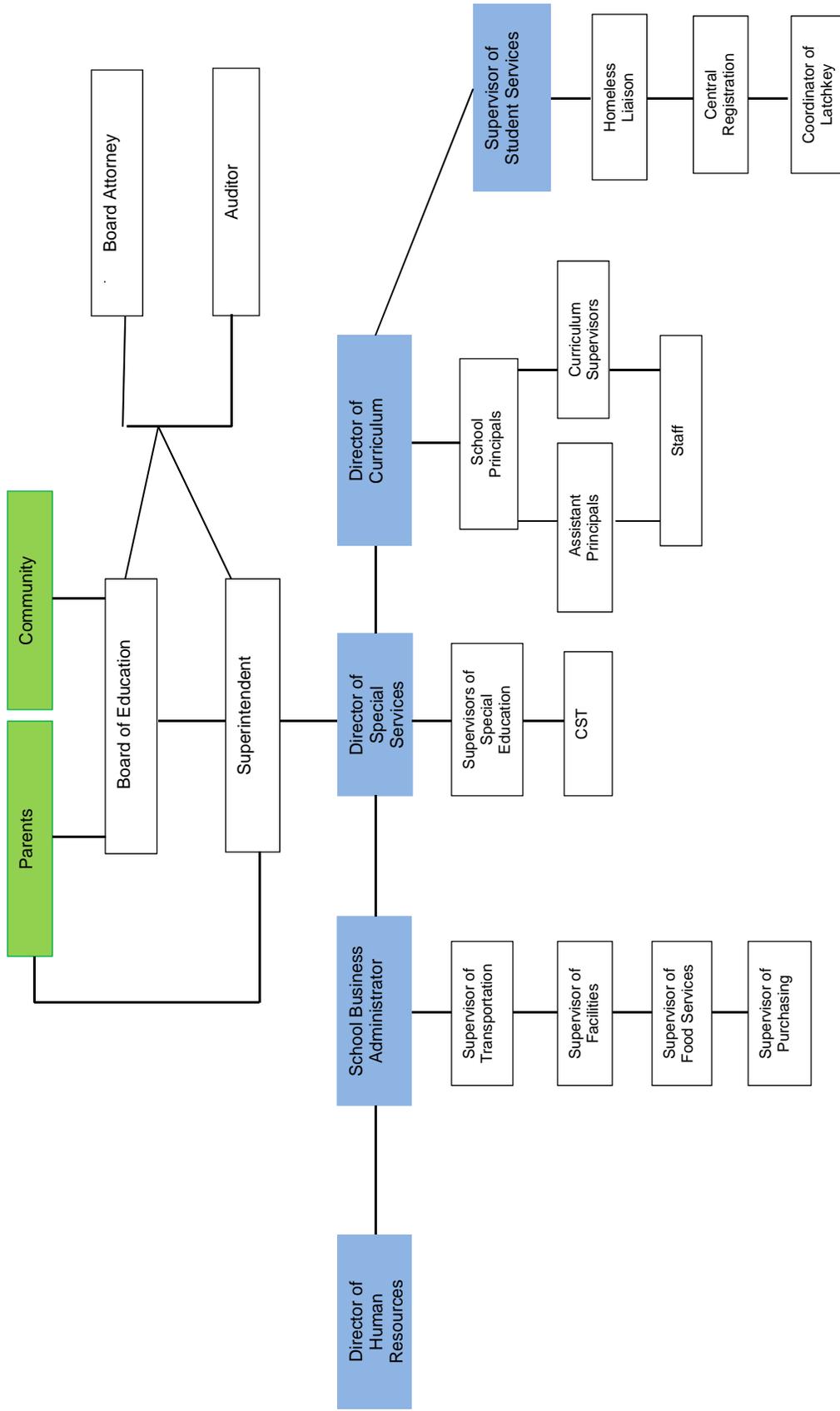
The Auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

ACKNOWLEDGEMENTS:

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



John D. Bilodeau
Superintendent of Schools



BOARD OF EDUCATION OF THE
TOWNSHIP OF GLOUCESTER
COUNTY OF CAMDEN
STATE OF NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2013

| <u>Members of the Board of Education</u> | <u>Term Expires</u> |
|--|---------------------|
| William G. Collins, President | 2013 |
| Raymond J. Carr, Vice President | 2015 |
| Marianne Coyle | 2014 |
| William Fontanez | 2015 |
| Linda Gilch | 2013 |
| Joseph F. Gunn | 2014 |
| Andrew R. Lalli | 2014 |
| Ellen Reese | 2013 |
| Felicia Reid | 2015 |
| <u>Other Officials</u> | |
| John Bilodeau, Interim Superintendent Board Secretary/ Asst. Superintendent for Business | |

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

CONSULTANTS AND ADVISORS

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORY

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

INSURANCE ADVISOR/BROKER

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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Gloucester Township School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Gloucester Township School District in the County of Camden, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2013, the School District adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB): *Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and *Statement No. 65, Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gloucester Township School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 4, 2013 on our consideration of the Gloucester Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Gloucester Township School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



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

Voorhees, New Jersey
December 4, 2013

**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**

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of the Treasury, of the governmental activities, the business-type activities, and the fund financial information of the Gloucester Township School District for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 4, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Gloucester Township School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Gloucester Township School District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance, we identified one deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance to be a material weakness as finding no.: 2013-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Gloucester Township School District's financial statements are free from 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 one instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey and which is described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance as finding no.: 2013-1.

The Gloucester Township School District's Response to Findings

The Gloucester Township School District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



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

Voorhees, New Jersey
December 4, 2013

REQUIRED SUPPLEMENTARY INFORMATION
PART I

Gloucester Township School District

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2013

This section of the Gloucester Township School District annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2013. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34- Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year (2012-13) and the prior year (2011-12) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2012-13 fiscal year include the following:

- Net Position for Governmental and Business-Type activities were \$48,619,656 and \$1,200,894, respectively.
- Net Position for both activities increased by \$3,429,763 from July 1, 2012 to June 30, 2013.
- The General Fund fund balance as of June 30, 2013 was \$16,813,881, an increase of \$1,108,831 when compared with the beginning balance of \$15,705,050 as of July 1, 2012.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

**Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2013**

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

Table A-1

MAJOR FEATURES OF THE GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Government-wide Statements

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

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

**Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2013**

Government-wide Statements (Cont'd)

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

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

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

**Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2013**

FINANCIAL ANALYSIS OF THE GLOUCESTER TOWNSHIP SCHOOL DISTRICT AS A WHOLE

Net Position. The District's net position for **governmental and business-type activities** were \$48,619,656 and \$1,200,894, respectively, as of June 30, 2013. (See Table A-2)

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------------|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Current and Other Assets | \$ 19,191,814 | \$ 18,357,875 | \$ 1,272,303 | \$ 1,517,797 | \$ 20,464,117 | \$ 19,875,672 |
| Capital Assets | 52,242,678 | 52,267,282 | 179,536 | 181,693 | 52,422,214 | 52,448,975 |
| Total Assets | 71,434,491 | 70,625,157 | 1,451,839 | 1,699,490 | 72,886,331 | 72,324,647 |
| Deferred Loss on | | | | | | |
| Refunding of Debt | 397,778 | 765,289 | - | - | 397,778 | 765,289 |
| Total Deferred Outflows | 397,778 | 765,289 | - | - | 397,778 | 765,289 |
| Long-term Liabilities | 18,499,099 | 21,221,487 | 119,175 | 126,650 | 18,618,274 | 21,348,137 |
| Other Liabilities | 4,713,515 | 5,202,976 | 131,770 | 148,036 | 4,845,285 | 5,351,012 |
| Total Liabilities | 23,212,614 | 26,424,463 | 250,945 | 274,686 | 23,463,559 | 26,699,149 |
| Net Position | | | | | | |
| Net Investment in Capital | 32,198,818 | 29,088,160 | 179,536 | 181,693 | 32,378,354 | 29,269,853 |
| Assets | | | | | | |
| Restricted | 15,016,313 | 13,483,866 | | | 15,016,313 | 13,483,866 |
| Unrestricted | 1,404,525 | 2,393,957 | 1,021,358 | 1,243,111 | 2,425,883 | 3,637,068 |
| Total Net Position | \$ 48,619,656 | \$ 44,965,983 | \$ 1,200,894 | \$ 1,424,804 | \$ 49,820,550 | \$ 46,390,787 |

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

- Program revenues were \$19,161,690.
 - ✓ Operating Grants & Contributions--\$14,854,904.
 - ✓ Charges for Services--\$4,306,786.
- General revenues totaled \$96,471,898.
- Net Expenditures were \$93,042,135.
- Total District revenues and beginning position are adjusted by net adjusted expenditures resulting in a calculation of net position of \$49,820,550 as of June 30, 2013.
- Revenues (\$96,471,898) + Beginning position (\$46,390,787) – Net expenditures (\$93,042,135) = Net Position of \$49,820,550.

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

**Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2013**

Change in Net Position. Net position for governmental and business-type activities increased by \$3,429,763 during the period from July 1, 2012 to June 30, 2013. (See Table A-3)

| Table A-3 | | | |
|---|-----------------------------|-----------------------------|----------------------------|
| Gloucester Township School District's Changes in Net Position | | | |
| | 2013 | 2012 | Increase/ Decrease |
| Revenues | | | |
| Program revenues: | | | |
| Charges for services | \$ 4,306,785 | \$ 4,381,823 | \$ (75,037) |
| Operating Grants and Contributions | 14,854,904 | 14,326,001 | 528,904 |
| General revenues | | | |
| Property taxes | 43,512,893 | 43,036,028 | 476,865 |
| State and Federal Aid | 52,146,826 | 52,639,922 | (493,096) |
| Other | 812,179 | 666,760 | 145,418 |
| Total revenues | <u>115,633,587</u> | <u>115,050,534</u> | <u>583,054</u> |
| Expenses | | | |
| Governmental Activities: | | | |
| Instruction: | | | |
| Regular | 34,354,778 | 35,280,362 | (925,583) |
| Special Education | 9,300,264 | 9,238,521 | 61,743 |
| Other Instruction | 2,044,579 | 2,042,166 | 2,413 |
| Non-Public School Programs | 836 | 1,157 | (321) |
| Community Service Programs | 3,596 | 6,000 | (2,404.35) |
| Support Services: | | | |
| Tuition | 4,914,497 | 4,002,479 | 912,018 |
| Student & Instruction Related Services | 8,519,392 | 8,718,777 | (199,384) |
| School Administrative Services | 3,133,103 | 3,193,051 | (59,948) |
| General and Business Administrative Services | 3,063,471 | 3,156,096 | (92,624) |
| Plant Operations and Maintenance | 6,282,657 | 6,371,859 | (89,202) |
| Pupil Transportation | 8,408,098 | 7,868,327 | 539,771 |
| Unallocated Benefits | 25,518,151 | 22,759,680 | 2,758,470 |
| Transfer to Charter Schools | 1,273,339 | 1,088,627 | 184,712 |
| Interest on Long-term Debt | 938,063 | 1,146,507 | (208,444) |
| Other Administrative Services | 200,825 | 38,067 | 162,758 |
| Total Expenses--Governmental Activities | <u>107,955,649</u> | <u>104,911,675</u> | <u>3,043,974</u> |
| Business-Type Activities: | | | |
| Food Service | 2,789,512 | 2,869,290 | (79,778) |
| Latchkey | 1,458,663 | 1,401,800 | 56,862 |
| Total Expenses--Business-Type Activities | <u>4,248,175</u> | <u>4,271,091</u> | <u>(22,916)</u> |
| Total Expenses | <u>112,203,824</u> | <u>109,182,766</u> | <u>3,021,058</u> |
| Net Increase/(Decrease) in Net Position | <u>3,429,763</u> | <u>5,867,768</u> | <u>(2,438,005)</u> |
| Net Position July 1 | <u>46,390,787</u> | <u>40,523,019</u> | <u>5,867,768</u> |
| Net Position June 30 | <u>\$ 49,820,550</u> | <u>\$ 46,390,787</u> | <u>\$ 3,429,763</u> |

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

**Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2013**

Total revenues for the District were \$115,633,587. Government funding of \$67,001,730 was the source of 57.9% of the district's revenues. This includes the State of New Jersey and Federal sources.

Property taxes of \$43,512,893 provided 37.6% of revenues, slightly up from 37.4% in 2012.

Other miscellaneous revenues of \$812,179 represent 0.7% of the district revenues. Miscellaneous revenues were primarily provided from interest, rentals, homeless tuition and refunds.

Total revenues exceeded expenses for governmental and business-type activities, increasing net position by \$3,429,763 from the beginning balance as of July 1, 2012.

The District's expenses for government activities are predominantly related to instruction and support services. Instruction together with tuition totaled \$50,618,550 (46.9%) of total expenditures. Student support services including transportation, exclusive of administration, totaled \$16,927,490 (15.7%) of total expenditures. (See Table A-4)

| Table A-4 | | |
|--|-----------------------------------|---------------------------------|
| Gloucester Township School District's Net Cost of Governmental Activities | | |
| For the Year Ended June 30, 2013 | | |
| Governmental Activities: | Total Cost of Services | Net Cost of Services |
| Instruction: | | |
| Regular | \$ 34,354,778 | \$31,334,175.41 |
| Special Education | 9,300,264 | 9,300,264 |
| Other Instruction | 2,044,579 | 2,044,579 |
| Non-Public School Programs | 836 | 836 |
| Community Service Programs | 3,596 | 3,596 |
| Support Services: | | |
| Tuition | 4,914,497 | 4,914,497 |
| Student & Instruction Related Services | 8,519,392 | 8,033,259 |
| School Administrative Services | 3,133,103 | 3,133,103 |
| General and Business Administrative Services | 3,063,471 | 3,063,471 |
| Plant Operations and Maintenance | 6,282,657 | 6,282,657 |
| Pupil Transportation | 8,408,098 | 6,716,133 |
| Unallocated Benefits | 25,518,151 | 15,847,606 |
| Transfer to Charter Schools | 1,273,339 | 1,273,339 |
| Interest on Long-term Debt | 938,063 | 665,993 |
| Other Administrative Services | 200,825 | 200,825 |
| | | |
| Total Governmental Activities | \$ 107,955,649 | \$ 92,814,332 |

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

**Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2013**

Activity Descriptions

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

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

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

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

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

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

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

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The financial performance of the Gloucester Township School District as a whole is also reflected in the governmental funds which are accounted for using the modified accrual basis of accounting. As the District completed the year, its governmental funds reported a combined fund balance of \$17,973,515. At the end of the 2011-12 school year, the fund balance was \$17,150,930.

All governmental funds had total revenues of \$109,917,358, total expenditures of \$105,604,226 and net other financing uses of \$3,490,547.

GENERAL FUND BUDGETING HIGHLIGHTS

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

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

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

**Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2013**

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

| Table A-5 | | | | |
|---|-------------------------------------|-------------------------------------|--|--|
| Gloucester Township School District Summary of General Fund Revenues | | | | |
| | Year Ended June 30, 2013 | Year Ended June 30, 2012 | Amount of Increase (Decrease) | Percent Increase (Decrease) |
| Local sources: | | | | |
| Local tax levy | \$40,874,970.00 | \$40,435,550.00 | \$ 439,420 | 1.1% |
| Miscellaneous | <u>804,648</u> | <u>634,520</u> | <u>170,128</u> | <u>26.8%</u> |
| Total - Local Sources | <u>41,679,618</u> | <u>41,070,070</u> | <u>609,548</u> | <u>1.5%</u> |
| State Sources | 60,398,814 | 57,283,675 | 3,115,139 | 5.4% |
| Federal Sources | <u>251,909</u> | <u>1,902,611</u> | <u>(1,650,702)</u> | <u>-86.8%</u> |
| Total - Govt Sources | <u>60,650,723</u> | <u>59,186,285</u> | <u>1,464,437</u> | <u>2.5%</u> |
| Total Revenues | <u>\$ 102,330,340</u> | <u>\$ 100,256,355</u> | <u>\$ 2,073,985</u> | <u>2.1%</u> |

The primary source of funding for the district is received from State sources which accounted for 59.0% of total revenues. Local property taxes accounted for 39.9% of total revenues.

Total General Fund revenue increased by \$2,073,985, or 2.1% from the previous year.

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

**Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2013**

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

| Table A-6 | | | | |
|--|-------------------------------------|-------------------------------------|---|---|
| Gloucester Township School District | | | | |
| Summary of General Fund Expenditures | | | | |
| | Year Ended June 30, 2013 | Year Ended June 30, 2012 | Amount of Increase/ (Decrease) | Percent Increase/ (Decrease) |
| Current: | | | | |
| Regular Instruction | \$ 30,152,105 | \$ 29,873,536 | \$ 278,569 | 0.9% |
| Special Education Instruction | 9,300,264 | 9,238,521 | 61,743 | 0.7% |
| Other Instruction | 2,009,957 | 2,009,438 | 519 | 0.0% |
| Community Service Programs/Operations | 3,596 | 6,000 | (2,404) | -40.1% |
| Support Services and Undistributed Costs: | | | | |
| Tuition | 4,914,497 | 4,002,479 | 912,018 | 22.8% |
| Student & Instruction Related Services | 8,024,923 | 8,126,416 | (101,493) | -1.2% |
| School Administrative Services | 3,095,497 | 3,156,084 | (60,587) | -1.9% |
| Other Administrative Services | 2,897,356 | 3,021,415 | (124,058) | -4.1% |
| Plant Operations and Maintenance | 5,894,593 | 6,046,479 | (151,886) | -2.5% |
| Pupil Transportation | 6,617,447 | 6,142,744 | 474,703 | 7.7% |
| Unallocated Employee Benefits | 15,575,762 | 14,779,375 | 796,387 | 5.4% |
| Transfer to Charter Schools | 1,273,339 | 1,088,627 | 184,712 | 17.0% |
| On-Behalf Payments (Non-Budget) | 9,670,545 | 7,881,305 | 1,789,240 | 22.7% |
| Capital Outlay | 148,708 | 675,896 | (527,188) | -78.0% |
| Total Expenditures | <u>\$ 99,578,589</u> | <u>\$ 96,048,315</u> | <u>\$ 3,530,274</u> | <u>3.7%</u> |

Total General Fund expenditures and other financing uses increased \$3,530,274, or 3.7% from the previous year. This increase was largely due to the increase in non-budgeted obligations which the State of New Jersey funds on behalf of the district. General fund obligations were also increased from outside tuition fees associated with special needs students. In addition, transportation expenses increased for both employee fringe benefits and for bus fleet operation expenditures. Lastly the District experienced increased costs in employee health benefit premium rates.

The Gloucester Township Board of Education values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during the school year. The amounts of budgeted fund balance designated to support the subsequent year's budgets were \$5,687,794 for the 2013-14 school year and \$5,276,893 for the 2012-13 school year. These fund balances serve a two-fold purpose; (a) they are designated to assist the District in moderating local tax rate impacts from one fiscal year to the next; and (b) they finance capital improvements to the district's physical plant. By illustration, \$2,000,000 had been budgeted during the 2012-2013 school year and an additional \$1,900,000 was budgeted for the 2013-2014 school year for capital expenditures.

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

During the course of fiscal year 2013, the District modified the General Fund Budget as needed to ensure no line item was projected to be over-expended.

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

**Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2013**

DEBT SERVICE FUND

The current year obligations for payment of debt service principal and interest amounted to \$4,366,527, of which \$2,637,923 in funding was provided by the local tax levy and \$1,438,719 was received as state aid.

FOOD SERVICE FUND

The Food Service Fund had net position of \$478,802 as of June 30, 2013. This reflects a decrease of \$57,539 from June 30, 2012.

LATCH KEY FUND

The Latchkey Fund had net position of \$722,092 as of June 30, 2013. This reflects a decrease of \$166,371 from June 30, 2012.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

At the end of 2013, the district had capital assets with a book value of \$52,422,214. This consists of a broad range of capital assets, including land, school buildings, school buses, computer and audio-visual equipment, and administrative offices. Total depreciation expense for the year was \$2,375,114.59. (See Table A-7)

| Table A-7 | | | | | | |
|--|-------------------------|----------------------|--------------------------|-------------------|----------------------|----------------------|
| Gloucester Township School District's Capital Assets | | | | | | |
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Land | \$ 902,513.48 | \$ 902,513.48 | | | \$ 902,513 | \$ 902,513 |
| Construction in Progress | 1,820,951 | 1,820,951 | | | 1,820,951 | 1,820,951 |
| Land Improvements | 2,587,447 | 2,587,447 | | | 2,587,447 | 2,587,447 |
| Buildings and Improvements | 73,381,164 | 71,738,244 | | | 73,381,164 | 71,738,244 |
| Equipment | 11,672,950 | 11,003,709 | \$ 1,464,305 | \$ 1,428,113 | 13,137,256 | 12,431,822 |
| Total Capital Assets | 90,365,026 | 88,052,864 | 1,464,305 | 1,428,113 | 91,829,331 | 89,480,978 |
| Less: | | | | | | |
| Accumulated Depreciation | (38,122,348) | (35,785,582) | (1,284,769) | (1,246,420) | (39,407,117) | (37,032,002) |
| Net Capital Assets | \$ 52,242,678 | \$ 52,267,282 | \$ 179,536 | \$ 181,693 | \$ 52,422,214 | \$ 52,448,975 |

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

**Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2013**

Long-term Obligations

At year-end, the District had \$19,886,790 in general obligation bonds outstanding, a decrease of \$3,485,789 from last year. (See Table A-8)

The District had a liability of \$1,502,210 for compensated absences. This liability represents the District's contractual obligation to compensate employees for accumulated unused sick leave entitlements upon retirement.

| Table A-8 | | | | |
|--|------------------------------------|------------------------------------|-------------------------------------|-----------------------------|
| Gloucester Township School District | | | | |
| Long Term Debt Schedule | | | | |
| | Balance at | Balance at | Increase/ | % |
| | <u>June 30, 2013</u> | <u>June 30, 2012</u> | <u>(Decrease)</u> | <u>Change</u> |
| Governmental Activities: | | | | |
| General Obligation Bonds Payable | \$ 19,886,790 | \$ 23,372,579 | \$ (3,485,789) | -14.9% |
| Obligations Under Capital Leases | 230,915 | 98,471 | 132,444 | 134.5% |
| Compensated Absences | <u>1,369,685</u> | <u>1,097,841</u> | <u>271,844</u> | <u>24.8%</u> |
| | 21,487,389 | 24,568,891 | (3,081,501) | -12.5% |
| Business-type Activities: | | | | |
| Compensated Absences | <u>132,525</u> | <u>140,775</u> | <u>(8,250)</u> | <u>-5.9%</u> |
| Total | <u><u>\$ 21,619,914</u></u> | <u><u>\$ 24,709,666</u></u> | <u><u>\$ (3,089,751)</u></u> | <u><u>-12.5%</u></u> |

THE FUTURE OUTLOOK

The Gloucester Township School District presently maintains a sound financial condition. The State of New Jersey has recently changed many laws regarding the annual approval of local school budgets. The initial year for these legislative enactments was for the 2012-2013 school year. Local school districts which approve a budget at an increase of no more than 102% of the previous year's local tax levy are exempt from a public vote on the school budget. In response to this legislation, Gloucester Township Public Schools have developed the last two school budgets (i.e. 2012-13 and 2013-14) below the two-percent cap.

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

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

**Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2013**

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Kathleen Forsythe, School Business Administrator at: Gloucester Township School District, 17 Erial Road, Blackwood, New Jersey 08012

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2013

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|-------------------------|
| ASSETS: | | | |
| Cash and Cash Equivalents | \$ 7,971,560.01 | \$ 1,171,255.43 | \$ 9,142,815.44 |
| Receivables, net (Note 4) | 2,264,814.63 | 76,804.72 | 2,341,619.35 |
| Interfund Accounts Receivable | 805,932.09 | | 805,932.09 |
| Inventory (Note 6) | | 24,242.84 | 24,242.84 |
| Restricted Assets: | | | |
| Restricted Cash and Cash Equivalents | 3,346,062.74 | | 3,346,062.74 |
| Capital Reserve Account - Cash | 4,803,444.20 | | 4,803,444.20 |
| Capital Assets, net (Note 5) | <u>52,242,677.67</u> | <u>179,536.25</u> | <u>52,422,213.92</u> |
| Total Assets | <u>71,434,491.34</u> | <u>1,451,839.24</u> | <u>72,886,330.58</u> |
| DEFERRED OUTFLOW OF RESOURCES: | | | |
| Deferred Loss on Defeasance of Debt | <u>397,778.45</u> | <u>-</u> | <u>397,778.45</u> |
| LIABILITIES: | | | |
| Accounts Payable | 808,656.44 | 23,120.69 | 831,777.13 |
| Internal Balances | (9,620.18) | 9,620.18 | |
| Payable to Federal Government | 13,801.02 | | 13,801.02 |
| Payable to State Government | 142,884.00 | | 142,884.00 |
| Estimated Worker's Compensation Claims Payable | 254,139.00 | | 254,139.00 |
| Unearned Revenue | 8,438.40 | 85,679.12 | 94,117.52 |
| Accrued Interest Payable | 182,991.83 | | 182,991.83 |
| Noncurrent Liabilities (Note 7): | | | |
| Due within One Year | 3,312,224.95 | 13,350.00 | 3,325,574.95 |
| Due beyond One Year | <u>18,499,098.65</u> | <u>119,175.00</u> | <u>18,618,273.65</u> |
| Total Liabilities | <u>23,212,614.11</u> | <u>250,944.99</u> | <u>23,463,559.10</u> |
| NET POSITION: | | | |
| Net Investment in Capital Assets | 32,198,817.52 | 179,536.25 | 32,378,353.77 |
| Restricted for: | | | |
| Debt Service | 952,673.97 | | 952,673.97 |
| Capital Projects | 4,827,412.50 | | 4,827,412.50 |
| Other Purposes | 9,236,226.55 | | 9,236,226.55 |
| Unrestricted (Deficit) | <u>1,404,525.14</u> | <u>1,021,358.00</u> | <u>2,425,883.14</u> |
| Total Net Position | <u>\$ 48,619,655.68</u> | <u>\$ 1,200,894.25</u> | <u>\$ 49,820,549.93</u> |

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

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2013

| Functions / Programs | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | |
|---|--------------------------|------------------------|------------------------------------|---|-------------------------|--------------------------|------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Governmental Activities: | | | | | | | |
| Instruction: | | | | | | | |
| Regular | \$ 34,354,778.43 | | \$ 3,020,603.02 | | \$ (31,334,175.41) | \$ | \$ (31,334,175.41) |
| Special Education | 9,300,264.03 | | | | (9,300,264.03) | | (9,300,264.03) |
| Other Special Instruction | 284,896.85 | | | | (284,896.85) | | (284,896.85) |
| Other Instruction | 1,759,681.81 | | | | (1,759,681.81) | | (1,759,681.81) |
| Nonpublic School Programs | 835.69 | | | | (835.69) | | (835.69) |
| Community Services Programs / Operations | 3,595.65 | | | | (3,595.65) | | (3,595.65) |
| Support Services: | | | | | | | |
| Tuition | 4,914,497.08 | | | | (4,914,497.08) | | (4,914,497.08) |
| Student and Instruction Related Services | 8,519,392.40 | | 486,133.84 | | (8,033,258.56) | | (8,033,258.56) |
| School Administrative Services | 3,133,102.78 | | | | (3,133,102.78) | | (3,133,102.78) |
| General and Business Administrative Services | 3,063,471.47 | | | | (3,063,471.47) | | (3,063,471.47) |
| Plant Operations and Maintenance | 6,282,657.38 | | | | (6,282,657.38) | | (6,282,657.38) |
| Pupil Transportation | 8,408,097.56 | | 9,670,544.92 | | (6,716,132.56) | | (6,716,132.56) |
| Unallocated Benefits | 25,518,150.53 | \$ 1,691,965.00 | | | (15,847,605.61) | | (15,847,605.61) |
| Transfer to Charter School | 1,273,338.92 | | | | (1,273,338.92) | | (1,273,338.92) |
| Interest on Long-Term Debt | 938,063.42 | | 272,070.75 | | (665,992.67) | | (665,992.67) |
| Other Administrative Services | 200,825.27 | | | | (200,825.27) | | (200,825.27) |
| Total Governmental Activities | 107,955,649.27 | 1,691,965.00 | 13,449,352.53 | - | (92,814,331.74) | - | (92,814,331.74) |
| Business-Type Activities: | | | | | | | |
| Food Service | 2,789,512.12 | 1,325,355.97 | 1,405,551.78 | | | \$ (58,604.37) | (58,604.37) |
| Latchkey | 1,458,662.87 | 1,289,464.48 | | | | (169,198.39) | (169,198.39) |
| Total Business-Type Activities | 4,248,174.99 | 2,614,820.45 | 1,405,551.78 | - | - | (227,802.76) | (227,802.76) |
| Total Primary Government | \$ 112,203,824.26 | \$ 4,306,785.45 | \$ 14,854,904.31 | \$ - | (92,814,331.74) | (227,802.76) | (93,042,134.50) |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property Taxes, Levied for General Purposes, net | | | | | 40,874,970.00 | | 40,874,970.00 |
| Taxes Levied for Debt Service | | | | | 2,637,923.00 | | 2,637,923.00 |
| Federal and State Aid not Restricted | | | | | 52,146,825.91 | | 52,146,825.91 |
| Investment Earnings | | | | | 45,996.96 | 3,892.45 | 49,889.41 |
| Miscellaneous Income | | | | | 762,289.19 | | 762,289.19 |
| Total General Revenues, Special Items, Extraordinary Items and Transfers | | | | | 96,468,005.06 | 3,892.45 | 96,471,897.51 |
| Change in Net Position | | | | | 3,653,673.32 | (223,910.31) | 3,429,763.01 |
| Net Position -- July 1 | | | | | 44,965,982.36 | 1,424,804.56 | 46,390,786.92 |
| Net Position -- June 30 | | | | | \$ 48,619,655.68 | \$ 1,200,894.25 | \$ 49,820,549.93 |

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

FUND FINANCIAL STATEMENTS

GLOUCESTER TOWNSHIP SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2013

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|---|-------------------------|------------------------|------------------------|----------------------|--------------------------|
| ASSETS: | | | | | |
| Cash and Cash Equivalents | \$ 9,285,101.26 | \$ 354,467.44 | \$ 1,500,580.86 | \$ 318,768.00 | \$ 11,140,149.56 |
| Interfund Accounts Receivable | 2,242,820.50 | | | | 2,561,588.50 |
| Receivables from Other Governments | 1,154,707.18 | 859,742.00 | 217,856.45 | | 2,232,305.63 |
| Restricted Cash and Cash Equivalents | 4,803,444.20 | | | | 4,803,444.20 |
| Total Assets | \$ 17,486,073.14 | \$ 1,214,209.44 | \$ 1,718,437.31 | \$ 318,768.00 | \$ 20,737,487.89 |
| LIABILITIES AND FUND BALANCES: | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | \$ 394,716.00 | \$ 184,296.00 | | | \$ 579,012.00 |
| Interfund Accounts Payable | 52,755.25 | 868,465.02 | \$ 615,390.30 | \$ 262,180.91 | 1,798,791.48 |
| Estimated Worker's Compensation Claims Payable | 221,046.00 | | | | 221,046.00 |
| Payable to State Government | | 142,884.00 | | | 142,884.00 |
| Payable to Federal Government | | 13,801.02 | | | 13,801.02 |
| Unearned Revenue | 3,675.00 | 4,763.40 | | | 8,438.40 |
| Total Liabilities | 672,192.25 | 1,214,209.44 | 615,390.30 | 262,180.91 | 2,763,972.90 |
| Fund Balances: | | | | | |
| Restricted: | | | | | |
| Capital Projects | | | 23,968.30 | | 23,968.30 |
| Debt Service | | | | 56,587.09 | 56,587.09 |
| Capital Reserve Account | 4,803,444.20 | | 1,079,078.71 | | 5,882,522.91 |
| Maintenance Reserve Account | 1,178,578.04 | | | | 1,178,578.04 |
| Emergency Reserve Account | 312,436.40 | | | | 312,436.40 |
| Tuition | 200,000.00 | | | | 200,000.00 |
| Tuition--Designated for Subsequent Year's Expenditures | 230,000.00 | | | | 230,000.00 |
| Excess Surplus--Current Year | 1,857,418.11 | | | | 1,857,418.11 |
| Excess Surplus--Designated for Subsequent Year's Expenditures | 5,457,794.00 | | | | 5,457,794.00 |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2013

LIABILITIES AND FUND BALANCES (CONTINUED):

Fund Balances (Continued):

Assigned:

Other Purposes

Unassigned

Total Fund Balances

Total Liabilities and Fund Balances

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

34

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$90,365,025.59, and the accumulated depreciation is \$38,122,347.92.

Deferred loss on defeasance of debt is a consumption of net position that is applicable to a future reporting period and therefore is not reported in the funds.

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

Net position of governmental activities

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

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|---|-------------------------|------------------------|------------------------|----------------------|--------------------------|
| Assigned: | | | | | |
| Other Purposes | \$ 282,397.91 | | | | \$ 282,397.91 |
| Unassigned | 2,491,812.23 | | | | 2,491,812.23 |
| Total Fund Balances | <u>16,813,880.89</u> | <u>-</u> | <u>\$ 1,103,047.01</u> | <u>\$ 56,587.09</u> | <u>17,973,514.99</u> |
| Total Liabilities and Fund Balances | <u>\$ 17,486,073.14</u> | <u>\$ 1,214,209.44</u> | <u>\$ 1,718,437.31</u> | <u>\$ 318,768.00</u> | <u>(182,991.83)</u> |
| Interest on long-term debt in the statement of activities is accrued, regardless of when due. | | | | | 52,242,677.67 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$90,365,025.59, and the accumulated depreciation is \$38,122,347.92. | | | | | 397,778.45 |
| Deferred loss on defeasance of debt is a consumption of net position that is applicable to a future reporting period and therefore is not reported in the funds. | | | | | <u>(21,811,323.60)</u> |
| Long-term liabilities, including bonds and capital leases payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. | | | | | <u>\$ 48,619,655.68</u> |
| Net position of governmental activities | | | | | |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Fiscal Year Ended June 30, 2013

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|---|-----------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| REVENUES: | | | | | |
| Local Tax Levy | \$ 40,874,970.00 | | | \$ 2,637,923.00 | \$ 43,512,893.00 |
| Miscellaneous | 804,647.78 | | 3,638.37 | | 808,286.15 |
| State Sources | 60,398,813.97 | \$ 352,706.79 | | 1,438,719.00 | 62,190,239.76 |
| Federal Sources | 251,908.61 | 3,154,030.07 | | | 3,405,938.68 |
| Total Revenues | <u>102,330,340.36</u> | <u>3,506,736.86</u> | <u>3,638.37</u> | <u>4,076,642.00</u> | <u>109,917,357.59</u> |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| Regular Instruction | 30,152,105.13 | | | | 33,172,708.15 |
| Special Education Instruction | 9,300,264.03 | 3,020,603.02 | | | 9,300,264.03 |
| Other Special Instruction | 250,274.84 | | | | 250,274.84 |
| Other Instruction | 1,759,681.81 | | | | 1,759,681.81 |
| Community Service Programs/Operations | 3,595.65 | | | | 3,595.65 |
| Support Services and Undistributed Costs: | | | | | |
| Tuition | 4,914,497.08 | | | | 4,914,497.08 |
| Student and Instruction Related Services | 8,024,922.61 | | | | 8,511,056.45 |
| School Administrative Services | 3,095,497.17 | 486,133.84 | | | 3,095,497.17 |
| Other Administrative Services | 2,897,356.32 | | | | 2,897,356.32 |
| Plant Operations and Maintenance | 5,894,593.30 | | | | 5,894,593.30 |
| Pupil Transportation | 3,126,900.86 | | | | 3,126,900.86 |
| Unallocated Benefits | 25,246,306.78 | | | | 25,246,306.78 |
| Transfer to Charter School | 1,273,338.92 | | | | 1,273,338.92 |
| Debt Service: | | | | | |
| Principal | | | | 3,540,789.47 | 3,540,789.47 |
| Interest and Other Charges | | | | 825,737.53 | 825,737.53 |
| Capital Outlay | 148,708.31 | | 1,642,919.70 | | 1,791,628.01 |
| Total Expenditures | <u>96,088,042.81</u> | <u>3,506,736.86</u> | <u>1,642,919.70</u> | <u>4,366,527.00</u> | <u>105,604,226.37</u> |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Fiscal Year Ended June 30, 2013

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|--|------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| Excess (Deficiency) of Revenues over Expenditures | \$ 6,242,297.55 | - | \$ (1,639,281.33) | \$ (289,885.00) | \$ 4,313,131.22 |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Proceeds of Refunding Bonds | | | | 7,430,000.00 | 7,430,000.00 |
| Premium on Refunding Bonds | | | | 189,532.45 | 189,532.45 |
| Payment to Refunded Bond Escrow Account | | | | (7,521,799.34) | (7,521,799.34) |
| Costs of Issuance--Refunding Bonds | | | | (97,733.11) | (97,733.11) |
| Operating Transfers In | 357,080.30 | | 2,000,000.00 | 278,638.37 | 2,635,718.67 |
| Operating Transfers Out | (5,490,546.52) | | (635,718.67) | | (6,126,265.19) |
| Total Other Financing Sources and Uses | (5,133,466.22) | - | 1,364,281.33 | 278,638.37 | (3,490,546.52) |
| Net Change in Fund Balances | 1,108,831.33 | - | (275,000.00) | (11,246.63) | 822,584.70 |
| Fund Balance -- July 1 | 15,705,049.56 | - | 1,378,047.01 | 67,833.72 | 17,150,930.29 |
| Fund Balance -- June 30 | \$ 16,813,880.89 | \$ - | \$ 1,103,047.01 | \$ 56,587.09 | \$ 17,973,514.99 |

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

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2013

| | | |
|---|----|----------------------------|
| Total Net Change in Fund Balances - Governmental Funds | \$ | 822,584.70 |
| <p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> | | |
| <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p> | | |
| Depreciation Expense | \$ | (1,922,741.25) |
| Capital Outlays (Exclusive of SDA Debt Service Aid Assessment) | | <u>1,781,731.02</u> |
| | | (141,010.23) |
| <p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p> | | |
| | | 3,540,789.47 |
| <p>The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p> | | |
| | | (473,908.29) |
| <p>The Internal Service Fund is used by management to charge the costs of providing student transportation services to the district and other school districts. This amount is the change in net position for the Internal Service fund, exclusive of any gain/(loss) on disposal of Internal Service Fund capital assets.</p> | | |
| | | (47,846.98) |
| <p>Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.</p> | | |
| | | 224,908.40 |
| <p>In the statement of activities, certain operating expenses, (e.g., compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). This amount is the net effect of the difference in treatment of compensated absences.</p> | | |
| | | <u>(271,843.75)</u> |
| Change in Net Position of Governmental Activities | \$ | <u><u>3,653,673.32</u></u> |

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

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2013

| | Business-Type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Fund |
|--|--|----------------------|------------------------|--|
| | Food Service | Latchkey | Totals | |
| ASSETS: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | \$ 337,701.18 | \$ 833,554.25 | \$ 1,171,255.43 | \$ 177,473.19 |
| Accounts Receivable: | | | | |
| State | 3,363.86 | | 3,363.86 | |
| Federal | 70,399.47 | | 70,399.47 | |
| Other Governments | | | | 32,509.00 |
| Other | 3,041.39 | | 3,041.39 | |
| Interfund | | | | 52,755.25 |
| Inventories | 24,242.84 | | 24,242.84 | |
| Total Current Assets | 438,748.74 | 833,554.25 | 1,272,302.99 | 262,737.44 |
| Noncurrent Assets: | | | | |
| Furniture, Machinery and Equipment | 1,360,785.08 | 103,520.33 | 1,464,305.41 | 6,924,645.10 |
| Less Accumulated Depreciation | (1,194,379.79) | (90,389.37) | (1,284,769.16) | (5,121,357.68) |
| Total Noncurrent Assets | 166,405.29 | 13,130.96 | 179,536.25 | 1,803,287.42 |
| Total Assets | 605,154.03 | 846,685.21 | 1,451,839.24 | 2,066,024.86 |
| LIABILITIES: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | 22,316.95 | 803.74 | 23,120.69 | 229,644.44 |
| Interfund Accounts Payable | 9,091.13 | 529.05 | 9,620.18 | |
| Compensated Absences Payable | 5,625.00 | 7,725.00 | 13,350.00 | |
| Estimated Worker's Compensation Claims Payable | | | | 33,093.00 |
| Capital Leases Payable | | | | 114,535.41 |
| Unearned Revenue | 20,893.87 | 64,785.25 | 85,679.12 | |
| Total Current Liabilities | 57,926.95 | 73,843.04 | 131,769.99 | 377,272.85 |
| Noncurrent Liabilities: | | | | |
| Compensated Absences Payable | 68,425.00 | 50,750.00 | 119,175.00 | |
| Capital Leases Payable | | | | 116,379.42 |
| Total Noncurrent Liabilities | 68,425.00 | 50,750.00 | 119,175.00 | 116,379.42 |
| Total Liabilities | 126,351.95 | 124,593.04 | 250,944.99 | 493,652.27 |
| NET POSITION: | | | | |
| Net Investment in Capital Assets | 166,405.29 | 13,130.96 | 179,536.25 | 1,572,372.59 |
| Unrestricted | 312,396.79 | 708,961.21 | 1,021,358.00 | |
| Total Net Assets | \$ 478,802.08 | \$ 722,092.17 | \$ 1,200,894.25 | \$ 1,572,372.59 |

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

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2013

| | Business-Type Activities - Enterprise Fund | | | Governmental Activities - Internal Service Fund |
|--|---|----------------------|-----------------------|---|
| | Food Service | Latchkey | Total Enterprise | |
| OPERATING REVENUES: | | | | |
| Charges for Services: | | | | |
| Daily Sales - Reimbursable Programs | \$ 794,917.70 | | \$ 794,917.70 | |
| Daily Sales - Non-Reimbursable Programs | 452,184.05 | | 452,184.05 | |
| Special Functions | 77,112.02 | | 77,112.02 | |
| Community Service Activities | | \$1,289,464.48 | 1,289,464.48 | |
| Transportation Fees from LEA | | | | \$3,490,546.52 |
| Transportation Fees from Other LEA's Within the State | | | | 1,691,965.00 |
| Miscellaneous | 1,142.20 | | 1,142.20 | |
| Total Operating Revenues | <u>1,325,355.97</u> | <u>1,289,464.48</u> | <u>2,614,820.45</u> | <u>5,182,511.52</u> |
| OPERATING EXPENSES: | | | | |
| Salaries | 873,198.94 | 660,311.43 | 1,533,510.37 | 1,905,822.57 |
| Employee Benefits | 731,818.30 | 509,039.79 | 1,240,858.09 | 1,474,192.69 |
| Purchased Professional Services | 30,845.74 | 9,300.00 | 40,145.74 | 71,019.65 |
| Cleaning, Repair and Maintenance Services | 70,938.64 | | 70,938.64 | 74,195.70 |
| Other Purchased Services: | | | | |
| Contracted Services (Between Home and School) | | | | 73,261.23 |
| Contracted Services (Other Than Between Home and School) | | | | 421,890.70 |
| Insurance | | | | 135,020.00 |
| Purchased Property Services | | 175,000.00 | 175,000.00 | |
| Other Purchased Services | 627.42 | 10,703.71 | 11,331.13 | |
| Communications/Telephone | | 14,915.17 | 14,915.17 | |
| Travel | 733.36 | 38.75 | 772.11 | |
| General Supplies | 56,073.70 | 65,260.19 | 121,333.89 | 159,808.00 |
| Transportation Supplies | | | | 940.63 |
| Gasoline | | | | 485,543.65 |
| Depreciation | 29,002.90 | 9,346.03 | 38,348.93 | 414,024.41 |
| Cost of Sales | 996,174.30 | | 996,174.30 | |
| Miscellaneous Expense | 98.82 | 4,747.80 | 4,846.62 | 9,077.00 |
| Total Operating Expenses | <u>2,789,512.12</u> | <u>1,458,662.87</u> | <u>4,248,174.99</u> | <u>5,224,796.23</u> |
| Operating Income (Loss) | <u>(1,464,156.15)</u> | <u>(169,198.39)</u> | <u>(1,633,354.54)</u> | <u>(42,284.71)</u> |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| State Sources: | | | | |
| State School Lunch Program | 30,007.39 | | 30,007.39 | |
| Federal Sources: | | | | |
| National School Lunch Program | 1,021,638.97 | | 1,021,638.97 | |
| National School Breakfast Program | 243,810.47 | | 243,810.47 | |
| After School Snack Program | 8,935.44 | | 8,935.44 | |
| Special Milk Program | 10,026.26 | | 10,026.26 | |
| Food Distribution Program | 91,133.25 | | 91,133.25 | |
| Interest on Capital Leases | | | | (5,562.27) |
| Interest and Investment Revenue | 1,065.04 | 2,827.41 | 3,892.45 | |
| Total Nonoperating Revenues (Expenses) | <u>1,406,616.82</u> | <u>2,827.41</u> | <u>1,409,444.23</u> | <u>(5,562.27)</u> |
| Income (Loss) before Contributions and Transfers | (57,539.33) | (166,370.98) | (223,910.31) | (47,846.98) |
| Operating Transfers In (Out) - General Fund | - | - | - | - |
| Change in Net Position | (57,539.33) | (166,370.98) | (223,910.31) | (47,846.98) |
| Total Net Position -- July 1 | 536,341.41 | 888,463.15 | 1,424,804.56 | 1,620,219.57 |
| Total Net Position -- June 30 | <u>\$ 478,802.08</u> | <u>\$ 722,092.17</u> | <u>\$1,200,894.25</u> | <u>\$1,572,372.59</u> |

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

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2013

| | Business-Type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Fund |
|--|--|------------------------|--------------------------|---|
| | Food Service | Latchkey | Total Enterprise | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Receipts from Customers | \$ 1,324,196.84 | \$ 1,253,580.63 | \$ 2,577,777.47 | \$ 5,147,898.00 |
| Payments to Employees | (850,988.54) | (660,311.43) | (1,511,299.97) | (1,859,234.50) |
| Payments for Employee Benefits | (738,184.59) | (507,821.37) | (1,246,005.96) | (1,439,220.09) |
| Payments to Suppliers | (1,147,500.49) | (283,470.09) | (1,430,970.58) | (1,269,878.42) |
| Net Cash Provided by (used for) Operating Activities | <u>(1,412,476.78)</u> | <u>(198,022.26)</u> | <u>(1,610,499.04)</u> | <u>579,564.99</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | |
| State Sources | 27,515.90 | | 27,515.90 | |
| Federal Sources | 1,342,919.96 | | 1,342,919.96 | |
| Net Cash Provided by (used for) Non-Capital Financing Activities | <u>1,370,435.86</u> | <u>-</u> | <u>1,370,435.86</u> | <u>-</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | |
| Purchases of Capital Assets | (36,192.00) | | (36,192.00) | (182,894.24) |
| Principal Paid on Capital Leases | | | | (215,091.68) |
| Interest Paid on Capital Leases | | | | (5,562.27) |
| Net Cash Provided by (used for) Capital and Related Financing Activities | <u>(36,192.00)</u> | <u>-</u> | <u>(36,192.00)</u> | <u>(403,548.19)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Interest and Dividends | 1,065.04 | 2,827.41 | 3,892.45 | - |
| Net Cash Provided by (used for) Investing Activities | <u>1,065.04</u> | <u>2,827.41</u> | <u>3,892.45</u> | <u>-</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (77,167.88) | (195,194.85) | (272,362.73) | 176,016.80 |
| Balances -- July 1 | 414,869.06 | 1,028,749.10 | 1,443,618.16 | 1,456.39 |
| Balances -- June 30 | <u>\$ 337,701.18</u> | <u>\$ 833,554.25</u> | <u>\$ 1,171,255.43</u> | <u>\$ 177,473.19</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | |
| Operating Income (Loss) | \$ (1,464,156.15) | \$ (169,198.39) | \$ (1,633,354.54) | \$ (42,284.71) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities: | | | | |
| Depreciation and Net Amortization | 29,002.90 | 9,346.03 | 38,348.93 | 414,024.41 |
| (Increase) Decrease in Inventories | 8,003.42 | | 8,003.42 | |
| (Increase) Decrease in Interfund Accounts Receivable | | | | (52,755.25) |
| Increase (Decrease) in Accounts Payable | 22,206.20 | (6,680.49) | 15,525.71 | 224,685.71 |
| Increase (Decrease) in Accrued Salaries Benefits | (14,775.00) | 6,525.00 | (8,250.00) | |
| (Increase) Decrease in Accounts Receivable, net | 243.81 | | 243.81 | 122,702.00 |
| Increase (Decrease) in Unearned Revenue | (1,402.94) | (35,883.85) | (37,286.79) | |
| Increase (Decrease) in Interfund Accounts Payable | 8,400.98 | (2,130.56) | 6,270.42 | (86,807.17) |
| Total Adjustments | <u>51,679.37</u> | <u>(28,823.87)</u> | <u>22,855.50</u> | <u>621,849.70</u> |
| Net Cash Provided by (used for) Operating Activities | <u>\$ (1,412,476.78)</u> | <u>\$ (198,022.26)</u> | <u>\$ (1,610,499.04)</u> | <u>\$ 579,564.99</u> |

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

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

| | Private-Purpose Trust Fund | Agency Funds | |
|---|--------------------------------------|-----------------------------|-----------------------------|
| | <u>Unemployment Compensation</u> | <u>Student Activity</u> | <u>Payroll</u> |
| ASSETS: | | | |
| Cash and Cash Equivalents | \$ 1,233,348.74 | \$ 168,526.03 | \$ 1,696,471.19 |
| Intrafund Accounts Receivable | <u>88,825.37</u> | <u> </u> | <u> </u> |
| Total Assets | <u>1,322,174.11</u> | <u>168,526.03</u> | <u>1,696,471.19</u> |
| LIABILITIES: | | | |
| Accounts Payable | 9,889.19 | | |
| Interfund Accounts Payable | | | 805,932.09 |
| Intrafund Accounts Payable | | | 88,825.37 |
| Payable to Student Groups | | 168,526.03 | |
| Payroll Deductions and Withholdings | | | <u>801,713.73</u> |
| Total Liabilities | <u>9,889.19</u> | <u>\$ 168,526.03</u> | <u>\$ 1,696,471.19</u> |
| NET POSITION: | | | |
| Held in Trust for Unemployment Claims and Other Purposes | <u>1,312,284.92</u> | | |
| Total Net Position | <u>\$ 1,312,284.92</u> | | |

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

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2013

| | Private-Purpose Trust Fund |
|----------------------------|---------------------------------------|
| | Unemployment Compensation Trust |
| ADDITIONS: | |
| Contributions: | |
| Employee Salary Deductions | \$ 95,172.10 |
| Investment Earnings: | |
| Interest | 2,865.47 |
| Total Additions | 98,037.57 |
| DEDUCTIONS: | |
| Unemployment Claims | 65,758.70 |
| Total Deductions | 65,758.70 |
| Change in Net Position | 32,278.87 |
| Net Position -- July 1 | 1,280,006.05 |
| Net Position -- June 30 | \$ 1,312,284.92 |

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

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Gloucester Township School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Description of the Reporting Entity

The Gloucester Township School District (hereafter referred to as the "School District") is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to educate students in grades K-8 at the District's eight elementary and three middle schools. The School District had an approximate enrollment at June 30, 2013 of 6,946.

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

Component Units

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, provide guidance that all entities associated with a primary government are potential component units, and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. In addition, GASB Statement No. 61 clarifies the manner in which component units are presented (discretely presented, blended, or included in the fiduciary fund financial statements).

Based on the aforementioned, the School District has determined that no component units exist for the fiscal year ended June 30, 2013.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses.

The government-wide financial statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements - The School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Internal service funds are aggregated and presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The governmental funds are accounted for on the "flow of current financial resources" measurement focus. This measurement focus is based on the concept of accountability, which includes measuring interperiod equity whether current year revenues were sufficient to pay for current year services. The proprietary fund is accounted for on an "economic resources" measurement focus. Accordingly, statement of revenues, expenses and changes in fund net position for the proprietary fund reports increases and decreases in total economic worth. The private-purpose trust fund is reported using the economic resources measurement focus.

Governmental Funds - Governmental funds are those through which most School District functions are financed. The acquisition, use, and balances of the School District's expendable financial resources and the related liabilities, except those accounted for in the proprietary fund and fiduciary funds, are accounted for through the governmental funds. The measurement focus is upon determination of changes in financial resources rather than upon determination of net income. The following are the School District's major governmental funds:

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)****Fund Financial Statements (Cont'd) –****Governmental Funds (Cont'd) –**

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

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

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

In addition to the capital outlay sub-fund, the School District is accountable for an additional sub-fund, the Education Jobs Fund ("Ed Jobs"), resulting from federal legislation signed into law on August 10, 2010. The Ed Jobs program was created to provide funding assistance to states in order to save or create education jobs for the 2010-2011 school year, through September 30, 2012. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education. Ed Jobs revenues and expenditures are recorded in the general fund (fund 18) on a reimbursement basis. As such, revenue is not included in the fiscal year surplus, and no portion of general fund balance at June 30, 2013 is considered to be attributable to Ed Jobs. Ed Jobs expenditures during the fiscal year ended June 30, 2013 are included as a component of overall general fund expenditures, and also are included in total general fund expenditures for purposes of the excess surplus calculation.

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)****Fund Financial Statements (Cont'd)****Proprietary Funds**

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the internal service fund includes costs associated with providing transportation services. All items not meeting this definition are reported as nonoperating revenues and expenses.

Enterprise Funds - The School District maintains the following enterprise funds:

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

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

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

Fiduciary Funds

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund category is split into two classifications: private-purpose trust funds and agency funds. The School District maintains the following fiduciary funds:

Agency Funds - Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). The School District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District maintains the following agency funds: student activity fund and payroll fund.

Private-Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. The School District maintains the following private-purpose trust fund:

New Jersey Unemployment Compensation Insurance Trust Fund - Revenues consist of contributions that have been included in the annual budget of the School District, employee payroll withholdings, and interest income. Expenditures represent claims incurred for unemployment.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)****Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Modified Accrual

Under the modified accrual basis, revenues are recognized in the accounting period in which they become susceptible to accrual, i.e. both available and measurable. "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. Significant revenues susceptible to accrual include ad valorem taxes, reimbursable-type grants, and interest on investments. The School District considers all revenues, with the exception of the expenditure-driven grants, as available if they are collected within sixty (60) days after fiscal year-end. The expenditure driven grants are considered available if received within one fiscal year from the balance sheet date. Property tax revenue is recognized when taxes are received, except at fiscal year end when revenue is recognized for taxes received by the School District within sixty (60) days subsequent to fiscal year end. Expenditures are recognized in the accounting period in which the liability is incurred. However, exceptions include the amount of unmatured principal and interest on general long-term debt, compensated absences, claims and judgments and certain prepaids which are recognized when due / paid.

In applying the susceptible to accrual concept to revenues from federal and state sources, the legal contractual requirements of the numerous individual programs are used as guidance. Revenue from grants and entitlements is recognized when all eligibility requirements have been satisfied. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before the School District will receive any amounts; therefore, revenues are recognized based on the occurrence of expenditures. In the other type, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed legal and contractual requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. In cases where monies are received and all eligibility requirements, including timing, have been satisfied, but the occurrence of expenditure has yet to happen, amounts are reported as unearned revenue. Conversely, where monies are received but eligibility requirements, including timing, have yet to be satisfied, such amounts are reported as deferred inflows of resources.

Accrual

Under the accrual basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred.

Revenue Recognition

Property Taxes - Ad valorem (property) taxes are susceptible to accrual. As under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Budgets / Budgetary Control**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the 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 one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

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

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

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

Cash, Cash Equivalents and Investments

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

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

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

Inventories

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

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

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

Tuition Receivable

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

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

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2013.

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

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position.

Capital Assets

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at fair market value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

| <u>Description</u> | <u>Estimated Lives</u> |
|----------------------------|------------------------|
| Land Improvements | 10-20 Years |
| Buildings and Improvements | 10-50 Years |
| Equipment | 4-10 Years |

The School District does not possess any infrastructure assets.

Deferred Loss on Refunding of Debt

Deferred loss on refunding arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2013 and 2012 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

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

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

Compensated Absences

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

The School District uses the termination method to calculate the compensated absences amount. The entire compensated absence liability is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. An expenditure is recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

Accrued Liabilities and Long-Term Obligations

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

Bond Discounts / Premiums

Bond discounts / premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts / premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

Net Position

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Net Position (Cont'd) -**

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

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

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

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

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

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

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

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

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

Interfund Activity

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

Accounting Estimates

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

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

In November 2010, the GASB issued Statement 60, *Accounting and Financial Reporting for Service Concession Arrangements*. GASBS 60 provides financial reporting guidance for service concession arrangements (SCAs). SCAs are defined as an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This Statement is effective for periods beginning after December 15, 2011. The School District does not have any SCAs and therefore the adoption of GASBS 60 does not have any impact on the School District's financial statements.

In November 2010, the GASB issued Statement 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. GASBS 61 provides additional criteria for classifying entities as component units to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. This Statement is effective for periods beginning after June 15, 2012. The School District elected to early implement GASBS 61 effective for fiscal year 2013. The adoption of GASBS 61, however, does not have any impact on the School District's financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements**

In December 2010, the GASB issued Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASBS 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This Statement is effective for periods beginning after December 15, 2011. The adoption of GASBS 62 does not have any impact on the School District's financial statements.

In June 2011, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASBS 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components: assets, deferred outflows of resources, liabilities, and deferred inflows of resources. This Statement is effective for financial statements for periods beginning after December 15, 2011. The adoption of GASBS 63, however, does not have a material impact on the School District's financial statements.

In March 2012, the GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities*. GASBS 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement is effective for periods beginning after December 15, 2012. The School District elected to early implement GASBS 65 effective for fiscal year 2013. The adoption of GASBS 65, however, does not have a material impact on the School District's financial statements.

In March 2012, the GASB issued Statement 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*. GASBS 66 is to improve accounting and financial reporting by state and local governmental entities by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Since the release of these Statements, questions have arisen concerning differences between the provisions in Statement 54 and Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, regarding the reporting of risk financing activities. Questions also have arisen about differences between Statement 62 and Statements No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, regarding the reporting of certain operating lease transactions, and No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, concerning the reporting of the acquisition of a loan or a group of loans and the recognition of servicing fees related to mortgage loans that are sold. This Statement is effective for periods beginning after December 15, 2012. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

In June 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*. GASBS 67 is to improve the usefulness of pension information included in the general purpose external financial reports (financial reports) of state and local governmental pension plans for making decisions and assessing accountability. This Statement is effective for periods beginning after June 15, 2013. The School District does not administer any state or local pension plans; therefore, the adoption of GASBS 67 will not have any impact on the School District's financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements (Cont'd)**

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASBS 68 is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. In addition, this Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This Statement is effective for periods beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements and expects the impact to be material.

In January 2013, the GASB issued Statement 69, *Government Combinations and Disposals of Government Operations*. GASBS 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement is effective for periods beginning after December 15, 2013. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

In April 2013, the GASB issued Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. GASBS 70 is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units. This Statement is effective for periods beginning after June 15, 2013. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

Note 2: CASH AND CASH EQUIVALENTS

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

As of June 30, 2013, the School District's bank balances of \$23,296,000.77 were exposed to custodial credit risk as follows:

| | |
|--|-------------------------|
| Insured by the Federal Deposit Insurance Corporation (FDIC) | \$ 250,000.00 |
| Uninsured and uncollateralized | 1,681,975.71 |
| Collateralized by securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name | <u>21,364,025.06</u> |
| Total | <u>\$ 23,296,000.77</u> |

Note 3: CAPITAL RESERVE ACCOUNT

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

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

Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)

The activity of the capital reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

| | | |
|---|---------------|-------------------------------|
| Balance July 1, 2012 | | \$ 5,435,577.15 |
| Increased by: | | |
| Transfer from Capital Projects Fund: | | |
| Local Share of Unexpended Project Balance | \$ 357,080.30 | |
| Board Resolution June 24, 2013 | 1,000,000.00 | |
| Interest Earnings | 10,786.75 | |
| | | <u>1,367,867.05</u> |
| Decreased by: | | |
| Withdrawals: | | |
| Budget Appropriation | 2,000,000.00 | |
| | | <u>2,000,000.00</u> |
| Balance June 30, 2012 | | <u><u>\$ 4,803,444.20</u></u> |

The June 30, 2013 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects. The withdrawals from the capital reserve were for use in Department of Education approved facilities projects, consistent with the School District's LRFP.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2013 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

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

| <u>Fund</u> | <u>Inter-Governmental</u> | <u>Other</u> | <u>Total</u> |
|------------------|---------------------------|--------------------|------------------------|
| General | \$ 1,154,707.18 | | \$ 1,154,707.18 |
| Special Revenue | 859,742.00 | | 859,742.00 |
| Capital Projects | 217,856.45 | | 217,856.45 |
| Proprietary | 106,272.33 | \$ 3,041.39 | 109,313.72 |
| | <u>\$ 2,338,577.96</u> | <u>\$ 3,041.39</u> | <u>\$ 2,341,619.35</u> |

Note 5: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013 is as follows:

| | <u>Balance</u> <u>July 1, 2012</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2013</u> |
|--|---------------------------------------|-------------------------|------------------|--|
| Governmental Activities: | | | | |
| Land | \$ 902,513.48 | | | \$ 902,513.48 |
| Construction in Progress | 1,820,950.96 | | | 1,820,950.96 |
| Total Capital Assets not being Depreciated | 2,723,464.44 | - | - | 2,723,464.44 |
| Land Improvements | 2,587,446.77 | | | 2,587,446.77 |
| Buildings and Improvements | 71,738,244.42 | \$ 1,642,919.70 | | 73,381,164.12 |
| Equipment | 11,003,708.70 | 669,241.56 | | 11,672,950.26 |
| Totals at Historical Cost | <u>88,052,864.33</u> | <u>2,312,161.26</u> | - | <u>90,365,025.59</u> |
| Less Accumulated Depreciation: | | | | |
| Land Improvements | (2,582,042.00) | (126,324.74) | | (2,708,366.74) |
| Buildings and Improvements | (25,464,760.51) | (1,527,812.85) | | (26,992,573.36) |
| Equipment | (7,738,779.75) | (682,628.07) | | (8,421,407.82) |
| Total Accumulated Depreciation | <u>(35,785,582.26)</u> | <u>(2,336,765.66) *</u> | - | <u>(38,122,347.92)</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 52,267,282.07</u> | <u>\$ (24,604.40)</u> | <u>\$ -</u> | <u>\$ 52,242,677.67</u> |
| Business-Type Activities: | | | | |
| Equipment | \$ 1,428,113.41 | \$ 36,192.00 | | \$ 1,464,305.41 |
| Less Accumulated Depreciation | <u>(1,246,420.23)</u> | <u>(38,348.93)</u> | | <u>(1,284,769.16)</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 181,693.18</u> | <u>\$ (2,156.93)</u> | <u>\$ -</u> | <u>\$ 179,536.25</u> |

* Depreciation expense was charged to governmental functions as follows:

| | |
|--|------------------------|
| Instruction Regular Programs | \$1,182,070.28 |
| Instruction Special Programs | 34,622.01 |
| Instruction Nonpublic School Programs | 835.69 |
| Support Services Students | 8,335.95 |
| Support Services General Administration | 88,515.92 |
| Support Services School Administration | 37,605.61 |
| Support Services Plant Operations and Maintenance | 436,756.09 |
| Support Services Pupil Transportation | 470,424.88 |
| Support Services Business and Other Support Services | 77,599.23 |
| Total Depreciation Expense | <u>\$ 2,336,765.66</u> |

Note 6: INVENTORY

Inventory recorded at June 30, 2013 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

| | |
|----------|---------------------|
| Food | \$ 15,115.52 |
| Supplies | <u>9,127.32</u> |
| | <u>\$ 24,242.84</u> |

Note 7: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2013, the following changes occurred in long-term obligations:

| | <u>Principal Outstanding July 1, 2012</u> | <u>Additions</u> | <u>Reductions</u> | <u>Principal Outstanding June 30, 2013</u> | <u>Due Within One Year</u> |
|---|---|------------------------|---------------------------|--|--------------------------------|
| Governmental Activities: | | | | | |
| General Obligation Bonds | \$ 23,372,579.01 | \$ 7,430,000.00 | \$ (10,915,789.47) | \$ 19,886,789.54 | \$ 3,015,789.54 |
| Obligations under Capital Lease | 98,470.51 | 347,536.00 | (215,091.68) | 230,914.83 | 114,535.41 |
| Compensated Absences | 1,097,841.25 | 271,843.75 | | 1,369,685.00 | 181,900.00 |
| Premium on Bonds | <u>473,361.19</u> | <u>189,532.45</u> | <u>(338,959.41)</u> | <u>323,934.23</u> | |
| Governmental Activity Long-term Liabilities | <u>\$ 25,042,251.96</u> | <u>\$ 8,238,912.20</u> | <u>\$ (11,469,840.56)</u> | <u>\$ 21,811,323.60</u> | <u>\$ 3,312,224.95</u> |
| Business-Type Activities: | | | | | |
| Compensated Absences | <u>\$ 140,775.00</u> | <u>\$ -</u> | <u>\$ (8,250.00)</u> | <u>\$ 132,525.00</u> | <u>\$ 13,350.00</u> |

The bonds payable were liquidated by the debt service fund, obligations under capital lease were liquidated by the internal service fund and compensated absences were liquidated by the general fund and the enterprise funds.

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

On March 1, 2007, the School District issued \$7,806,000.00 general obligation bonds at interest rates varying from 3.625% to 3.875% for the emergent replacement and reconstruction of the roofs at the Charles Lewis Middle School, Glen Landing Middle School and J.W. Lilly Elementary School. The final maturity of these bonds is March 1, 2022.

On September 1, 2011, the School District issued \$4,175,000.00 in general obligation refunding bonds with a variable interest rate of 2.0% to 3.0% to advance refund \$4,094,000.00 of outstanding callable 2002 series bonds with a variable interest rate of 4.2% to 4.4%. The final maturity of these bonds is August 1, 2017.

On May 8, 2013, the School District issued \$7,430,000.00 in general obligation refunding bonds with a variable interest rate of 0.45% to 2.00% to currently refund \$7,375,000.00 of outstanding 2004 refunding bonds with an interest rate of 4.00%. The final maturity of these bonds is August 1, 2017. See Note 16.

Note 7: LONG-TERM LIABILITIES (CONT'D)**Bonds Payable (Cont'd) –**

Principal and interest due on bonds outstanding is as follows:

| <u>Fiscal Year</u> <u>Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|-------------------------|------------------------|-------------------------|
| 2013 | \$ 3,015,789.54 | \$ 484,588.94 | \$ 3,500,378.48 |
| 2014 | 3,035,000.00 | 432,955.00 | 3,467,955.00 |
| 2015 | 3,130,000.00 | 368,163.76 | 3,498,163.76 |
| 2016 | 3,180,000.00 | 291,520.01 | 3,471,520.01 |
| 2017 | 3,220,000.00 | 215,620.00 | 3,435,620.00 |
| 2018-2022 | 4,306,000.00 | 425,630.02 | 4,731,630.02 |
| | <u>\$ 19,886,789.54</u> | <u>\$ 2,218,477.73</u> | <u>\$ 22,105,267.27</u> |

Bonds Authorized but not Issued - As of June 30, 2013, the School District had no authorizations to issue additional bonded debt.

Obligations under Capital Lease - The School District is leasing three buses totaling \$230,914.83 under a capital lease with a term of three years. The following is a schedule of the future minimum lease payments under this capital lease at June 30, 2013.

| <u>Fiscal Year</u> <u>Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|-------------------------|------------------------|----------------------|
| 2014 | \$ 114,535.41 | \$ 3,717.73 | \$ 118,253.14 |
| 2015 | 116,379.42 | 1,873.72 | 118,253.14 |
| | <u>\$ 230,914.83</u> | <u>\$ 5,591.45</u> | <u>\$ 236,506.28</u> |

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

Note 8: OPERATING LEASES

At June 30, 2013, the School District had an operating lease agreement in effect for copy machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

| <u>Fiscal Year</u> <u>Ending June 30,</u> | <u>Amount</u> |
|--|----------------------|
| 2014 | \$ 122,800.00 |
| 2015 | 122,800.00 |
| | <u>\$ 245,600.00</u> |

Rental payments under operating leases for the fiscal year ended June 30, 2013 were \$108,550.40.

Note 9: PENSION PLANS

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

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

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

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

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

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

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

Note 9: PENSION PLANS (CONT'D)**Public Employees' Retirement System (Cont'd) -**

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

| <u>Fiscal Year</u> | <u>Normal Contribution</u> | <u>Accrued Liability</u> | <u>Total Liability</u> | <u>Paid by School District</u> |
|--------------------|----------------------------|--------------------------|------------------------|--------------------------------|
| 2013 | \$ 383,126.00 | \$ 762,229.00 | \$ 1,145,355.00 | \$ 1,145,355.00 |
| 2012 | 467,634.00 | 785,694.00 | 1,253,328.00 | 1,253,328.00 |
| 2011 | 481,184.00 | 640,563.00 | 1,121,747.00 | 1,121,747.00 |

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

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

| <u>Fiscal Year</u> | <u>Normal Contribution</u> | <u>Accrued Liability</u> | <u>Total Liability</u> | <u>Paid by School District</u> |
|--------------------|----------------------------|--------------------------|------------------------|--------------------------------|
| 2013 | \$ 24,089.85 | - | \$ 24,089.85 | \$ 24,089.85 |
| 2012 | 20,523.35 | - | 20,523.35 | 20,523.35 |
| 2011 | 16,232.05 | - | 16,232.05 | 16,232.05 |

Note 10: STATE POST-RETIREMENT MEDICAL BENEFITS

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2012, there were 97,661 retirees receiving postemployment medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service. The State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in fiscal year 2012.

Note 11: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2013, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement medical costs were \$2,955,883 and \$3,342,357, respectively.

Note 12: RISK MANAGEMENT

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

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

The following is a summary of the activity of the School District's private-purpose trust fund for the unemployment claims for the current and previous two fiscal years:

| Fiscal Year Ended June 30, | District Contributions | Employee Contributions | Amount Reimbursed | Ending Balance |
|---------------------------------------|-----------------------------------|-----------------------------------|------------------------------|---------------------------|
| 2013 | - | \$ 95,172.10 | \$ 65,758.70 | \$ 1,312,284.92 |
| 2012 | - | 93,936.01 | 166,267.42 | 1,280,006.05 |
| 2011 | - | 91,239.18 | 407,278.64 | 1,341,610.69 |

Note 12: RISK MANAGEMENT (CONT'D)

Self-Insurance Plan - The School District has adopted a plan of self-insurance for workers' compensation insurance claims up to \$400,000.00 per any one accident. Claims greater than this amount are covered by an excess workers' compensation insurance policy. The records of the Administrator of the plan indicate \$254,139.00 of pending claims which have been recorded and are included in accounts payable as of June 30, 2013. Any additional funds required for claims in excess of these pending claims will be paid and charged to the 2013-2014 or future budgets.

Note 13: DEFERRED COMPENSATION

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

Lincoln Investment Planning, Inc.
Syracusa Benefits Program
Metlife
Equitable Life Assurance Society

Note 14: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2013, the liability for compensated absences in the governmental activities and proprietary fund types was \$1,369,685.00 and \$132,525.00, respectively.

Note 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2013 is as follows:

| <u>Fund</u> | <u>Interfunds Receivable</u> | <u>Interfunds Payable</u> |
|------------------|----------------------------------|-------------------------------|
| General | \$ 2,242,820.50 | \$ 52,755.25 |
| Special Revenue | | 868,465.02 |
| Capital Projects | | 615,390.30 |
| Debt Service | 318,768.00 | 262,180.91 |
| Proprietary | 52,755.25 | 9,620.18 |
| Fiduciary | | 805,932.09 |
| | <u>\$ 2,614,343.75</u> | <u>\$ 2,614,343.75</u> |

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2014, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 16: CAPITAL DEBT REFUNDING

On May 8, 2013, the School District issued \$7,430,000.00 in general obligation refunding bonds with a variable interest rate of 0.45% to 2.00% to currently refund \$7,375,000.00 of outstanding 2004 refunding bonds with an interest rate of 4.00%. The net proceeds of \$7,521,799.34 (after payment of issuance costs) were used to purchase U.S. Treasury Bills. These securities were deposited in an irrevocable trust with an escrow agent to provide for the redemption, on August 1, 2013, of all outstanding callable 2004 refunding bonds maturing in the years 2014 through and including 2017. As a result of the current refunding, the School District will reduce its total debt service payments over the next five years by \$472,589.48, which results in an economic gain (difference between the present values of the debt service payments of the old and new debt) of \$462,531.69.

Note 17: FUND BALANCES**RESTRICTED**

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

General Fund -

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2013 is \$6,622,968.11 presented on the budgetary basis of accounting (Exhibit C-1). Additionally, \$5,457,794.00 of excess fund balance generated during 2011-2012 has been restricted and designated for utilization in the 2013-2014 budget.

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

For Tuition - In accordance with N.J.A.C. 6A:23A-3.1(f)(8), the School District has restricted fund balance in the amount of \$430,000.00 in a legal reserve for tuition adjustments. This reserve represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated tuition cost of the respective contract year. As of June 30, 2013, \$200,000.00 and \$230,000.00 have been reserved for the contract years 2011-2012 and 2012-2013, respectively. \$230,000.00 has been designated for utilization in the 2013-2014 budget.

For Capital Reserve Account - As of June 30, 2013, the balance in the capital reserve account is \$4,803,444.20. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Maintenance Reserve Account - As of June 30, 2013, the balance in the maintenance reserve account is \$1,178,578.04. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

For Emergency Reserve - As of June 30, 2013, the balance in the emergency reserve is \$312,436.40. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1). The balance of the reserve is not permitted to exceed \$250,000.00, or one percent (1%) of the School District's general fund budget up to a maximum of \$1,000,000.00, whichever is greater. Deposits may be made to the emergency reserve account at budget time, or by board resolution at year end of any unanticipated revenue or unexpended line item appropriation, or both. Withdrawals from the emergency reserve require approval by the Commissioner.

Capital Projects Fund - As of June 30, 2013, the Capital Projects Fund balance amount of \$1,123,678.19, presented on the budgetary basis of accounting (Exhibit F-1), is restricted as follows:

| | |
|---|------------------------|
| Restricted for Debt Service Expenditures | \$ 1,079,078.71 |
| Restricted for Capital Project Expenditures: | |
| Designated for Subsequent Year's Expenditures | 44,599.48 |
| | <u>44,599.48</u> |
| | <u>\$ 1,123,678.19</u> |

Debt Service Fund - As of June 30, 2013, \$56,587.09 of debt service fund balance is restricted for future debt service expenditures, of which \$52,949.00 has been designated for utilization in the 2013-2014 budget.

ASSIGNED

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

General Fund -

Other Purposes - As of June 30, 2013, the School District had \$282,397.91 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

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

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

General Fund - As of June 30, 2013, \$2,491,812.23 of general fund balance was unassigned.

Note 18: LITIGATION

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

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2013

| | Original Budget | Budget Modifications | Final Budget | Actual | Variance Final to Actual Favorable/ (Unfavorable) |
|--|----------------------|----------------------|----------------------|-----------------------|---|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 40,874,970.00 | | \$ 40,874,970.00 | \$ 40,874,970.00 | |
| Unrestricted Miscellaneous | 373,589.00 | | 373,589.00 | 804,647.78 | \$ 431,058.78 |
| Total - Local Sources | 41,248,559.00 | - | 41,248,559.00 | 41,679,617.78 | 431,058.78 |
| State Sources: | | | | | |
| Equalization Aid | 45,129,600.00 | | 45,129,600.00 | 45,129,600.00 | |
| Transportation Aid | 470,925.00 | | 470,925.00 | 470,925.00 | |
| Categorical Special Education Aid | 3,865,272.00 | | 3,865,272.00 | 3,865,272.00 | |
| Security Aid | 455,313.00 | | 455,313.00 | 455,313.00 | |
| Tuition Reimbursements for Homeless Students | | | | 230,978.71 | 230,978.71 |
| Extraordinary Special Education Costs Aid | | | | 612,613.00 | 612,613.00 |
| Nonpublic School Transportation Aid | | | | 41,038.34 | 41,038.34 |
| Reimbursed TPAF Social Security Contributions (non-budgeted) | | | | 3,372,304.92 | 3,372,304.92 |
| On-behalf TPAF Pension Contributions (non-budgeted) | | | | 6,298,240.00 | 6,298,240.00 |
| Total - State Sources | 49,921,110.00 | - | 49,921,110.00 | 60,476,284.97 | 10,555,174.97 |
| Federal Sources: | | | | | |
| Special Education Medicaid Initiative | 116,052.00 | | 116,052.00 | 193,733.61 | 77,681.61 |
| Education Jobs Fund | | \$ 58,175.00 | 58,175.00 | 58,175.00 | |
| Total - Federal Sources | 116,052.00 | 58,175.00 | 174,227.00 | 251,908.61 | 77,681.61 |
| Total Revenues | 91,285,721.00 | 58,175.00 | 91,343,896.00 | 102,407,811.36 | 11,063,915.36 |
| EXPENDITURES: | | | | | |
| GENERAL CURRENT EXPENSE: | | | | | |
| Regular Programs - Instruction: | | | | | |
| Salaries of Teachers: | | | | | |
| Kindergarten | 1,370,568.00 | | 1,370,568.00 | 1,287,384.05 | 83,183.95 |
| Grades 1 - 5 | 15,807,589.00 | (83,000.00) | 15,724,589.00 | 15,553,393.13 | 171,195.87 |
| Grades 6 - 8 | 10,425,867.00 | 51,000.00 | 10,476,867.00 | 10,452,563.41 | 24,303.59 |
| Regular Programs - Home Instruction: | | | | | |
| Salaries of Teachers | 35,000.00 | 30,000.00 | 65,000.00 | 64,487.50 | 512.50 |
| Purchased Professional Educational Services | 12,000.00 | 10,000.00 | 22,000.00 | 20,820.48 | 1,179.52 |
| Regular Programs - Undistributed Instruction: | | | | | |
| Other Salaries for Instruction | 1,247,923.00 | (23,300.00) | 1,224,623.00 | 1,210,045.68 | 14,577.32 |
| Purchased Professional - Educational Services | 48,000.00 | | 48,000.00 | 46,518.37 | 1,481.63 |
| Travel | 10,000.00 | | 10,000.00 | 6,344.00 | 3,656.00 |
| General Supplies | 7,800.00 | | 7,800.00 | 2,575.85 | 5,224.15 |
| Textbooks | 1,418,289.32 | (30,190.11) | 1,388,099.21 | 1,342,591.77 | 45,507.44 |
| Other Objects | 152,380.00 | (1,409.89) | 150,970.11 | 146,256.45 | 4,713.66 |
| Total Regular Programs | 30,565,416.32 | (46,900.00) | 30,518,516.32 | 30,152,105.13 | 366,411.19 |

(Continued)

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2013

| | Original Budget | Budget Modifications | Final Budget | Actual | Variance Final to Actual Favorable/ (Unfavorable) |
|---|---------------------|----------------------|---------------------|---------------------|---|
| EXPENDITURES (CONT'D): | | | | | |
| GENERAL CURRENT EXPENSE (CONT'D): | | | | | |
| Behavioral Disabilities: | | | | | |
| Salaries of Teachers | \$ 241,094.00 | \$ 3,800.00 | \$ 244,894.00 | \$ 224,836.75 | \$ 20,057.25 |
| Other Salaries for Instruction | 74,971.00 | (800.00) | 74,971.00 | 35,293.93 | 39,677.07 |
| General Supplies | 3,000.00 | 800.00 | 2,200.00 | 2,118.26 | 81.74 |
| Textbooks | 2,000.00 | 800.00 | 2,000.00 | 764.41 | 35.59 |
| Other Objects | | | | 1,941.24 | 58.76 |
| Total - Behavioral Disabilities | 321,065.00 | 3,800.00 | 324,865.00 | 264,954.59 | 59,910.41 |
| Multiple Disabilities: | | | | | |
| Salaries of Teachers | 857,963.00 | | 857,963.00 | 846,470.17 | 11,492.83 |
| Other Salaries for Instruction | 198,926.00 | | 198,926.00 | 179,723.09 | 19,202.91 |
| General Supplies | 35,027.99 | | 35,027.99 | 25,592.79 | 9,435.20 |
| Textbooks | 2,000.00 | | 2,000.00 | | 2,000.00 |
| Other Objects | 4,000.00 | | 4,000.00 | 2,550.62 | 1,449.38 |
| Total - Multiple Disabilities | 1,097,916.99 | - | 1,097,916.99 | 1,054,336.67 | 43,580.32 |
| Resource Room/Center | | | | | |
| Salaries of Teachers | 5,871,261.00 | (29,000.00) | 5,842,261.00 | 5,826,143.76 | 16,117.24 |
| Other Salaries for Instruction | 277,433.00 | 9,000.00 | 286,433.00 | 271,616.73 | 14,816.27 |
| General Supplies | 72,600.00 | (200.00) | 72,400.00 | 54,726.30 | 17,673.70 |
| Textbooks | 5,000.00 | | 5,000.00 | 3,732.25 | 1,267.75 |
| Total - Resource Room/Center | 6,226,294.00 | (20,200.00) | 6,206,094.00 | 6,156,219.04 | 49,874.96 |
| Autism | | | | | |
| Salaries of Teachers | 433,673.00 | 60,000.00 | 493,673.00 | 493,505.00 | 168.00 |
| Other Salaries for Instruction | 711,781.00 | (17,000.00) | 694,781.00 | 694,781.00 | |
| General Supplies | 33,500.00 | | 33,500.00 | 30,604.77 | 2,895.23 |
| Other Objects | 3,000.00 | | 3,000.00 | 1,771.40 | 1,228.60 |
| Total - Autism | 1,181,954.00 | 43,000.00 | 1,224,954.00 | 1,220,662.17 | 4,291.83 |
| Preschool Disabilities - Part-time: | | | | | |
| Salaries of Teachers | 353,519.00 | (26,000.00) | 327,519.00 | 306,395.96 | 21,123.04 |
| Other Salaries for Instruction | 189,832.00 | 5,000.00 | 194,832.00 | 182,158.80 | 12,673.20 |
| General Supplies | 12,000.00 | | 12,000.00 | 11,006.15 | 993.85 |
| Other Objects | 2,400.00 | | 2,400.00 | 2,287.80 | 112.20 |
| Total - Preschool Disabilities - Part-Time | 557,751.00 | (21,000.00) | 536,751.00 | 501,848.71 | 34,902.29 |

(Continued)

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2013

| | Original Budget | Budget Modifications | Final Budget | Actual | Variance Final to Actual Favorable/ (Unfavorable) |
|---|-----------------|----------------------|---------------|---------------|---|
| EXPENDITURES (CONT'D): | | | | | |
| GENERAL CURRENT EXPENSE (CONT'D): | | | | | |
| Special Education (Cont'd): | | | | | |
| Home Instruction | | | | | |
| Salaries of Teachers | \$ 65,000.00 | \$ 25,000.00 | \$ 90,000.00 | \$ 89,042.50 | \$ 957.50 |
| Purchased Professional - Educational Services | 10,000.00 | 15,000.00 | 25,000.00 | 13,200.35 | 11,799.65 |
| Total - Home Instruction | 75,000.00 | 40,000.00 | 115,000.00 | 102,242.85 | 12,757.15 |
| Total - Special Education | 9,459,980.99 | 45,600.00 | 9,505,580.99 | 9,300,264.03 | 205,316.96 |
| Bilingual Education: | | | | | |
| Salaries of Teachers | 266,700.00 | (7,000.00) | 259,700.00 | 244,274.84 | 15,425.16 |
| General Supplies | 6,000.00 | | 6,000.00 | 6,000.00 | 500.00 |
| Other Objects | 500.00 | | 500.00 | | |
| Total - Bilingual Education | 273,200.00 | (7,000.00) | 266,200.00 | 250,274.84 | 15,925.16 |
| School Sponsored Curricular Activities - Instruction: | | | | | |
| Salaries | 334,708.00 | - | 334,708.00 | 279,372.78 | 55,335.22 |
| School Sponsored Athletics - Instruction: | | | | | |
| Salaries | 226,496.00 | | 226,496.00 | 190,844.53 | 35,651.47 |
| Other Purchased Services | 39,000.00 | | 39,000.00 | 25,496.92 | 13,503.08 |
| General Supplies | 39,000.00 | | 39,000.00 | 29,732.36 | 9,267.64 |
| Total - School-Sponsored Athletics - Instruction | 304,496.00 | - | 304,496.00 | 246,073.81 | 58,422.19 |
| Other Supplemental/At-Risk Programs - Instruction: | | | | | |
| Salaries of Reading Specialists | 1,275,000.00 | - | 1,275,000.00 | 1,234,235.22 | 40,764.78 |
| Total - Instruction | 42,212,801.31 | (8,300.00) | 42,204,501.31 | 41,462,325.81 | 742,175.50 |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2013

| | Original Budget | Budget Modifications | Final Budget | Actual | Variance Final to Actual Favorable/ (Unfavorable) |
|---|-----------------|----------------------|--------------|--------------|---|
| EXPENDITURES (CONT'D): | | | | | |
| GENERAL CURRENT EXPENSE (CONT'D): | | | | | |
| Community Service Programs/Operations: | | | | | |
| General Supplies | \$ 6,000.00 | - | \$ 6,000.00 | \$ 3,595.65 | \$ 2,404.35 |
| Undistributed Expenditures - Instruction: | | | | | |
| Tuition to Other LEAs within the State - Regular | 130,000.00 | 65,000.00 | 195,000.00 | 184,476.54 | 10,523.46 |
| Tuition to Other LEAs within the State - Special | 130,000.00 | 45,000.00 | 175,000.00 | 166,607.45 | 8,392.55 |
| Tuition to CSSD & Regional Day Schools | 2,400,000.00 | (168,000.00) | 2,232,000.00 | 2,231,566.72 | 433.28 |
| Tuition to Private School for the Disabled - within the State | 2,751,100.00 | (452,000.00) | 2,299,100.00 | 2,148,657.37 | 150,442.63 |
| Tuition - Out of State | | 90,000.00 | 90,000.00 | 88,020.00 | 1,980.00 |
| Tuition - State Facilities | 30,000.00 | | 30,000.00 | | 30,000.00 |
| Tuition - Other | 75,000.00 | 30,000.00 | 105,000.00 | 95,169.00 | 9,831.00 |
| Total Undistributed Expenditures - Instruction | 5,516,100.00 | (390,000.00) | 5,126,100.00 | 4,914,497.08 | 211,602.92 |
| Undistributed Expenditures - Attendance and Social Work Services: | | | | | |
| Other Salaries | 48,147.00 | 30,250.00 | 78,397.00 | 75,522.13 | 2,874.87 |
| General Supplies | 1,350.00 | | 1,350.00 | 43.50 | 1,306.50 |
| Total Undistributed Expenditures - Attendance and Social Work | 49,497.00 | 30,250.00 | 79,747.00 | 75,565.63 | 4,181.37 |
| Undistributed Expenditures - Health Services: | | | | | |
| Salaries | 970,891.00 | (25,000.00) | 945,891.00 | 918,222.82 | 27,668.18 |
| Purchased Professional and Technical Services | 468,700.00 | 200,000.00 | 668,700.00 | 665,817.87 | 2,882.13 |
| General Supplies | 5,000.00 | | 5,000.00 | 4,991.97 | 8.03 |
| Total Undistributed Expenditures - Health Services | 1,444,591.00 | 175,000.00 | 1,619,591.00 | 1,589,032.66 | 30,558.34 |
| Undistributed Expenditures - Speech, OT, PT & Related Services: | | | | | |
| Salaries | 1,513,600.00 | (105,000.00) | 1,408,600.00 | 1,340,477.17 | 68,122.83 |
| Purchased Professional Educational Services | 20,000.00 | 74,000.00 | 94,000.00 | 93,762.06 | 237.94 |
| General Supplies | 7,000.00 | | 7,000.00 | 1,952.35 | 5,047.65 |
| Total Undistributed Expenditures - Speech, OT, PT & Rel. Serv. | 1,540,600.00 | (31,000.00) | 1,509,600.00 | 1,436,191.58 | 73,408.42 |
| Undistributed Expenditures - Guidance: | | | | | |
| Salaries of Other Professional Staff | 1,432,055.00 | 16,000.00 | 1,448,055.00 | 1,433,398.28 | 14,656.72 |
| Salaries of Secretarial and Clerical Assistants | 65,642.00 | | 65,642.00 | | |
| Other Purchased Professional and Technical Services | 17,500.00 | (5,900.00) | 11,600.00 | 10,657.21 | 942.79 |
| General Supplies | 15,000.00 | 2,900.00 | 17,900.00 | 17,735.41 | 164.59 |
| Total Undistributed Expenditures - Guidance | 1,530,197.00 | 13,000.00 | 1,543,197.00 | 1,527,432.90 | 15,764.10 |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2013

| | Original Budget | Budget Modifications | Final Budget | Actual | Variance Final to Actual Favorable/ (Unfavorable) |
|---|---------------------|----------------------|---------------------|---------------------|---|
| EXPENDITURES (CONT'D): | | | | | |
| GENERAL CURRENT EXPENSE (CONT'D): | | | | | |
| Undistributed Expenses - Child Study Teams: | | | | | |
| Salaries of Other Professional Staff | \$ 1,551,364.00 | \$ 6,900.00 | \$ 1,558,264.00 | \$ 1,475,011.05 | \$ 83,252.95 |
| Purchased Professional Education Services | 20,000.00 | 36,000.00 | 36,000.00 | 28,274.13 | 7,725.87 |
| Other Purchased Professional and Technical Services | 15,000.00 | 10,300.00 | 30,300.00 | 30,296.77 | 3.23 |
| Miscellaneous Purchased Services | 56,923.00 | (5,900.00) | 9,100.00 | 9,025.85 | 74.15 |
| General Supplies | | (9,500.00) | 47,423.00 | 35,823.11 | 11,599.89 |
| Total Undistributed Expenditures - Child Study Teams | 1,643,287.00 | 37,800.00 | 1,681,087.00 | 1,578,430.91 | 102,656.09 |
| Undistributed Expenditures - Improvement of Instruction Services: | | | | | |
| Salaries of Other Professional Staff | 543,903.00 | (114,000.00) | 429,903.00 | 292,196.04 | 137,706.96 |
| Salaries of Secretarial and Clerical Assistants | 127,761.00 | (3,500.00) | 124,261.00 | 123,351.14 | 909.86 |
| Salaries of Facilitators, Math and Literacy Coaches | 419,144.00 | 3,500.00 | 422,644.00 | 422,531.62 | 112.38 |
| General Supplies | 2,800.00 | | 2,800.00 | 2,234.30 | 565.70 |
| Other Objects | 2,200.00 | | 2,200.00 | 1,350.00 | 850.00 |
| Total Undistributed Expenditures - Improvement of Instruction Services | 1,095,808.00 | (114,000.00) | 981,808.00 | 841,663.10 | 140,144.90 |
| Undistributed Expenditures - Educational Media/Library: | | | | | |
| Salaries of Other Professional Staff | 921,042.00 | | 921,042.00 | 864,359.10 | 56,682.90 |
| General Supplies | 66,030.00 | 1,000.00 | 67,030.00 | 61,062.08 | 5,967.92 |
| Total Undistributed Expenditures - Educational Media/Library | 987,072.00 | 1,000.00 | 988,072.00 | 925,421.18 | 62,650.82 |
| Undistributed Expenditures - Instructional Staff Training Services: | | | | | |
| Purchased Professional Education Services | 12,200.00 | | 12,200.00 | 10,515.00 | 1,685.00 |
| Travel | 5,200.00 | | 5,200.00 | 412.65 | 4,787.35 |
| Miscellaneous Purchased Services | 42,000.00 | | 42,000.00 | 40,257.00 | 1,743.00 |
| Total Undistributed Expenditures - Instructional Staff Training Services | 59,400.00 | - | 59,400.00 | 51,184.65 | 8,215.35 |
| Undistributed Expenditures - Support Services General Administration: | | | | | |
| Salaries | 250,203.00 | | 250,203.00 | 85,469.51 | 164,733.49 |
| Legal Services | 175,000.00 | 24,000.00 | 199,000.00 | 197,260.18 | 1,739.82 |
| Audit Fees | 85,000.00 | | 85,000.00 | 85,000.00 | |
| Architectural/Engineering Services | 90,297.76 | (24,000.00) | 66,297.76 | 23,440.38 | 42,857.38 |
| Miscellaneous Purchased Services | 90,000.00 | | 90,000.00 | 83,453.50 | 6,546.50 |
| Communications/Telephone | 210,360.00 | | 210,360.00 | 159,195.13 | 51,164.87 |
| Travel | 1,000.00 | | 1,000.00 | 926.24 | 73.76 |
| BOE Other Purchased Services | 10,000.00 | | 10,000.00 | 5,592.00 | 4,408.00 |
| General Supplies | 5,500.00 | 5,000.00 | 10,500.00 | 6,197.82 | 4,302.18 |
| Miscellaneous Expenditures | 26,000.00 | 85,000.00 | 111,000.00 | 23,046.19 | 87,953.81 |
| BOE Membership Dues and Fees | 27,000.00 | | 27,000.00 | 26,680.88 | 119.12 |
| Total Undistributed Expenditures - Support Services General Administration | 970,360.76 | 90,000.00 | 1,060,360.76 | 696,461.83 | 363,898.93 |

(Continued)

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2013

| | Original Budget | Budget Modifications | Final Budget | Actual | Variance Final to Actual Favorable/ (Unfavorable) |
|--|---------------------|-------------------------|---------------------|---------------------|--|
| EXPENDITURES (CONT'D): | | | | | |
| GENERAL CURRENT EXPENSE (CONT'D): | | | | | |
| Undistributed Expenditures - Support Services School Administration: | | | | | |
| Salaries of Principals/Assistant Principals | \$ 2,346,000.00 | \$ (2,000.00) | \$ 2,344,000.00 | \$ 2,205,828.59 | \$ 138,171.41 |
| Salaries of Other Professional Staff | 140,077.00 | | 140,077.00 | 109,464.60 | 30,612.40 |
| Salaries of Secretarial and Clerical Assistants | 772,164.00 | 2,000.00 | 774,164.00 | 763,754.31 | 10,409.69 |
| Purchased Professional Education Services | | 12,000.00 | 12,000.00 | 270.00 | 11,730.00 |
| Other Purchased Services | 15,000.00 | | 15,000.00 | 10,695.28 | 4,304.72 |
| Travel | 5,000.00 | | 5,000.00 | 3,014.91 | 1,985.09 |
| Miscellaneous Expenditures | | 148,000.00 | 148,000.00 | 2,469.48 | 145,530.52 |
| Total Undistributed Expenditures - Support Services School Administration | 3,278,241.00 | 160,000.00 | 3,438,241.00 | 3,095,497.17 | 342,743.83 |
| Undistributed Expenditures - Central Services | | | | | |
| Salaries | 1,043,163.00 | (36,500.00) | 1,006,663.00 | 954,061.57 | 52,601.43 |
| Purchased Professional Services | 52,000.00 | (6,000.00) | 46,000.00 | 34,665.00 | 11,335.00 |
| Miscellaneous Purchased Services | 189,600.00 | 39,500.00 | 229,100.00 | 223,914.61 | 5,185.39 |
| General Supplies | 43,169.00 | (10,000.00) | 33,169.00 | 31,883.24 | 1,285.76 |
| Miscellaneous Expenditures | 6,500.00 | 6,000.00 | 12,500.00 | 10,086.42 | 2,413.58 |
| Total Undistributed Expenditures - Central Services | 1,334,432.00 | (7,000.00) | 1,327,432.00 | 1,254,610.84 | 72,821.16 |
| Undistributed Expenditures - Admin. Info. Technology | | | | | |
| Salaries | 306,000.00 | | 330,750.00 | 329,210.88 | 1,539.12 |
| Purchased Technical Services | 200,915.67 | 24,750.00 | 200,915.67 | 197,877.45 | 3,038.22 |
| Cleaning Repair and Maintenance | 5,500.00 | | 5,500.00 | 251.56 | 5,248.44 |
| Other Purchased Services | 345,000.00 | 60,000.00 | 405,000.00 | 393,250.16 | 11,749.84 |
| Travel | 6,000.00 | | 6,000.00 | 4,498.41 | 1,501.59 |
| General Supplies | 38,000.00 | 35,000.00 | 73,000.00 | 21,195.19 | 51,804.81 |
| Total Undistributed Expenditures - Admin. Info. Technology | 901,415.67 | 119,750.00 | 1,021,165.67 | 946,283.65 | 74,882.02 |
| Undistributed Expenditures - Required Maint. for School Facilities: | | | | | |
| Other Salaries | 316,200.00 | | 316,200.00 | 282,490.28 | 33,709.72 |
| Cleaning, Repair & Maintenance Services | 223,800.00 | (20,000.00) | 203,800.00 | 184,879.03 | 18,920.97 |
| General Supplies | 85,749.40 | (15,000.00) | 70,749.40 | 60,541.97 | 10,207.43 |
| Other Objects | 13,000.00 | | 13,000.00 | 6,171.33 | 6,828.67 |
| Total Undistributed Expenditures - Required Maint. for School Facilities | 638,749.40 | (35,000.00) | 603,749.40 | 534,082.61 | 69,666.79 |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2013

| | Original Budget | Budget Modifications | Final Budget | Actual | Variance Final to Actual Favorable/ (Unfavorable) |
|--|---------------------|----------------------|---------------------|---------------------|---|
| EXPENDITURES (CONT'D): | | | | | |
| GENERAL CURRENT EXPENSE (CONT'D): | | | | | |
| Undistributed Expenditures - Custodial Services: | | | | | |
| Salaries | \$ 98,024.30 | 2,301,786.00 | 2,301,786.00 | 2,209,531.41 | \$ 92,254.59 |
| Purchased Professional and Technical Services | 239,090.49 | (50,000.00) | 48,024.30 | 3,058.87 | 44,965.43 |
| Cleaning, Repair & Maintenance Services | 8,000.00 | 35,000.00 | 274,090.49 | 261,345.59 | 12,744.90 |
| Rental of Land and Building Other Than Lease Purchase | 320,000.00 | 13,000.00 | 333,000.00 | 315,354.19 | 8,000.00 |
| Other Purchased Property Services | 295,000.00 | (33,000.00) | 262,000.00 | 229,570.00 | 17,645.81 |
| Insurance | 2,500.00 | | 2,500.00 | 293.40 | 32,430.00 |
| Travel | 27,302.29 | | 27,302.29 | 21,414.05 | 2,206.60 |
| General Supplies | 185,000.00 | | 185,000.00 | 157,342.75 | 5,888.24 |
| General Supplies - Custodial | 110,489.08 | 15,000.00 | 125,489.08 | 120,194.85 | 27,657.25 |
| General Supplies - Building Materials | 800,000.00 | (51,500.00) | 748,500.00 | 448,232.75 | 5,294.23 |
| Energy (Electricity) | 2,301,786.00 | (2,301,786.00) | | | 300,267.25 |
| Energy (Gasoline) | 1,500,000.00 | | 1,500,000.00 | 1,117,671.53 | 382,328.47 |
| Energy (Natural Gas) | 22,000.00 | 1,500.00 | 23,500.00 | 18,147.65 | 5,352.35 |
| Other Objects | | | | | |
| Total - Undistributed Expenditures - Custodial Services | 5,909,192.16 | (70,000.00) | 5,839,192.16 | 4,902,157.04 | 937,035.12 |
| Undistributed Expenditures - Care and Upkeep of Grounds: | | | | | |
| Salaries | 244,953.00 | (50,000.00) | 194,953.00 | 166,184.65 | 28,768.35 |
| Cleaning, Repair & Maintenance Services | 20,000.00 | 15,000.00 | 35,000.00 | 27,918.56 | 7,081.44 |
| General Supplies | 40,000.00 | | 40,000.00 | 33,364.89 | 6,635.11 |
| Other Objects | 7,000.00 | | 7,000.00 | 7,000.00 | |
| Total Undistributed Expenditures - Care and Upkeep of Grounds | 311,953.00 | (35,000.00) | 276,953.00 | 234,468.10 | 42,484.90 |
| Undistributed Expenditures - Security: | | | | | |
| Salaries | 224,803.00 | | 224,803.00 | 162,608.70 | 62,194.30 |
| Purchased Professional and Technical Services | 40,000.00 | | 40,000.00 | 180.00 | 39,820.00 |
| Cleaning, Repair & Maintenance Services | 153,434.00 | | 153,434.00 | 56,302.72 | 97,131.28 |
| General Supplies | 6,000.00 | | 6,000.00 | 4,794.13 | 1,205.87 |
| Total Undistributed Expenditures - Security | 424,237.00 | - | 424,237.00 | 223,885.55 | 200,351.45 |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2013

| | Original Budget | Budget Modifications | Final Budget | Actual | Variance Final to Actual Favorable/ (Unfavorable) |
|--|----------------------|-------------------------|----------------------|----------------------|--|
| EXPENDITURES (CONT'D): | | | | | |
| GENERAL CURRENT EXPENSE (CONT'D): | | | | | |
| Undistributed Expenditures - Student Transportation Services: | | | | | |
| Salaries for Pupil Transportation (Between Home & School) - Regular | \$ 142,800.00 | | \$ 142,800.00 | \$ 52,116.53 | \$ 90,683.47 |
| Salaries for Pupil Transportation (Between Home & School) - Special Educator | 571,900.00 | | 571,900.00 | 514,551.73 | 57,348.27 |
| Salaries for Pupil Transportation (Between Home & School) - Nonpublic | 41,000.00 | \$ 6,000.00 | 47,000.00 | 43,055.32 | 3,944.68 |
| Group Insurance | 257,000.00 | (9,000.00) | 248,000.00 | 236,980.90 | 11,019.10 |
| Social Security Contributions | 58,155.00 | | 58,155.00 | 45,320.78 | 12,834.22 |
| Other Retirement Contributions - PERS | 40,000.00 | | 40,000.00 | 40,000.00 | |
| Other Employee Benefits | 4,500.00 | | 4,500.00 | 2,322.32 | 2,177.68 |
| Contracted Services (Between Home & School) - Vendors | 380,000.00 | 71,000.00 | 451,000.00 | 432,055.14 | 18,944.86 |
| Contracted Services (Other Than Between Home & School) - Vendors | 60,000.00 | 13,000.00 | 73,000.00 | 72,694.40 | 305.60 |
| Contracted Services (Spec. Ed. Students) - Vendors | 25,000.00 | | 25,000.00 | 16,381.99 | 8,618.01 |
| Contracted Services (Special Ed. Students) - ESC/CTSA | 1,250,000.00 | 140,000.00 | 1,390,000.00 | 1,383,910.29 | 6,089.71 |
| Contracted Services - Aid in Lieu Payments - Nonpublic | 200,000.00 | (50,000.00) | 150,000.00 | 149,028.88 | 971.12 |
| Miscellaneous Purchased Services - Transportation | 130,794.00 | (16,000.00) | 114,794.00 | 850.00 | 113,944.00 |
| Transportation Supplies | 140,000.00 | 3,000.00 | 143,000.00 | 136,670.58 | 6,329.42 |
| Other Objects | 1,000.00 | | 1,000.00 | 962.00 | 38.00 |
| Total Undistributed Expenditures - Student Transportation Services | 3,302,149.00 | 158,000.00 | 3,460,149.00 | 3,126,900.86 | 333,248.14 |
| Unallocated Benefits - Employee Benefits: | | | | | |
| Social Security Contributions | 900,000.00 | | 900,000.00 | 794,845.76 | 105,154.24 |
| Other Retirement Contributions - PERS | 950,000.00 | (11,500.00) | 938,500.00 | 809,877.14 | 128,622.86 |
| Workmen's Compensation | 450,000.00 | 190,000.00 | 640,000.00 | 500,299.99 | 139,700.01 |
| Health Benefits | 13,378,266.00 | (153,825.00) | 13,224,441.00 | 12,649,717.25 | 574,723.75 |
| Tuition Reimbursement | 158,000.00 | | 158,000.00 | 83,730.32 | 74,269.68 |
| Other Employee Benefits | 729,640.00 | 33,500.00 | 763,140.00 | 737,291.40 | 25,848.60 |
| Total Unallocated Benefits - Employee Benefits | 16,565,906.00 | 58,175.00 | 16,624,081.00 | 15,575,761.86 | 1,048,319.14 |
| Undistributed Expenditures - Transfer to Charter Schools | 1,500,000.00 | (166,500.00) | 1,333,500.00 | 1,273,338.92 | 60,161.08 |
| Undistributed Expenditures- Non-budgeted: | | | | | |
| On-behalf TPAF Pension Contributions | - | - | - | 6,298,240.00 | (6,298,240.00) |
| Undistributed Expenditures - Non-budgeted Reimbursed TPAF Social Security Contributions | - | - | - | 3,372,304.92 | (3,372,304.92) |
| Total Undistributed Expenses | 49,003,187.99 | (5,525.00) | 48,997,662.99 | 54,473,413.04 | (5,475,750.05) |
| Total Current Expense | 91,221,989.30 | (13,825.00) | 91,208,164.30 | 95,939,334.50 | (4,731,170.20) |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2013

| | Original Budget | Budget Modifications | Final Budget | Actual | Variance Final to Actual Favorable/ (Unfavorable) |
|---|-------------------------|----------------------|-------------------------|-------------------------|---|
| EXPENDITURES (CONTD): | | | | | |
| CAPITAL OUTLAY: | | | | | |
| Equipment: | | | | | |
| Grades 6-8 | | | | | |
| Resource Room/Resource Center | \$ 10,000.00 | 6,800.00 | \$ 6,800.00 | \$ 6,727.00 | \$ 73.00 |
| Undistributed Expenditures: | | | | | |
| Operation and Maintenance of Plant Services | 12,710.00 | 40,000.00 | 52,710.00 | 42,794.69 | 9,915.31 |
| Care and Upkeep of Grounds | 27,051.05 | | 27,051.05 | 26,604.62 | 246.43 |
| Total - Equipment | 49,761.05 | 62,000.00 | 111,761.05 | 90,119.31 | 21,641.74 |
| Facilities Acquisition and Construction Services: | | | | | |
| Assessment for Debt Service on SDA Funding | 58,589.00 | - | 58,589.00 | 58,589.00 | - |
| Total - Facilities Acquisition and Construction Services | 58,589.00 | - | 58,589.00 | 58,589.00 | - |
| Total Capital Outlay | 108,350.05 | 62,000.00 | 170,350.05 | 148,708.31 | 21,641.74 |
| Total Expenditures | 91,330,339.35 | 48,175.00 | 91,378,514.35 | 96,088,042.81 | (4,709,528.46) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (44,618.35) | 10,000.00 | (34,618.35) | 6,319,768.55 | 6,354,386.90 |
| Other Financing Sources (Uses): | | | | | |
| Transfers to Capital Projects - Capital Reserve Transfer | (2,000,000.00) | | (2,000,000.00) | (2,000,000.00) | 357,080.30 |
| Transfers from Capital Projects Fund - Unexpended Balances Canceled | (3,488,442.00) | (10,000.00) | (3,498,442.00) | (3,490,546.52) | 7,895.48 |
| Transfers to Internal Service Fund - Board Contribution | (5,488,442.00) | (10,000.00) | (5,498,442.00) | (5,133,466.22) | 364,975.78 |
| Total - Other Financing Sources (Uses) | (5,533,060.35) | - | (5,533,060.35) | 1,186,302.33 | 6,719,362.68 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | 20,393,128.56 | - | 20,393,128.56 | 20,393,128.56 | - |
| Fund Balances, July 1 | 14,860,068.21 | - | 14,860,068.21 | 21,579,430.89 | 6,719,362.68 |
| Fund Balances, June 30 | \$ 14,860,068.21 | \$ - | \$ 14,860,068.21 | \$ 21,579,430.89 | \$ 6,719,362.68 |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2013

| | Original Budget | Budget Modifications | Final Budget | Actual | Variance Final to Actual Favorable/ (Unfavorable) |
|---|--------------------|-------------------------|-----------------|-------------------------|--|
| Recapitulation: | | | | | |
| Restricted: | | | | | |
| Capital Reserve | | | | \$ 4,803,444.20 | |
| Maintenance Reserve | | | | 1,178,578.04 | |
| Emergency Reserve | | | | 312,436.40 | |
| Reserve for Tuition: | | | | | |
| 2011-12--Designated for Subsequent Year's Expenditures | | | | | |
| 2012-13 | | | | 230,000.00 | |
| Excess Surplus--Current Year | | | | 200,000.00 | |
| Excess Surplus--Prior Year--Designated for Subsequent Year's Expenditures | | | | 6,622,968.11 | |
| Assigned: | | | | | |
| Year-End Encumbrances | | | | 282,397.91 | |
| Unassigned | | | | 2,491,812.23 | |
| | | | | <u>21,579,430.89</u> | |
| Reconciliation to Governmental Funds Statements (GAAP): | | | | | |
| Last State Aid Payments Not Recognized on GAAP Basis | | | | <u>(4,765,550.00)</u> | |
| Fund Balance per Governmental Funds (GAAP) | | | | <u>\$ 16,813,880.89</u> | |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule - Education Jobs Fund
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2013

| | <u>Original Budget</u> | <u>Budget Modifications</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual Favorable/ (Unfavorable)</u> |
|--|------------------------|-----------------------------|---------------------|---------------|--|
| REVENUES: | | | | | |
| Federal Sources: | | | | | |
| Education Jobs Fund | | \$ 58,175.00 | \$ 58,175.00 | \$ 58,175.00 | - |
| Total - Federal Sources | - | 58,175.00 | 58,175.00 | 58,175.00 | - |
| Total Revenues | - | 58,175.00 | 58,175.00 | 58,175.00 | - |
| EXPENDITURES: | | | | | |
| GENERAL CURRENT EXPENSE: | | | | | |
| Unallocated Benefits - Employee Benefits: | | | | | |
| Health Benefits | | 58,175.00 | 58,175.00 | 58,175.00 | - |
| Total Unallocated Benefits - Employee Benefits | - | 58,175.00 | 58,175.00 | 58,175.00 | - |
| Total Current Expense | - | 58,175.00 | 58,175.00 | 58,175.00 | - |
| Total Expenditures | - | 58,175.00 | 58,175.00 | 58,175.00 | - |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | - | - | - | - | - |
| Fund Balances, July 1 | - | - | - | - | - |
| Fund Balances, June 30 | \$ - | \$ - | \$ - | \$ - | \$ - |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT

Required Supplementary Information
 Budgetary Comparison Schedule
 SPECIAL REVENUE FUND

For the Fiscal Year Ended June 30, 2013

| | <u>Original Budget</u> | <u>Budget Modifications</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--------------------------------|------------------------|-----------------------------|---------------------|---------------------|---------------------------------|
| REVENUES: | | | | | |
| State Sources: | | | | | |
| Nonpublic Aid | \$ 408,353.00 | \$ 77,200.00 | \$ 485,553.00 | \$ 342,375.91 | \$ (143,177.09) |
| Character Education Aid | 3,667.87 | | 3,667.87 | 3,667.87 | |
| Municipal Drug Alliance | 8,700.08 | 1,615.00 | 10,315.08 | 6,532.13 | (3,782.95) |
| Total - State Sources | 420,720.95 | 78,815.00 | 499,535.95 | 352,575.91 | (146,960.04) |
| Federal Sources: | | | | | |
| N.C.L.B.: | | | | | |
| Title I | 868,025.00 | 106,288.01 | 974,313.01 | 900,886.41 | (73,426.60) |
| Title II - Part A | 186,835.00 | (6,514.07) | 180,320.93 | 179,281.77 | (1,039.16) |
| Title III | 23,482.00 | 6,985.00 | 30,467.00 | 14,693.28 | (15,773.72) |
| I.D.E.I.A. Part B: | | | | | |
| Basic | 1,499,695.00 | 474,182.00 | 1,973,877.00 | 1,864,753.06 | (109,123.94) |
| Preschool | | 124,232.00 | 124,232.00 | 115,000.00 | (9,232.00) |
| Race to the Top Phase 3 | 76,810.00 | | 76,810.00 | 76,810.00 | |
| Total - Federal Sources | 2,654,847.00 | 705,172.94 | 3,360,019.94 | 3,151,424.52 | (208,595.42) |
| Total Revenues | 3,075,567.95 | 783,987.94 | 3,859,555.89 | 3,504,000.43 | (355,555.46) |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT

Required Supplementary Information
 Budgetary Comparison Schedule
 SPECIAL REVENUE FUND

For the Fiscal Year Ended June 30, 2013

| | <u>Original Budget</u> | <u>Budget Modifications</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|------------------------|-----------------------------|---------------------|---------------------|---------------------------------|
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Salaries of Teachers | \$ 658,000.00 | \$ 181,934.43 | \$ 839,934.43 | \$ 815,003.00 | \$ 24,931.43 |
| Other Salaries for Instruction | | 272.13 | 272.13 | 272.13 | |
| Purchased Professional Educational Services | 315,000.00 | 80,379.00 | 395,379.00 | 263,287.58 | 132,091.42 |
| Purchased Professional and Technical Services | 12,367.95 | 25,000.00 | 37,367.95 | 30,272.66 | 7,095.29 |
| Tuition | 1,499,695.00 | 390,646.00 | 1,890,341.00 | 1,861,380.11 | 28,960.89 |
| General Supplies | 23,482.00 | 59,508.29 | 82,990.29 | 26,995.74 | 55,994.55 |
| Textbooks | 37,000.00 | (4,293.00) | 32,707.00 | 24,256.37 | 8,450.63 |
| Total Instruction | 2,545,544.95 | 733,446.85 | 3,278,991.80 | 3,021,467.59 | 257,524.21 |
| Support Services: | | | | | |
| Personal Services-Salaries | 39,228.08 | | 39,228.08 | 39,228.00 | 0.08 |
| Personal Services-Employee Benefits | 100,600.95 | 76,084.09 | 176,685.04 | 175,330.93 | 1,354.11 |
| Purchased Professional Educational Services | 366,760.00 | (237,932.00) | 128,828.00 | 127,688.00 | 1,140.00 |
| Purchased Professional and Technical Services | 1,161.27 | 191,528.20 | 192,689.47 | 103,294.42 | 89,395.05 |
| Other Purchased Professional Services | 21,235.65 | 2,500.00 | 2,500.00 | 35,933.94 | 2,500.00 |
| General Supplies | 1,037.05 | 17,333.30 | 38,568.95 | 1,057.55 | 2,635.01 |
| Other Objects | | 1,027.50 | 2,064.55 | | 1,007.00 |
| Total Support Services | 530,023.00 | 50,541.09 | 580,564.09 | 482,532.84 | 98,031.25 |
| Facilities Acquisition and Construction Services: | | | | | |
| Instructional Equipment | | | | | |
| Buildings | | | | | |
| Total Facilities Acquisition and Construction Services | - | - | - | - | - |
| Total Expenditures | 3,075,567.95 | 783,987.94 | 3,859,555.89 | 3,504,000.43 | 355,555.46 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ - | \$ - | \$ - | \$ - | \$ - |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to Required Supplementary Information
 For the Fiscal Year Ended June 30, 2013

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

| | <u>General Fund</u> | <u>Special Revenue Fund</u> |
|---|--------------------------|-------------------------------------|
| Sources / Inflows of Resources: | | |
| Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules | \$ 102,407,811.36 | \$ 3,504,000.43 |
| Differences - Budget to GAAP: | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | | 2,736.43 |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes. | 4,688,079.00 | |
| State aid payment recognized as revenue for budgetary purposes, not recognized for GAAP statements until the subsequent year. | <u>(4,765,550.00)</u> | |
| Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds | <u>\$ 102,330,340.36</u> | <u>\$ 3,506,736.86</u> |
| Uses / Outflows of Resources: | | |
| Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule | \$ 96,088,042.81 | \$ 3,504,000.43 |
| Differences - Budget to GAAP: | | |
| Encumbrances for goods or services ordered but not received are reported in the year the orders are placed for budgetary purposes, but in the year the goods or services are received for financial reporting purposes. | | <u>2,736.43</u> |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2) | <u>\$ 96,088,042.81</u> | <u>\$ 3,506,736.86</u> |

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2013

| | N.C.L.B. | | | | | | Total Brought Forward |
|---|------------------------|----------------------|----------------------|---------------------|-------------------------|------------------------------|------------------------|
| | Total | Title I | Title II Part A | Title III | Race to the Top Phase 3 | NJ Non-Public Technology Aid | |
| REVENUES: | | | | | | | |
| Federal Sources | \$ 3,151,424.52 | \$ 900,886.41 | \$ 179,281.77 | \$ 14,693.28 | \$ 76,810.00 | \$ 9,437.36 | \$ 1,979,753.06 |
| State Sources | 352,575.91 | | | | | | 343,138.55 |
| Total Revenues | 3,504,000.43 | 900,886.41 | 179,281.77 | 14,693.28 | 76,810.00 | 9,437.36 | 2,322,891.61 |
| EXPENDITURES: | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of Teachers | 815,003.00 | 656,295.00 | 144,330.00 | 12,878.00 | | | 1,500.00 |
| Other Salaries for Instruction | 272.13 | 272.13 | | | | | |
| Purchased Professional Educational Services | 263,287.58 | | | | | | 263,287.58 |
| Purchased Professional and Technical Services | 30,272.66 | 21,572.66 | | | | | 8,700.00 |
| Tuition | 1,861,380.11 | | | | | | 1,861,380.11 |
| General Supplies | 26,995.74 | 25,180.46 | | 1,815.28 | | | |
| Textbooks | 24,256.37 | | | | | | 24,256.37 |
| Total Instruction | 3,021,467.59 | 703,320.25 | 144,330.00 | 14,693.28 | - | - | 2,159,124.06 |
| Support Services: | | | | | | | |
| Personal Services-Salaries | 39,228.00 | | | | | | 39,228.00 |
| Personal Services-Employee Benefits | 175,330.93 | 140,202.16 | 32,127.77 | | | | 3,001.00 |
| Purchased Professional Educational Services | 127,688.00 | 57,364.00 | 2,824.00 | | 67,500.00 | | |
| Purchased Professional and Technical Services | 103,294.42 | | | | | | 103,294.42 |
| General Supplies | 35,933.94 | | | | 9,310.00 | 8,833.81 | 17,790.13 |
| Other Objects | 1,057.55 | | | | | 603.55 | 454.00 |
| Total Support Services | 482,532.84 | 197,566.16 | 34,951.77 | - | 76,810.00 | 9,437.36 | 163,767.55 |
| Facilities Acquisition and Construction Services: | | | | | | | |
| Instructional Equipment | | | | | | | |
| Non-Instructional Equipment | | | | | | | |
| Total Facilities Acquisition and Construction Services | - | - | - | - | - | - | - |
| Total Expenditures | \$ 3,504,000.43 | \$ 900,886.41 | \$ 179,281.77 | \$ 14,693.28 | \$ 76,810.00 | \$ 9,437.36 | \$ 2,322,891.61 |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2013

| | I.D.E.I.A. Part B | | | N.J. Nonpublic Auxiliary Services, Ch. 192, L. 1977 | | Total Brought Forward |
|---|---------------------|-------------------|------------------------|---|---------------------|-----------------------|
| | Basic | Preschool | Compensatory Education | Transportation | Character Education | |
| REVENUES: | | | | | | |
| Federal Sources | \$ 1,979,753.06 | \$ 115,000.00 | \$ 172,905.48 | \$ 8,156.46 | \$ 3,667.87 | \$ 158,408.74 |
| State Sources | 343,138.55 | | | | | |
| Total Revenues | 2,322,891.61 | 115,000.00 | 172,905.48 | 8,156.46 | 3,667.87 | 158,408.74 |
| EXPENDITURES: | | | | | | |
| Instruction: | | | | | | |
| Salaries of Teachers | 1,500.00 | | | | | 1,500.00 |
| Other Salaries for Instruction | 263,287.58 | | 172,905.48 | 8,156.46 | 3,667.87 | 82,225.64 |
| Purchased Professional Educational Services | 8,700.00 | | | | | 5,032.13 |
| Purchased Professional and Technical Services | 1,861,380.11 | 115,000.00 | | | | |
| Tuition | | | | | | |
| General Supplies | 24,256.37 | | | | | 24,256.37 |
| Textbooks | | | | | | |
| Total Instruction | 2,159,124.06 | 115,000.00 | 172,905.48 | 8,156.46 | 3,667.87 | 113,014.14 |
| Support Services: | | | | | | |
| Personal Services-Salaries | 39,228.00 | | | | | 39,228.00 |
| Personal Services-Employee Benefits | 3,001.00 | | | | | 3,001.00 |
| Purchased Professional Educational Services | 103,294.42 | | | | | 2,032.47 |
| Purchased Professional and Technical Services | 17,790.13 | | | | | 679.13 |
| General Supplies | 454.00 | | | | | 454.00 |
| Other Objects | | | | | | |
| Total Support Services | 163,767.55 | - | - | - | - | 45,394.60 |
| Facilities Acquisition and Construction Services: | | | | | | |
| Instructional Equipment | | | | | | |
| Non-Instructional Equipment | | | | | | |
| Total Facilities Acquisition and Construction Services | - | - | - | - | - | - |
| Total Expenditures | 2,322,891.61 | 115,000.00 | 172,905.48 | 8,156.46 | 3,667.87 | 158,408.74 |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2013

| | Total Carried Forward | NJ Non-Public Textbook Aid | NJ Non-Public Nursing Services Aid | Examination and Classification | Corrective Speech | Supplementary Instruction | Municipal Drug Alliance |
|--|-----------------------|----------------------------|------------------------------------|--------------------------------|---------------------|---------------------------|-------------------------|
| REVENUES: | | | | | | | |
| Federal Sources | | | | | | | |
| State Sources | \$ 158,408.74 | \$ 24,256.37 | \$ 45,394.60 | \$ 24,683.26 | \$ 40,544.28 | \$ 16,998.10 | \$ 6,532.13 |
| Total Revenues | <u>158,408.74</u> | <u>24,256.37</u> | <u>45,394.60</u> | <u>24,683.26</u> | <u>40,544.28</u> | <u>16,998.10</u> | <u>6,532.13</u> |
| EXPENDITURES: | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of Teachers | 1,500.00 | | | | | | 1,500.00 |
| Other Salaries for Instruction | 82,225.64 | | | 24,683.26 | 40,544.28 | 16,998.10 | 5,032.13 |
| Purchased Professional Educational Services | 5,032.13 | | | | | | |
| Purchased Professional and Technical Services | | | | | | | |
| Tuition | | | | | | | |
| General Supplies | | | | | | | |
| Textbooks | <u>24,256.37</u> | <u>24,256.37</u> | | | | | |
| Total Instruction | <u>113,014.14</u> | <u>24,256.37</u> | <u>-</u> | <u>24,683.26</u> | <u>40,544.28</u> | <u>16,998.10</u> | <u>6,532.13</u> |
| Support Services: | | | | | | | |
| Personal Services-Salaries | 39,228.00 | | 39,228.00 | | | | |
| Personal Services-Employee Benefits | 3,001.00 | | 3,001.00 | | | | |
| Purchased Professional Educational Services | 2,032.47 | | 2,032.47 | | | | |
| Purchased Professional and Technical Services | 679.13 | | 679.13 | | | | |
| General Supplies | 454.00 | | 454.00 | | | | |
| Other Objects | | | | | | | |
| Total Support Services | <u>45,394.60</u> | <u>-</u> | <u>45,394.60</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Facilities Acquisition and Construction Services: | | | | | | | |
| Instructional Equipment | | | | | | | |
| Non-Instructional Equipment | | | | | | | |
| Total Facilities Acquisition and Construction Services | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Expenditures | <u>\$ 158,408.74</u> | <u>\$ 24,256.37</u> | <u>\$ 45,394.60</u> | <u>\$ 24,683.26</u> | <u>\$ 40,544.28</u> | <u>\$ 16,998.10</u> | <u>\$ 6,532.13</u> |

CAPITAL PROJECTS FUND

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2013

| Project Title/Issue | Original Date | Appropriations | Expenditures/Financing Uses to Date | | Other Financing Uses | Unexpended Balance June 30, 2013 |
|---|---------------|---------------------------------------|-------------------------------------|---------------------------|-----------------------------|--|
| | | | Prior Years | Current Year Expenditures | | |
| a. Emergent Replacement and Reconstruction of Various Roofs | 12-12-06 | \$ 7,806,000.00 | \$ 6,451,921.29 | - | \$ 275,000.00 | \$ 1,079,078.71 |
| b. Replacement of Roof at the Loring-Fleming Elementary School Other Purchased Professional and Technical Services Construction Services Other Objects | 6-3-10 | 121,976.50 961,700.00 24,823.50 | 121,584.50 948,492.00 | | | 392.00 13,208.00 24,823.50 |
| Total 6-3-10 Project Authorized | | <u>1,108,500.00</u> | <u>1,070,076.50</u> | - | - | <u>38,423.50</u> |
| c. VAT and Carpet Replacement at the Erial Elementary School Construction Services | 12-15-10 | 330,736.00 | 324,560.02 | | | 6,175.98 |
| d. Parking Lot at the C.W. Lewis Middle School | 8-13-10 | 143,625.00 | 143,625.00 | | | - |
| e. Loring Fleming Elementary School and Glen Landing Middle School Parking Lots | 7-1-12 | 1,301,000.00 | - | \$ 957,488.00 | 343,512.00 | - |
| f. Gloucester Township Elementary School - Asbestos and Flooring | 7-1-12 | 362,000.00 | - | 361,175.59 | 824.41 | - |
| g. Glendora Elementary School - Asbestos and Flooring | 7-1-12 | 337,000.00 | - | 324,256.11 | 12,743.89 | - |
| Total Projects Authorized | | <u>\$ 11,388,861.00</u> | <u>\$ 7,990,182.81</u> | <u>\$ 1,642,919.70</u> | <u>\$ 632,080.30</u> | <u>\$ 1,123,678.19</u> |
| Unexpended Balances Canceled: Transfer to Debt Service Transfer to Capital Reserve | | | | | \$ 275,000.00 357,080.30 | |
| Recapitulation: Restricted for Debt Service Restricted for Capital Projects: Designated for Subsequent Year's Expenditures | | | | | | \$ 1,079,078.71 44,599.48 1,123,678.19 |
| Reconciliation to Governmental Funds Statements (GAAP): NJ Schools Development Authority Projects Revenue Not Recognized on GAAP Basis Fund Balance per Governmental Funds (GAAP) | | | | | | (20,631.18) \$ 1,103,047.01 |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Revenues, Expenditures and Changes in Fund Balance--Budgetary Basis
For the Fiscal Year Ended June 30, 2013

Revenues:

| | |
|-------------------------------|-------------------------|
| Transfer from Capital Reserve | \$ 2,000,000.00 |
| Interest Earned on Deposits | <u>3,638.37</u> |
| Total Revenues | <u>2,003,638.37</u> |

Expenditures:

| | |
|---|-------------------------|
| Other Purchased Professional and Technical Services | 130,092.00 |
| Construction Services | <u>1,512,827.70</u> |
| Total Expenditures | <u>1,642,919.70</u> |

| | |
|---|-------------------|
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>360,718.67</u> |
|---|-------------------|

Other Financing Sources (Uses):

| | |
|--|---------------------|
| Transfer to Debt Service Fund--Interest Earned on Deposits | (3,638.37) |
| Transfer to Capital Reserve | (357,080.30) |
| Transfer to Debt Service | <u>(275,000.00)</u> |

| | |
|--|---------------------|
| Total - Other Financing Sources (Uses) | <u>(635,718.67)</u> |
|--|---------------------|

| | |
|---|---------------------|
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | <u>(275,000.00)</u> |
|---|---------------------|

| | |
|------------------------|---------------------|
| Fund Balance -- July 1 | <u>1,398,678.19</u> |
|------------------------|---------------------|

| | |
|-------------------------|-------------------------------|
| Fund Balance -- June 30 | <u><u>\$ 1,123,678.19</u></u> |
|-------------------------|-------------------------------|

Recapitulation:

| | |
|---|------------------|
| Restricted for Debt Service | \$ 1,079,078.71 |
| Restricted for Capital Projects: | |
| Designated for Subsequent Year's Expenditures | <u>44,599.48</u> |

| | |
|--|--------------|
| | 1,123,678.19 |
|--|--------------|

Reconciliation to Governmental Funds Statements (GAAP):

| | |
|--|--------------------|
| NJ Schools Development Authority Projects Revenue Not Recognized on GAAP Basis | <u>(20,631.18)</u> |
|--|--------------------|

| | |
|--|-------------------------------|
| Fund Balance per Governmental Funds (GAAP) | <u><u>\$ 1,103,047.01</u></u> |
|--|-------------------------------|

| | |
|---------------------------------|------------------|
| Restricted for Debt Service | \$ 1,079,078.71 |
| Restricted for Capital Projects | <u>23,968.30</u> |

| | |
|--|-------------------------------|
| | <u><u>\$ 1,103,047.01</u></u> |
|--|-------------------------------|

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Replacement of Roof at the Loring-Fleming Elementary School
 From Inception and for the Fiscal Year Ended June 30, 2013

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

GLOUCESTER TOWNSHIP SCHOOL DISTRICT

CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 VAT and Carpet Replacement at the Erial Elementary School
 From Inception and for the Fiscal Year Ended June 30, 2013

| | <u>Prior Years</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|--------------------|---------------------|---------------|--|
| Revenues and Other Financing Sources | | | | |
| State Sources--SCC/SDA Grant | \$ 149,028.00 | | \$ 149,028.00 | \$ 149,028.00 |
| Transfer from Capital Reserve | 181,708.00 | | 181,708.00 | 181,708.00 |
| Total Revenues | 330,736.00 | - | 330,736.00 | 330,736.00 |
| Expenditures and Other Financing Uses | | | | |
| Construction Services | 324,560.02 | | 324,560.02 | 330,736.00 |
| Total Expenditures | 324,560.02 | - | 324,560.02 | 330,736.00 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ 6,175.98 | \$ - | \$ 6,175.98 | \$ - |

Additional Project Information:

| | |
|---|------------------|
| Project Numbers | 1780-050-10-G0EQ |
| Grant Date | 12-15-2010 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 277,049.00 |
| Additional Authorized Cost | 53,687.00 |
| Revised Authorized Cost | \$ 330,736.00 |
| Percentage Increase over Original Authorized Cost | 19.38% |
| Percentage Completion | 98.13% |
| Original Target Completion Date | 3-31-11 |
| Revised Target Completion Date | 6-30-12 |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT

CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Loring Fleming Elementary School and Glen Landing Middle School Parking Lots
 From Inception and for the Fiscal Year Ended June 30, 2013

| | <u>Prior Years</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|--------------------|---------------------|----------------|--|
| Revenues and Other Financing Sources | | | | |
| Bond Proceeds and Transfers | | \$ (99,000.00) | \$ (99,000.00) | \$ (99,000.00) |
| Transfer from Capital Reserve | | 1,400,000.00 | 1,400,000.00 | 1,400,000.00 |
| Total Revenues | - | 1,301,000.00 | 1,301,000.00 | 1,301,000.00 |
| Expenditures and Other Financing Uses | | | | |
| Legal Services | | | | |
| Other Purchased Professional and Technical Services | | 52,487.00 | 52,487.00 | 75,000.00 |
| Construction Services | | 905,001.00 | 905,001.00 | 1,226,000.00 |
| Total Expenditures | - | 957,488.00 | 957,488.00 | 1,301,000.00 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ - | \$ 343,512.00 | \$ 343,512.00 | \$ - |
| Additional Project Information: | | | | |
| Project Numbers | 1780-090-12-1000 | | | |
| Grant Date | N/A | | | |
| Bond Authorization Date | N/A | | | |
| Bonds Authorized | N/A | | | |
| Bonds Issued | N/A | | | |
| Original Authorized Cost | \$ 1,400,000.00 | | | |
| Additional Authorized Cost | (99,000.00) | | | |
| Revised Authorized Cost | \$ 1,301,000.00 | | | |
| Percentage Increase over Original Authorized Cost | -7.07% | | | |
| Percentage Completion | 100.00% | | | |
| Original Target Completion Date | 8-31-12 | | | |
| Revised Target Completion Date | N/A | | | |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT

CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Gloucester Township Elementary School - Asbestos and Flooring
 From Inception and for the Fiscal Year Ended June 30, 2013

| | <u>Prior Years</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|--------------------|---------------------|---------------|--|
| Revenues and Other Financing Sources | | | | |
| Bond Proceeds and Transfers | | \$ 62,000.00 | \$ 62,000.00 | \$ 62,000.00 |
| Transfer from Capital Reserve | | 300,000.00 | 300,000.00 | 300,000.00 |
| Total Revenues | - | 362,000.00 | 362,000.00 | 362,000.00 |
| Expenditures and Other Financing Uses | | | | |
| Other Purchased Professional and Technical Services | | 41,370.00 | 41,370.00 | 42,000.00 |
| Construction Services | | 319,805.59 | 319,805.59 | 320,000.00 |
| Total Expenditures | - | 361,175.59 | 361,175.59 | 362,000.00 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ - | \$ 824.41 | \$ 824.41 | \$ - |

Additional Project Information:

| | |
|---|---------------|
| Project Numbers | N/A |
| Grant Date | N/A |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 300,000.00 |
| Additional Authorized Cost | 62,000.00 |
| Revised Authorized Cost | \$ 362,000.00 |
| Percentage Increase over Original Authorized Cost | 20.67% |
| Percentage Completion | 100.00% |
| Original Target Completion Date | 8-31-12 |
| Revised Target Completion Date | N/A |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Glendora Elementary School - Asbestos and Flooring
 From Inception and for the Fiscal Year Ended June 30, 2013

| | <u>Prior Years</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|--------------------|---------------------|---------------|--|
| Revenues and Other Financing Sources | | | | |
| Bond Proceeds and Transfers | | \$ 37,000.00 | \$ 37,000.00 | \$ 37,000.00 |
| Transfer from Capital Reserve | | 300,000.00 | 300,000.00 | 300,000.00 |
| Total Revenues | - | 337,000.00 | 337,000.00 | 337,000.00 |
| Expenditures and Other Financing Uses | | | | |
| Other Purchased Professional and Technical Services | | 36,235.00 | 36,235.00 | 37,000.00 |
| Construction Services | | 288,021.11 | 288,021.11 | 300,000.00 |
| Total Expenditures | - | 324,256.11 | 324,256.11 | 337,000.00 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ - | \$ 12,743.89 | \$ 12,743.89 | \$ - |

Additional Project Information:

| | |
|---|---------------|
| Project Numbers | N/A |
| Grant Date | N/A |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 300,000.00 |
| Additional Authorized Cost | 37,000.00 |
| Revised Authorized Cost | \$ 337,000.00 |
| Percentage Increase over Original Authorized Cost | 12.33% |
| Percentage Completion | 100.00% |
| Original Target Completion Date | 8-31-12 |
| Revised Target Completion Date | N/A |

PROPRIETARY FUNDS

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
 Combining Statement of Net Position
 June 30, 2013

| | <u>Food Service</u> | <u>Latchkey</u> | <u>Total</u> |
|--|-------------------------|----------------------|------------------------|
| ASSETS: | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | \$ 337,701.18 | \$ 833,554.25 | \$ 1,171,255.43 |
| Accounts Receivable: | | | |
| State | 3,363.86 | | 3,363.86 |
| Federal | 70,399.47 | | 70,399.47 |
| Other | 3,041.39 | | 3,041.39 |
| Inventories | 24,242.84 | | 24,242.84 |
| Total Current Assets | <u>438,748.74</u> | <u>833,554.25</u> | <u>1,272,302.99</u> |
| Noncurrent Assets: | | | |
| Furniture, Machinery and Equipment | 1,360,785.08 | 103,520.33 | 1,464,305.41 |
| Less Accumulated Depreciation | <u>(1,194,379.79)</u> | <u>(90,389.37)</u> | <u>(1,284,769.16)</u> |
| Total Noncurrent Assets | <u>166,405.29</u> | <u>13,130.96</u> | <u>179,536.25</u> |
| Total Assets | <u>605,154.03</u> | <u>846,685.21</u> | <u>1,451,839.24</u> |
| LIABILITIES: | | | |
| Current Liabilities: | | | |
| Accounts Payable | 22,316.95 | 803.74 | 23,120.69 |
| Interfund Accounts Payable | 9,091.13 | 529.05 | 9,620.18 |
| Compensated Absences Payable | 5,625.00 | 7,725.00 | 13,350.00 |
| Estimated Worker's Compensation Claims Payable | | | |
| Unearned Revenue | 20,893.87 | 64,785.25 | 85,679.12 |
| Total Current Liabilities | <u>57,926.95</u> | <u>73,843.04</u> | <u>131,769.99</u> |
| Noncurrent Liabilities: | | | |
| Compensated Absences Payable | <u>68,425.00</u> | <u>50,750.00</u> | <u>119,175.00</u> |
| Total Liabilities | <u>126,351.95</u> | <u>124,593.04</u> | <u>250,944.99</u> |
| NET POSITION: | | | |
| Net Investment in Capital Assets | 166,405.29 | 13,130.96 | 179,536.25 |
| Unrestricted | <u>312,396.79</u> | <u>708,961.21</u> | <u>1,021,358.00</u> |
| Total Net Position | <u>\$ 478,802.08</u> | <u>\$ 722,092.17</u> | <u>\$ 1,200,894.25</u> |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2013

| | <u>Food Service</u> | <u>Latchkey</u> | <u>Total</u> |
|--|-------------------------|----------------------|------------------------|
| OPERATING REVENUES: | | | |
| Charges for Services: | | | |
| Daily Sales - Reimbursable Programs | \$ 794,917.70 | | \$ 794,917.70 |
| Daily Sales - Non-Reimbursable Programs | 452,184.05 | | 452,184.05 |
| Special Functions | 77,112.02 | | 77,112.02 |
| Community Service Activities | | \$ 1,289,464.48 | 1,289,464.48 |
| Miscellaneous | 1,142.20 | | 1,142.20 |
| | <u>1,325,355.97</u> | <u>1,289,464.48</u> | <u>2,614,820.45</u> |
| Total Operating Revenues | <u>1,325,355.97</u> | <u>1,289,464.48</u> | <u>2,614,820.45</u> |
| OPERATING EXPENSES: | | | |
| Salaries | 873,198.94 | 660,311.43 | 1,533,510.37 |
| Employee Benefits | 731,818.30 | 509,039.79 | 1,240,858.09 |
| Purchased Professional Services | 30,845.74 | 9,300.00 | 40,145.74 |
| Purchased Property Services | | 175,000.00 | 175,000.00 |
| Cleaning, Repair and Maintenance Services | 70,938.64 | | 70,938.64 |
| Other Purchased Services | 627.42 | 10,703.71 | 11,331.13 |
| Communications/Telephone | | 14,915.17 | 14,915.17 |
| Travel | 733.36 | 38.75 | 772.11 |
| General Supplies | 56,073.70 | 65,260.19 | 121,333.89 |
| Depreciation | 29,002.90 | 9,346.03 | 38,348.93 |
| Cost of Sales | 996,174.30 | | 996,174.30 |
| Miscellaneous | 98.82 | 4,747.80 | 4,846.62 |
| | <u>2,789,512.12</u> | <u>1,458,662.87</u> | <u>4,248,174.99</u> |
| Total Operating Expenses | <u>2,789,512.12</u> | <u>1,458,662.87</u> | <u>4,248,174.99</u> |
| Operating Income (Loss) | <u>(1,464,156.15)</u> | <u>(169,198.39)</u> | <u>(1,633,354.54)</u> |
| NONOPERATING REVENUES (EXPENSES): | | | |
| State Sources: | | | |
| State School Lunch Program | 30,007.39 | | 30,007.39 |
| Federal Sources: | | | |
| National School Lunch Program | 1,021,638.97 | | 1,021,638.97 |
| National School Breakfast Program | 243,810.47 | | 243,810.47 |
| After School Snack Program | 8,935.44 | | 8,935.44 |
| Special Milk Program | 10,026.26 | | 10,026.26 |
| Food Distribution Program | 91,133.25 | | 91,133.25 |
| Interest and Investment Revenue | 1,065.04 | 2,827.41 | 3,892.45 |
| | <u>1,406,616.82</u> | <u>2,827.41</u> | <u>1,409,444.23</u> |
| Total Nonoperating Revenues (Expenses) | <u>1,406,616.82</u> | <u>2,827.41</u> | <u>1,409,444.23</u> |
| Income (Loss) before Contributions and Transfers | (57,539.33) | (166,370.98) | (223,910.31) |
| Operating Transfer In - General Fund | - | - | - |
| Change in Net Position | (57,539.33) | (166,370.98) | (223,910.31) |
| Net Position -- July 1 | <u>536,341.41</u> | <u>888,463.15</u> | <u>1,424,804.56</u> |
| Net Position -- June 30 | <u>\$ 478,802.08</u> | <u>\$ 722,092.17</u> | <u>\$ 1,200,894.25</u> |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
 Combining Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2013

| | <u>Food Service</u> | <u>Latchkey</u> | <u>Totals</u> |
|---|--------------------------|------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Receipts from Customers | \$ 1,324,196.84 | \$ 1,253,580.63 | \$ 2,577,777.47 |
| Payments to Employees | (850,988.54) | (660,311.43) | (1,511,299.97) |
| Payments for Employee Benefits | (738,184.59) | (507,821.37) | (1,246,005.96) |
| Payments to Suppliers | <u>(1,147,500.49)</u> | <u>(283,470.09)</u> | <u>(1,430,970.58)</u> |
| Net Cash Provided by (used for) Operating Activities | <u>(1,412,476.78)</u> | <u>(198,022.26)</u> | <u>(1,610,499.04)</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | | | |
| State Sources | 27,515.90 | | 27,515.90 |
| Federal Sources | <u>1,342,919.96</u> | | <u>1,342,919.96</u> |
| Net Cash Provided by (used for) Non-Capital Financing Activities | <u>1,370,435.86</u> | <u>-</u> | <u>1,370,435.86</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | |
| Purchases of Capital Assets | <u>(36,192.00)</u> | | <u>(36,192.00)</u> |
| Net Cash Provided by (used for) Capital and Related Financing Activities | <u>(36,192.00)</u> | <u>-</u> | <u>(36,192.00)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Interest and Dividends | <u>1,065.04</u> | <u>2,827.41</u> | <u>3,892.45</u> |
| Net Cash Provided by (used for) Investing Activities | <u>1,065.04</u> | <u>2,827.41</u> | <u>3,892.45</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (77,167.88) | (195,194.85) | (272,362.73) |
| Cash and Cash Equivalents -- July 1 | <u>414,869.06</u> | <u>1,028,749.10</u> | <u>1,443,618.16</u> |
| Cash and Equivalents -- June 30 | <u>\$ 337,701.18</u> | <u>\$ 833,554.25</u> | <u>\$ 1,171,255.43</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | |
| Operating Income (Loss) | \$ (1,464,156.15) | \$ (169,198.39) | \$ (1,633,354.54) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities: | | | |
| Depreciation and Net Amortization | 29,002.90 | 9,346.03 | 38,348.93 |
| (Increase) Decrease in Inventories | 8,003.42 | | 8,003.42 |
| (Increase) Decrease in Accounts Receivable, net | 243.81 | | 243.81 |
| Increase (Decrease) in Accounts Payable | 22,206.20 | (6,680.49) | 15,525.71 |
| Increase (Decrease) in Interfund Accounts Payable | 8,400.98 | (2,130.56) | 6,270.42 |
| Increase (Decrease) in Unearned Revenue | (1,402.94) | (35,883.85) | (37,286.79) |
| Increase (Decrease) in Accrued Salaries Benefits | <u>(14,775.00)</u> | <u>6,525.00</u> | <u>(8,250.00)</u> |
| Total Adjustments | <u>51,679.37</u> | <u>(28,823.87)</u> | <u>22,855.50</u> |
| Net Cash Provided by (used for) Operating Activities | <u>\$ (1,412,476.78)</u> | <u>\$ (198,022.26)</u> | <u>\$ (1,610,499.04)</u> |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
Transportation Services
Statement of Net Position
June 30, 2013

ASSETS:

Current Assets:

| | |
|------------------------------------|---------------|
| Cash and Cash Equivalents | \$ 177,473.19 |
| Interfund Accounts Receivable | 52,755.25 |
| Receivables from Other Governments | 32,509.00 |
| | 32,509.00 |

Total Current Assets

262,737.44

Noncurrent Assets:

| | |
|-------------------------------|----------------|
| Machinery and Equipment | 6,924,645.10 |
| Less Accumulated Depreciation | (5,121,357.68) |
| | (5,121,357.68) |

Total Noncurrent Assets

1,803,287.42

Total Assets

2,066,024.86

LIABILITIES:

Current Liabilities:

| | |
|--|------------|
| Accounts Payable | 229,644.44 |
| Estimated Worker's Compensation Claims Payable | 33,093.00 |
| Capital Leases Payable - Current | 114,535.41 |
| | 114,535.41 |

Total Current Liabilities

377,272.85

Noncurrent Liabilities:

| | |
|------------------------|------------|
| Capital Leases Payable | 116,379.42 |
| | 116,379.42 |

Total Noncurrent Liabilities

116,379.42

Total Liabilities

493,652.27

NET POSITION:

Net Investment in Capital Assets
Unrestricted

1,572,372.59

Total Net Position

\$ 1,572,372.59

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
Transportation Services
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2013

OPERATING REVENUES:

| | |
|--|---------------------|
| Charges for Service: | |
| Transportation Fees from LEA | \$ 3,490,546.52 |
| Transportation Fees from Other LEAs Within the State | <u>1,691,965.00</u> |
| Total Operating Revenues | <u>5,182,511.52</u> |

OPERATING EXPENSES:

| | |
|--|---------------------|
| Salaries | 1,905,822.57 |
| Employee Benefits | 1,474,192.69 |
| Purchased Professional Services | 71,019.65 |
| Cleaning, Repair and Maintenance Services | 74,195.70 |
| Other Purchased Services: | |
| Contracted Services (Between Home and School) - Vendors | 73,261.23 |
| Contracted Services (Other Than Between Home & School) - Vendors | 421,890.70 |
| Miscellaneous | 135,020.00 |
| General Supplies | 159,808.00 |
| Transportation Supplies | 940.63 |
| Gasoline | 485,543.65 |
| Depreciation | 414,024.41 |
| Miscellaneous | <u>9,077.00</u> |
| Total Operating Expenses | <u>5,224,796.23</u> |
| Operating Income (Loss) | (42,284.71) |

NONOPERATING REVENUES (EXPENSES):

| | |
|--|-------------------------------|
| Interest on Capital Leases | <u>(5,562.27)</u> |
| Total Nonoperating Revenues (Expenses) | <u>(5,562.27)</u> |
| Change in Net Position | (47,846.98) |
| Net Position--July 1 | <u>1,620,219.57</u> |
| Net Position--June 30 | <u><u>\$ 1,572,372.59</u></u> |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
Transportation Services
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:

| | |
|--|-----------------------|
| Receipts from Customers | \$ 5,147,898.00 |
| Payments to Employees | (1,859,234.50) |
| Payments for Employee Benefits | (1,439,220.09) |
| Payments to Suppliers | <u>(1,269,878.42)</u> |
| Net Cash Provided by (used for) Operating Activities | <u>579,564.99</u> |

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

| | |
|--|-----------------------------|
| Principal Paid on Capital Leases | (215,091.68) |
| Interest Paid on Capital Leases | (5,562.27) |
| Purchase of Capital Assets | <u>(182,894.24)</u> |
| Net Cash Provided by (used for) Capital and Related Financing Activities | <u>(403,548.19)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 176,016.80 |
| Cash and Cash Equivalents -- July 1 | <u>1,456.39</u> |
| Cash and Equivalents -- June 30 | <u><u>\$ 177,473.19</u></u> |

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

| | |
|--|-----------------------------|
| Operating Income (Loss) | \$ (42,284.71) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities: | |
| Depreciation and Net Amortization | 414,024.41 |
| (Increase) Decrease in Accounts Receivable, net | 122,702.00 |
| (Increase) Decrease in Interfund Accounts Receivable | (52,755.25) |
| Increase (Decrease) in Accounts Payable | 224,685.71 |
| Increase (Decrease) in Interfund Accounts Payable | <u>(86,807.17)</u> |
| Total Adjustments | <u>621,849.70</u> |
| Net Cash Provided by (used for) Operating Activities | <u><u>\$ 579,564.99</u></u> |

FIDUCIARY FUNDS

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
Combining Statement of Fiduciary Net Position
June 30, 2013

| | Private-Purpose Trust Fund | Agency Funds | | |
|---|---------------------------------------|----------------------|------------------------|------------------------|
| | Unemployment Compensation Trust | Student Activity | Payroll | Total |
| ASSETS: | | | | |
| Cash and Cash Equivalents | \$ 1,233,348.74 | \$ 168,526.03 | \$ 1,696,471.19 | \$ 3,098,345.96 |
| Intrafund Accounts Receivable | <u>88,825.37</u> | | | <u>88,825.37</u> |
| Total Assets | <u>1,322,174.11</u> | <u>168,526.03</u> | <u>1,696,471.19</u> | <u>3,187,171.33</u> |
| LIABILITIES: | | | | |
| Accounts Payable | 9,889.19 | | | 9,889.19 |
| Interfund Accounts Payable | | | 805,932.09 | 805,932.09 |
| Intrafund Accounts Payable | | | 88,825.37 | 88,825.37 |
| Payable to Student Groups | | 168,526.03 | | 168,526.03 |
| Payroll Deductions and Withholdings | | | <u>801,713.73</u> | <u>801,713.73</u> |
| Total Liabilities | <u>9,889.19</u> | <u>\$ 168,526.03</u> | <u>\$ 1,696,471.19</u> | <u>1,874,886.41</u> |
| NET POSITION: | | | | |
| Held in Trust for Unemployment Claims and Other Purposes | <u>1,312,284.92</u> | | | <u>1,312,284.92</u> |
| Total Net Position | <u>\$ 1,312,284.92</u> | | | <u>\$ 1,312,284.92</u> |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2013

| | <u>Private-Purpose Trust Fund</u> |
|----------------------------|--|
| | <u>Unemployment Compensation Trust</u> |
| ADDITIONS: | |
| Contributions: | |
| Employee Salary Deductions | \$ 95,172.10 |
| Investment Earnings: | |
| Interest | <u>2,865.47</u> |
| Total Additions | <u>98,037.57</u> |
| DEDUCTIONS: | |
| Unemployment Claims | <u>65,758.70</u> |
| Total Deductions | <u>65,758.70</u> |
| Change in Net Position | 32,278.87 |
| Net Position -- July 1 | <u>1,280,006.05</u> |
| Net Position -- June 30 | <u><u>\$ 1,312,284.92</u></u> |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2013

| | <u>Balance</u> <u>June 30, 2012</u> | <u>Cash</u> <u>Receipts</u> | <u>Cash</u> <u>Disbursements</u> | <u>Balance</u> <u>June 30, 2013</u> |
|-------------------------------------|--|--------------------------------|-------------------------------------|--|
| ELEMENTARY SCHOOLS: | | | | |
| Blackwood Elementary | \$ 12,975.61 | \$ 12,469.22 | \$ 16,611.66 | \$ 8,833.17 |
| Chews Elementary | 15,964.20 | 21,261.35 | 19,307.16 | 17,918.39 |
| Erial Elementary | 16,649.63 | 29,009.67 | 31,811.21 | 13,848.09 |
| Glendora Elementary | 3,079.31 | 10,306.44 | 12,384.85 | 1,000.90 |
| Union Valley Elementary | 6,582.37 | 28,011.56 | 20,032.70 | 14,561.23 |
| Gloucester Township Elementary | 1,298.46 | 12,459.13 | 12,386.93 | 1,370.66 |
| Loring-Flemming Elementary | 3,093.63 | 23,028.77 | 22,182.07 | 3,940.33 |
| James W. Lilley, Jr. Elementary | 8,437.30 | 23,758.31 | 29,197.21 | 2,998.40 |
| MIDDLE SCHOOLS: | | | | |
| Glen Landing Middle School | 45,761.72 | 99,039.92 | 104,143.68 | 40,657.96 |
| Charles W. Lewis, Jr. Middle School | 37,358.68 | 78,868.45 | 79,576.34 | 36,650.79 |
| Ann Mullen Middle School | <u>27,372.58</u> | <u>114,867.87</u> | <u>115,494.34</u> | <u>26,746.11</u> |
| Total All Schools | <u>\$ 178,573.49</u> | <u>\$ 453,080.69</u> | <u>\$ 463,128.15</u> | <u>\$ 168,526.03</u> |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2013

| | <u>Balance</u> <u>June 30, 2012</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2013</u> |
|--|--|-------------------------|-------------------------|--|
| ASSETS: | | | | |
| Cash and Cash Equivalents | \$ 426,425.90 | \$ 65,024,336.54 | \$ 63,754,291.25 | \$ 1,696,471.19 |
| | <u>\$ 426,425.90</u> | <u>\$ 65,024,336.54</u> | <u>\$ 63,754,291.25</u> | <u>\$ 1,696,471.19</u> |
| LIABILITIES: | | | | |
| Payroll Deductions and Withholdings | \$ 259,042.79 | \$ 26,866,829.35 | \$ 26,324,158.41 | \$ 801,713.73 |
| Net Payroll | | 37,259,932.84 | 37,259,932.84 | |
| Intrafund Accounts Payable | 27,147.27 | 95,172.10 | 33,494.00 | 88,825.37 |
| Interfund Accounts Payable: Due to General Fund | <u>140,235.84</u> | <u>802,402.25</u> | <u>136,706.00</u> | <u>805,932.09</u> |
| Total Liabilities | <u>\$ 426,425.90</u> | <u>\$ 65,024,336.54</u> | <u>\$ 63,754,291.25</u> | <u>\$ 1,696,471.19</u> |

LONG-TERM DEBT

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2013

| | <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Annual Maturities Date</u> | <u>Annual Maturities Amount</u> | <u>Interest Rate</u> | <u>Balance June 30, 2012</u> | <u>Issued</u> | <u>Retired</u> | <u>Balance June 30, 2013</u> |
|---|----------------------|------------------------|-------------------------------|---------------------------------|----------------------|------------------------------|-----------------|---------------------|------------------------------|
| Construction of a New Middle School and Additions to Blackwood, Chews and Erial Elementary Schools | 3-11-94 | \$ 300,000.00 | 7-15-13 | \$ 15,789.54 | 1.500% | \$ 31,579.01 | | \$ 15,789.47 | \$ 15,789.54 |
| Construction of Additions to the Middle Schools and Installation of Air Conditioning and Electrical Upgrades to various schools | 6-1-02 | 6,944,000.00 | N/A | N/A | 4.400% | 600,000.00 | | 600,000.00 | |
| Refunding Bonds, Series 2003 | 1-15-03 | 9,165,000.00 | N/A | N/A | 4.000% | 1,235,000.00 | | 1,235,000.00 | |
| Refunding Bonds, Series 2004 | 1-23-04 | 13,165,000.00 | 8-1-13 | 1,750,000.00 | 5.000% | 10,475,000.00 | | 8,725,000.00 | 1,750,000.00 |
| Emergent replacement and reconstruction of the roofs at the Charles Lewis Middle School, Glen Landing Middle School & the J.W. Lilley Elementary School | 3-1-07 | 7,806,000.00 | 3-1-14 | 400,000.00 | 3.875% | | | | |
| | | | 3-1-15 | 425,000.00 | 3.875% | | | | |
| | | | 3-1-16 | 450,000.00 | 3.875% | | | | |
| | | | 3-1-17 | 475,000.00 | 3.875% | | | | |
| | | | 3-1-18 | 500,000.00 | 3.875% | | | | |
| | | | 3-1-19 | 1,010,000.00 | 3.875% | | | | |
| | | | 3-1-20 | 1,055,000.00 | 3.875% | | | | |
| | | | 3-1-21 | 1,100,000.00 | 3.875% | | | | |
| | | | 3-1-22 | 1,141,000.00 | 3.875% | 6,856,000.00 | | 300,000.00 | 6,556,000.00 |
| Refunding Bonds, Series 2011 | 9-1-11 | 4,175,000.00 | 8-1-13 | 735,000.00 | 2.000% | | | | |
| | | | 8-1-14 | 820,000.00 | 3.000% | | | | |
| | | | 8-1-15 | 860,000.00 | 3.000% | | | | |
| | | | 8-1-16 | 845,000.00 | 2.250% | | | | |
| | | | 8-1-17 | 875,000.00 | 2.500% | 4,175,000.00 | | 40,000.00 | 4,135,000.00 |
| Refunding Bonds, Series 2013 | 5-8-13 | 7,430,000.00 | 8-1-13 | 115,000.00 | 0.450% | | | | |
| | | | 8-1-14 | 1,790,000.00 | 0.550% | | | | |
| | | | 8-1-15 | 1,820,000.00 | 2.000% | | | | |
| | | | 8-1-16 | 1,860,000.00 | 2.000% | | | | |
| | | | 8-1-17 | 1,845,000.00 | 2.000% | | | | |
| | | | | | | \$ 23,372,579.01 | \$ 7,430,000.00 | \$ 10,915,789.47 | \$ 19,886,789.54 |
| Paid by Budget Appropriation Refunded | | | | | | | | \$ 3,540,789.47 | |
| | | | | | | | | <u>7,375,000.00</u> | |
| | | | | | | | | \$ 10,915,789.47 | |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Schedule of Obligations Under Capital Leases
 For the Fiscal Year Ended June 30, 2013

| <u>Series</u> | <u>Date of Lease</u> | <u>Term of Lease</u> | <u>Amount of Original Issue Principal</u> | <u>Interest</u> | <u>Interest Rate Payable</u> | <u>Amount Outstanding June 30, 2012</u> | <u>Issued</u> | <u>Retired</u> | <u>Amount Outstanding June 30, 2013</u> |
|-------------------------|----------------------|----------------------|---|-----------------|------------------------------|---|---------------|----------------|---|
| Four 54 Passenger Buses | 5-16-12 | 3 years | \$ 347,536.00 | 7,223.42 | 1.620% | \$ 98,470.51 | \$ 347,536.00 | \$ 116,621.17 | \$ 230,914.83 |
| Four 54 Passenger Buses | 9-04-10 | 3 years | 294,600.00 | 12,602.43 | 3.99% | \$ 98,470.51 | \$ 347,536.00 | \$ 215,091.68 | \$ 230,914.83 |
| Internal Service Fund | | | | | | \$ 98,470.51 | \$ 347,536.00 | \$ 215,091.68 | \$ 230,914.83 |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT

Budgetary Comparison Schedule

DEBT SERVICE FUND

For the Fiscal Year Ended June 30, 2013

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Positive (Negative) Final to Actual |
|---|-----------------|------------------|-----------------|-----------------|--|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 2,637,923.00 | | \$ 2,637,923.00 | \$ 2,637,923.00 | |
| Debt Service Aid Type II | 1,438,719.00 | | 1,438,719.00 | 1,438,719.00 | |
| Total Revenues | 4,076,642.00 | - | 4,076,642.00 | 4,076,642.00 | - |
| EXPENDITURES: | | | | | |
| Regular Debt Service: | | | | | |
| Interest on Bonds | 825,738.00 | \$ (0.47) | 825,737.53 | 825,737.53 | |
| Redemption of Principal | 3,540,789.00 | 0.47 | 3,540,789.47 | 3,540,789.47 | |
| Total Regular Debt Service | 4,366,527.00 | - | 4,366,527.00 | 4,366,527.00 | - |
| Total Expenditures | 4,366,527.00 | - | 4,366,527.00 | 4,366,527.00 | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (289,885.00) | - | (289,885.00) | (289,885.00) | |
| Other Financing Sources (Uses): | | | | | |
| Operating Transfers In: | | | | | |
| Interest Earned in Capital Projects Fund | | | | 3,638.37 | \$ 3,638.37 |
| Transfer from Capital Projects Fund | 275,000.00 | | 275,000.00 | 275,000.00 | |
| Proceeds of Refunding Bonds | | | | 7,430,000.00 | 7,430,000.00 |
| Premium on Refunding Bonds | | | | 189,532.45 | 189,532.45 |
| Payment to Refunded Bond Escrow Account | | | | (7,521,799.34) | (7,521,799.34) |
| Costs of Issuance--Refunding Bonds | | | | (97,733.11) | (97,733.11) |
| Total - Other Financing Sources (Uses) | 275,000.00 | | 275,000.00 | 278,638.37 | 3,638.37 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures | (14,885.00) | | (14,885.00) | (11,246.63) | 3,638.37 |
| Fund Balance, July 1 | 67,833.72 | | 67,833.72 | 67,833.72 | |
| Fund Balance, June 30 | \$ 52,948.72 | \$ - | \$ 52,948.72 | \$ 56,587.09 | \$ 3,638.37 |
| Restricted for: | | | | | |
| Debt Service | | | | \$ 3,638.09 | \$ 3,638.09 |
| Debt Service--Designated for Subsequent Year's Expenditures | | | | 52,949.00 | 52,949.00 |
| | | | | \$ 56,587.09 | \$ 56,587.09 |

STATISTICAL SECTION

Financial Trends Information

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

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

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| Governmental Activities: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 32,198,818 | \$ 29,088,160 | \$ 26,644,828 | \$ 24,224,862 | \$ 20,037,664 | \$ 14,532,158 | \$ 9,921,335 | \$ 14,521,135 | \$ 12,880,349 | \$ 11,678,484 |
| Restricted | 15,016,313 | 13,483,865 | 10,424,564 | 9,212,439 | 8,635,537 | 9,599,453 | 12,208,901 | 3,890,267 | 1,210,042 | 857,918 |
| Unrestricted | 1,404,525 | 2,393,957 | 1,863,826 | (2,277,652) | 287,370 | 733,046 | 1,180,542 | 1,529,326 | 2,369,430 | (1,093,938) |
| Total Governmental Activities Net Position | \$ 48,619,656 | \$ 44,965,982 | \$ 38,933,218 | \$ 31,159,650 | \$ 28,960,571 | \$ 24,864,657 | \$ 23,310,778 | \$ 19,940,728 | \$ 16,479,821 | \$ 11,442,464 |
| Business-type Activities: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 179,536 | \$ 181,693 | \$ 164,736 | \$ 197,860 | \$ 245,156 | \$ 235,083 | \$ 158,185 | \$ 180,751 | \$ 208,610 | \$ 238,813 |
| Unrestricted | 1,021,358 | 1,243,111 | 1,425,065 | 1,280,213 | 930,153 | 988,416 | 1,287,639 | 1,103,261 | 1,221,105 | 995,314 |
| Total Business-type Activities Net Position | \$ 1,200,894 | \$ 1,424,805 | \$ 1,589,801 | \$ 1,478,073 | \$ 1,175,309 | \$ 1,233,499 | \$ 1,445,824 | \$ 1,284,012 | \$ 1,429,715 | \$ 1,234,127 |
| District-wide: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 32,378,354 | \$ 29,269,853 | \$ 26,809,564 | \$ 24,422,722 | \$ 20,282,820 | \$ 14,767,241 | \$ 10,079,520 | \$ 14,701,886 | \$ 13,088,959 | \$ 11,917,297 |
| Restricted | 15,016,313 | 13,483,865 | 10,424,564 | 9,212,439 | 8,635,537 | 9,599,453 | 12,208,901 | 3,890,267 | 1,210,042 | 857,918 |
| Unrestricted | 2,425,883 | 3,637,069 | 3,288,891 | (997,439) | 1,217,523 | 1,731,482 | 2,468,181 | 2,632,587 | 3,610,535 | (98,624) |
| Total Government-wide Net Position | \$ 49,820,550 | \$ 46,390,787 | \$ 40,523,019 | \$ 32,637,723 | \$ 30,135,880 | \$ 26,098,156 | \$ 24,756,602 | \$ 21,224,740 | \$ 17,909,536 | \$ 12,676,591 |

Source: CAFR Exhibit A-1

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

| | Fiscal Year Ended June 30, | | | | | | | | | |
|--|----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| Expenses: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | \$ 34,354,778 | \$ 35,280,362 | \$ 33,720,137 | \$ 34,914,795 | \$ 36,687,064 | \$ 35,543,903 | \$ 33,376,307 | \$ 32,911,503 | \$ 32,601,004 | \$ 31,988,770 |
| Special Education | 9,300,264 | 9,238,521 | 8,724,619 | 8,566,433 | 7,739,290 | 7,158,935 | 5,971,133 | 5,253,810 | 5,081,440 | 4,231,949 |
| Other Instruction | 2,044,579 | 2,042,166 | 2,139,988 | 2,301,655 | 1,041,211 | 1,036,544 | 997,812 | 881,539 | 836,112 | 886,485 |
| Nonpublic School Programs | 836 | 1,157 | 1,364 | 1,251 | 1,038 | 1,408 | 1,537 | 1,537 | 1,333 | 1,150 |
| Community Service Programs | 3,596 | 6,000 | 6,000 | 4,112 | 5,000 | 5,073 | 5,218 | 5,127 | 5,029 | 4,933 |
| Support Services: | | | | | | | | | | |
| Tuition | 4,914,497 | 4,002,479 | 3,434,398 | 4,429,492 | 4,038,304 | 4,452,388 | 5,644,048 | 5,236,052 | 5,054,470 | 4,793,660 |
| Student and Instruction Related Services | 8,519,392 | 8,718,777 | 8,343,288 | 8,864,935 | 7,289,210 | 6,949,211 | 6,822,323 | 6,804,431 | 6,853,589 | 6,581,659 |
| School Administrative Services | 3,133,103 | 3,193,051 | 3,202,290 | 3,406,533 | 3,316,860 | 3,224,783 | 3,119,234 | 2,820,997 | 2,697,140 | 2,522,094 |
| General and Business Administrative Services | 3,063,471 | 3,156,096 | 3,229,557 | 3,267,739 | 3,388,368 | 3,352,928 | 2,826,467 | 2,842,466 | 2,978,130 | 2,898,774 |
| Plant Operations and Maintenance | 6,282,657 | 6,371,859 | 6,606,280 | 6,920,385 | 6,874,832 | 6,604,800 | 6,519,187 | 5,760,362 | 5,611,145 | 5,468,576 |
| Pupil Transportation | 8,408,098 | 7,868,327 | 7,738,205 | 7,564,362 | 7,584,227 | 7,758,031 | 7,070,077 | 6,902,266 | 6,776,056 | 5,942,930 |
| Unallocated Benefits | 25,518,151 | 22,759,680 | 20,275,643 | 20,902,949 | 18,914,151 | 20,779,423 | 20,429,844 | 17,159,920 | 14,394,710 | 14,158,101 |
| Special Schools | | | 132,134 | | 69,257 | 86,549 | 87,389 | 80,396 | 84,581 | 59,485 |
| Transfer to Charter Schools | 1,273,339 | 1,088,627 | 48,965 | 73,355 | 39,089 | 4,478 | 16,886 | 10,420 | 32,509 | 25,214 |
| Interest on Long-term Debt | 938,063 | 1,146,507 | 1,381,975 | 1,580,531 | 1,546,381 | 1,546,381 | 1,499,000 | 1,496,900 | 1,601,321 | 1,312,809 |
| Amortization of Bond Issuance Costs | 200,825 | 38,067 | 25,612 | 26,004 | 30,323 | 30,983 | 24,387 | 22,409 | 22,409 | 24,914 |
| Total Governmental Activities Expenses | 107,955,649 | 104,911,675 | 98,808,996 | 102,758,111 | 98,598,755 | 98,535,818 | 94,410,849 | 88,190,135 | 84,630,978 | 80,901,503 |
| Business-type Activities: | | | | | | | | | | |
| Food Service | 2,789,512 | 2,869,290 | 2,854,773 | 2,846,508 | 3,317,590 | 3,302,840 | 3,000,304 | 3,116,690 | 2,746,124 | 2,543,760 |
| Latchkey | 1,458,663 | 1,401,800 | 1,341,495 | 1,369,907 | 1,379,537 | 1,482,746 | 1,250,267 | 1,100,426 | 1,032,288 | 983,738 |
| Total Business-type Activities Expense | 4,248,175 | 4,271,091 | 4,196,268 | 4,216,415 | 4,697,127 | 4,785,586 | 4,250,571 | 4,217,116 | 3,778,412 | 3,527,498 |
| Total District Expenses | \$ 112,203,824 | \$ 109,182,766 | \$ 103,005,264 | \$ 106,974,525 | \$ 103,295,883 | \$ 103,321,404 | \$ 98,661,420 | \$ 92,407,251 | \$ 88,409,390 | \$ 84,429,001 |
| Program Revenues: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services | \$ 1,691,965 | \$ 1,605,339 | \$ 1,518,767 | \$ 1,535,238 | \$ 1,659,218 | \$ 1,503,322 | \$ 1,521,309 | \$ 1,317,263.00 | \$ 1,586,121 | \$ 1,176,849 |
| Operating Grants and Contributions | 13,449,353 | 13,009,717 | 11,308,318 | 10,767,885 | 10,800,091 | 14,407,133 | 12,488,143 | 9,908,755 | 9,778,537 | 9,351,515 |
| Capital Grants and Contributions | | | | 2,323 | | | | | 5,502 | |
| Total Governmental Activities Program Revenues | 15,141,318 | 14,615,056 | 12,827,086 | 12,303,123 | 12,461,632 | 15,910,455 | 14,009,452 | 11,226,018 | 11,370,159 | 10,528,364 |
| Business-type activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Food Service | 1,325,356 | 1,469,814 | 1,585,916 | 1,739,489 | 1,705,853 | 1,644,698 | 1,755,169 | 1,706,631 | 1,707,426 | 1,648,061 |
| Latchkey | 1,289,464 | 1,306,669 | 1,371,994 | 1,349,443 | 1,331,417 | 1,376,169 | 1,299,640 | 1,304,360 | 1,137,789 | 1,101,030 |
| Operating Grants and Contributions | 1,405,552 | 1,316,283 | 1,229,224 | 1,217,946 | 1,190,256 | 1,167,965 | 1,040,857 | 1,006,168 | 898,791 | 766,347 |
| Total Business-type Activities Program Revenues | 4,020,372 | 4,092,767 | 4,187,134 | 4,306,878 | 4,227,526 | 4,188,832 | 4,095,666 | 4,017,159 | 3,744,006 | 3,515,438 |
| Total District Program Revenues | \$ 19,161,690 | \$ 18,707,823 | \$ 17,014,220 | \$ 16,610,001 | \$ 16,689,158 | \$ 20,099,287 | \$ 18,105,118 | \$ 15,243,177 | \$ 15,114,165 | \$ 14,043,802 |
| Net (Expense)/Revenue: | | | | | | | | | | |
| Governmental Activities | \$ (92,814,332) | \$ (90,296,619) | \$ (85,981,910) | \$ (90,454,987) | \$ (86,137,123) | \$ (82,625,363) | \$ (80,401,397) | \$ (76,964,117) | \$ (73,260,819) | \$ (70,373,139) |
| Business-type Activities | (227,803) | (178,324) | (9,134) | 90,463 | (469,601) | (596,754) | (154,906) | (199,957) | (34,406) | (12,060) |
| Total District-wide Net Expense | \$ (93,042,134) | \$ (90,474,942) | \$ (85,991,044) | \$ (90,364,524) | \$ (86,606,724) | \$ (83,222,117) | \$ (80,556,303) | \$ (77,164,074) | \$ (73,295,225) | \$ (70,385,199) |

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

| | Fiscal Year Ended June 30, | | | | | | | | | |
|--|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| General Revenues and Other Changes in Net Position: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property Taxes Levied for General Purposes, Net | \$ 40,874,970 | \$ 40,435,550 | \$ 39,936,815 | \$ 38,400,784 | \$ 38,400,784 | \$ 39,707,454 | \$ 39,712,435 | 36,981,817 | \$ 36,855,105 | \$ 29,682,807 |
| Taxes Levied for Debt Service | 2,637,923 | 2,600,478 | 2,787,851 | 2,442,713 | 2,469,323 | 2,188,166 | 2,183,185 | 2,132,634 | 2,096,685 | 1,890,787 |
| Unrestricted Grants and Contributions | 52,146,826 | 52,639,922 | 50,209,897 | 51,536,431 | 49,070,636 | 41,468,248 | 40,578,550 | 40,291,293 | 39,245,307 | 38,518,304 |
| Investment Earnings | 45,997 | 144,417 | 179,239 | 121,471 | 144,421 | 596,176 | 815,683 | 421,059 | 161,395 | 71,764 |
| Other | 762,289 | 514,107 | 744,687 | 356,027 | 581,179 | 559,911 | 749,478 | 774,532 | 162,898 | 147,323 |
| Disposal of Assets | | | (3,010) | (3,361) | (33,305) | (5,714) | (19,653) | (20,768) | (31,214) | (112,227) |
| Arbitrage Rebate | | | | | | | | | | (266,781) |
| EDA Grant Receivable Canceled | | | | | | | | (155,544) | | |
| Gain/(Loss) on Disposal of Capital Assets | | | (332) | | | | | | | |
| Canceled Accounts Receivables/Payables | | | (4,759) | | | | | | | |
| Transfers | | | (100,000) | (200,000) | (400,000) | (335,000) | (300,000) | | (192,000) | (387,000) |
| Total Governmental Activities | <u>96,468,005</u> | <u>96,329,383</u> | <u>93,755,479</u> | <u>92,654,066</u> | <u>90,233,038</u> | <u>84,179,241</u> | <u>83,719,478</u> | <u>80,425,023</u> | <u>78,298,175</u> | <u>69,544,977</u> |
| Business-type Activities: | | | | | | | | | | |
| Investment Earnings | 3,892 | 13,327 | 20,862 | 12,302 | 12,117 | 49,430 | 68,687 | 54,254 | 37,995 | 12,433 |
| Disposal of Assets | | | 100,000 | 200,000 | 400,000 | 335,000 | 300,000 | | 192,000 | 387,000 |
| Transfers | | | | | | | | | | |
| Total Business-type Activities | <u>3,892</u> | <u>13,327</u> | <u>120,862</u> | <u>212,302</u> | <u>411,410</u> | <u>384,430</u> | <u>368,687</u> | <u>54,254</u> | <u>229,995</u> | <u>370,153</u> |
| Total District-wide | <u>\$ 96,471,898</u> | <u>\$ 96,342,710</u> | <u>\$ 93,876,341</u> | <u>\$ 92,866,367</u> | <u>\$ 90,644,448</u> | <u>\$ 84,563,671</u> | <u>\$ 84,088,165</u> | <u>\$ 80,479,277</u> | <u>\$ 78,528,170</u> | <u>\$ 69,915,130</u> |
| Change in Net Position: | | | | | | | | | | |
| Governmental Activities | \$ 3,653,673 | \$ 6,032,764 | \$ 7,773,569 | \$ 2,199,078 | \$ 4,095,915 | \$ 1,553,878 | \$ 3,318,081 | \$ 3,460,906 | \$ 5,037,357 | \$ (828,162) |
| Business-type Activities | (223,910) | (164,997) | 111,728 | 302,765 | (58,191) | (212,324) | 213,781 | (145,703) | 195,589 | 358,083 |
| Total District | <u>\$ 3,429,763</u> | <u>\$ 5,867,767</u> | <u>\$ 7,885,297</u> | <u>\$ 2,501,843</u> | <u>\$ 4,037,724</u> | <u>\$ 1,341,554</u> | <u>\$ 3,531,863</u> | <u>\$ 3,315,203</u> | <u>\$ 5,232,945</u> | <u>\$ (470,069)</u> |

Source: CAFR Exhibit A-2

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

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| General Fund: | | | | | | | | | | |
| Reserved | \$ 14,039,671 | \$ 12,245,059 | \$ 8,411,864 | \$ 7,000,692 | \$ 7,057,333 | \$ 7,590,634 | \$ 6,503,197 | \$ 3,994,441 | \$ 1,775,038 | \$ 205,584 |
| Unreserved | 282,398 | 1,210,942 | 944,795 | (1,313,067) | 1,380,048 | 1,985,084 | 2,148,128 | 2,253,512 | 2,416,723 | 950,186 |
| Restricted | | | | | | | | | | |
| Assigned | 2,491,812 | 2,249,048 | 1,916,516 | | | | | | | |
| Unassigned | | | | | | | | | | |
| Total General Fund | \$ 16,813,881 | \$ 15,705,050 | \$ 11,273,174 | \$ 5,687,625 | \$ 8,437,381 | \$ 9,575,717 | \$ 8,651,325 | \$ 6,247,953 | \$ 4,191,761 | \$ 1,155,770 |
| All Other Governmental Funds: | | | | | | | | | | |
| Reserved | | | | | | | | | | |
| Unreserved, Reported in: | | | | | | | | | | |
| Special Revenue Fund | | | | \$ 977,891 | \$ 54,071 | \$ 189,202 | \$ 3,732,496 | | | \$ 137,288 |
| Capital Projects Fund | | | | 1,350,493 | 1,641,800 | 139,696 | 139,695 | \$ (31,678) | \$ (32,345) | (32,345) |
| Debt Service Fund | | | | 36,924 | 131,484 | 1,716,800 | 1,943,592 | 244,588 | 465,005 | 459,578 |
| Restricted, Reported in: | | | | | | | | 9,970 | 43,477 | 79,208 |
| Capital Projects Fund | \$ 1,103,047 | \$ 1,378,047 | \$ 2,202,000 | | | | | | | |
| Debt Service Fund | 56,587 | 67,834 | 28,666 | | | | | | | |
| Total All Other Governmental Funds | \$ 1,159,634 | \$ 1,445,881 | \$ 2,230,666 | \$ 2,385,308 | \$ 1,827,355 | \$ 2,290,833 | \$ 5,959,521 | \$ 222,880 | \$ 476,137 | \$ 643,729 |

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

Source: CAFR Exhibit B-1

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

| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|--------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|---------------------|---------------------|---------------------|-----------------------|
| Fiscal Year Ended June 30, | | | | | | | | | | |
| Revenues: | | | | | | | | | | |
| Tax Levy | \$ 43,512,893 | \$ 43,036,028 | \$ 42,724,666 | \$ 40,843,497 | \$ 40,870,107 | \$ 41,895,620 | \$ 41,895,620 | \$ 39,114,451 | \$ 38,951,790 | \$ 31,573,594 |
| Other Local Revenue | 808,286 | 644,720 | 923,926 | 477,498 | 715,600 | 1,628,935 | 1,628,935 | 1,195,591 | 324,292 | 218,906 |
| Slate Sources | 62,190,240 | 59,334,692 | 57,235,139 | 50,531,209 | 56,571,208 | 52,792,299 | 50,515,534 | 47,184,255 | 46,222,245 | 45,019,387 |
| Federal Sources | 3,405,939 | 6,314,947 | 4,283,076 | 11,773,108 | 3,301,841 | 3,083,082 | 2,551,159 | 3,015,794 | 2,807,101 | 2,850,613 |
| Total Revenue | 109,917,358 | 109,330,388 | 105,166,807 | 103,625,312 | 101,458,757 | 98,926,548 | 96,591,248 | 90,510,090 | 88,305,428 | 79,662,500 |
| Expenditures: | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular Instruction | 33,172,708 | 34,079,062 | 32,487,319 | 33,659,674 | 35,384,271 | 34,203,059 | 32,028,247 | 31,788,087 | 31,459,037 | 30,832,787 |
| Special Education Instruction | 9,300,264 | 9,238,521 | 8,724,619 | 8,566,433 | 7,739,290 | 7,158,935 | 5,971,133 | 5,253,810 | 5,081,440 | 4,231,949 |
| Other | 250,275 | 253,942 | 356,683 | 512,546 | 421,003 | 443,977 | 441,811 | 333,077 | 324,212 | 341,948 |
| School-Sponsored/Other Instructional | 1,759,682 | 1,755,496 | 1,752,614 | 1,759,030 | 589,350 | 561,221 | 524,653 | 516,848 | 479,418 | 511,926 |
| Community Services | 3,596 | 6,000 | 6,000 | 4,112 | 5,000 | 5,073 | 5,218 | 5,127 | 5,029 | 4,933 |
| Support Services: | | | | | | | | | | |
| Tuition | 4,914,497 | 4,002,479 | 3,434,398 | 4,429,492 | 4,038,304 | 4,452,388 | 5,644,048 | 5,236,052 | 5,054,470 | 4,793,660 |
| Student and Instruction Related Services | 8,511,056 | 8,711,114 | 8,336,331 | 8,859,517 | 7,285,902 | 6,946,488 | 6,819,636 | 6,801,827 | 6,851,512 | 6,580,414 |
| School Administrative Services | 3,095,497 | 3,156,064 | 3,169,321 | 3,374,391 | 3,285,368 | 3,192,978 | 3,088,577 | 2,791,174 | 2,668,492 | 2,495,618 |
| Other Administrative Services | 2,897,356 | 3,021,415 | 3,134,785 | 3,189,082 | 3,307,118 | 3,271,177 | 2,758,840 | 2,774,694 | 2,911,142 | 2,844,160 |
| Plant Operations and Maintenance | 5,894,593 | 6,046,479 | 6,336,519 | 6,655,639 | 6,833,966 | 6,573,787 | 6,490,768 | 6,023,808 | 5,874,861 | 5,662,373 |
| Pupil Transportation | 3,126,901 | 2,892,064 | 2,805,574 | 2,701,599 | 2,814,058 | 3,123,922 | 2,736,960 | 2,893,198 | 2,036,742 | 2,036,742 |
| Unallocated Benefits | 25,246,307 | 22,660,680 | 20,230,114 | 21,048,536 | 18,871,959 | 20,840,078 | 20,232,199 | 17,132,536 | 15,355,259 | 14,089,142 |
| Special Schools | 1,273,339 | 1,088,627 | 45,965 | 132,134 | 69,257 | 86,549 | 87,389 | 80,395 | 84,581 | 59,485 |
| Transfer to Charter Schools | | | | | 39,069 | 4,478 | 16,886 | 10,420 | 32,509 | 25,214 |
| Debt Service: | | | | | | | | | | |
| Principal | 3,540,789 | 3,285,789 | 3,060,789 | 2,950,789 | 2,750,789 | 2,430,789 | 2,320,789 | 2,180,789 | 2,010,789 | 1,875,789 |
| Interest and Other Charges | 825,738 | 1,004,806 | 1,194,791 | 1,322,621 | 1,734,282 | 1,228,338 | 1,314,966 | 1,410,138 | 1,524,646 | 1,558,062 |
| Capital Outlay | 1,791,628 | 1,225,300 | 1,578,257 | 3,296,024 | 4,075,815 | 3,830,272 | 2,572,618 | 645,578 | 334,949 | 4,907,108 |
| Total Expenditures | 105,604,226 | 102,427,859 | 96,654,081 | 102,534,975 | 99,244,821 | 98,353,509 | 93,054,738 | 85,877,560 | 82,089,088 | 80,814,570 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 4,313,131 | 6,902,529 | 8,512,727 | 1,090,337 | 2,213,936 | 573,039 | 3,536,511 | 4,632,531 | 6,216,340 | (1,152,070) |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Capital Leases (Non-budgeted) | | | | | | | | | | |
| Sale of Bonds | 7,430,000 | 4,175,000 | | | | | 7,806,000 | | 38,164 | 453,248 |
| Premium on Sale of Bonds | 189,532 | 171,551 | | | | | | | | 13,165,000 |
| Payment to Refunded Debt Escrow Agent | (7,521,799) | (4,265,026) | | | | | | | | 699,401 |
| Arbitrage Rebate | | | | | | | | | | (14,007,381) |
| Accrued Interest on Sale of Bonds | | | | | | | | | | (266,781) |
| Costs of Issuance | (97,733) | (81,524) | | | | | | | | (157,020) |
| Accounts Receivable/Payable Canceled | | (4,759) | | | | | | (155,544) | | |
| Transfers In | 2,635,719 | 514,186 | 510,401 | 2,044,906 | 3,672,865 | 108,340 | 124,288 | 6,944 | 11,575 | 11,575 |
| Transfers Out | (6,126,265) | (3,764,866) | (3,572,221) | (5,347,045) | (7,488,616) | (3,477,644) | (3,326,786) | (2,680,996) | (3,386,106) | (5,214,574) |
| Total Other Financing Sources (Uses) | (3,480,547) | (3,255,439) | (3,061,820) | (3,302,139) | (3,815,751) | (3,369,304) | 4,603,502 | (2,829,596) | (3,347,942) | (5,316,531) |
| Net Change in Fund Balances | \$ 822,585 | \$ 3,647,090 | \$ 5,450,907 | \$ (2,211,802) | \$ (1,601,815) | \$ (2,796,265) | \$ 8,140,013 | \$ 1,802,935 | \$ 2,868,399 | \$ (6,468,601) |
| Debt Service as a Percentage of Noncapital Expenditures | 4.2% | 4.2% | 4.5% | 4.3% | 4.7% | 3.9% | 4.0% | 4.2% | 4.3% | 4.5% |

Source: CAFR Exhibit B-2

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

| | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|---|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|---------------|---------------|
| Tuition | \$ 232,042.18 | \$ 59,818.04 | \$ 261,868.58 | \$ 12,351.57 | \$ 60,138.64 | \$ 21,568.00 | \$ 7,160.00 | \$ 56,950.26 | \$ 453.00 | \$ 9,356.24 |
| Prior Year Tuition Adjustments | | | | | 7,594.00 | | 30,407.41 | 2,670.00 | | |
| Homeless Tuition | | | | | 4,410.24 | 40,566.83 | 12,790.88 | 39,547.52 | 23,455.88 | 12,767.62 |
| Printing | | | | | | | | 1.00 | | 39.00 |
| Property Transfer | 10,628.28 | 1,630.25 | 512.57 | 8,792.11 | 8,305.23 | | 4,777.57 | 8,685.67 | 237.00 | |
| Sale of Surplus Items | 6,795.62 | | | | | | | | | |
| Hurricane Sandy--FEMA | 175,000.00 | 175,000.00 | 150,000.00 | 150,000.00 | 153,700.00 | 183,300.00 | 125,000.00 | 25,000.00 | 25,000.00 | 20,000.00 |
| Rentals | 100.00 | 2,599.95 | 2,207.40 | 460.06 | 887.50 | 130.00 | 115.00 | 150.50 | 136.00 | 80.00 |
| Bid Specifications/OPRA | | 2,880.00 | | 1,012.47 | 33,918.69 | 2,696.31 | 110,891.26 | | 354.59 | |
| Cancellation of Accounts Payable | | | | | | | | | | |
| Cancellation of Unexpended Grant Balances | | | | | | | | | | |
| Various Refunds | 31,110.23 | 5,974.41 | 17,090.79 | 50,294.95 | 143,703.30 | 175,049.15 | 418,783.08 | 589,104.79 | 99,456.34 | 298.40 |
| Refund of Prior Year Expense | 95,438.28 | 184,987.50 | 75,157.01 | 76,965.49 | 19,929.00 | 20,542.67 | | | | 90,280.91 |
| Emergency Snow Removal--FEMA | | | | | | | | | | |
| E-Rate | 1,057.55 | 1,798.80 | 2,221.16 | 3,550.03 | 6,605.43 | 2,605.69 | 4,017.92 | | 197.40 | 685.49 |
| Administrative Fees | | | | | | | | | | |
| Unallocated Payroll Deductions | | | 644.15 | 899.00 | 619.23 | 1,273.85 | 16,951.34 | 8,839.76 | | |
| Cancellation of Prior Year Outstanding Checks | 513.46 | 1,441.65 | 2,202.15 | 3,049.04 | 5,784.73 | 6,497.19 | 2,054.26 | 2,026.73 | 1,447.94 | 1,276.09 |
| Various Fines and Fees | | | | | 4,190.00 | | | | 6,259.28 | |
| Settlements | | | | | | | | | | |
| Unexpended Escrow Funds | | | 13,300.00 | 5,575.00 | | 10,350.00 | 4,025.00 | 2,970.96 | 3,300.00 | 7,913.49 |
| Summer School Fees | | | | | | | | 1,360.56 | | 4,425.00 |
| Cancellation of Department of Instruction Account | | | | | | | | | 2,600.00 | |
| Crossing Control Arm | | | | | | | | | | |
| E-Rate | 204,886.84 | 57,022.98 | 165,957.95 | 43,076.93 | 121,423.10 | 94,771.59 | 26,379.28 | 14,671.77 | 25.86 | 12.48 |
| Interest Earned on Capital Reserve Funds | 10,786.75 | 31,764.93 | 47,708.20 | 33,677.81 | 28,783.71 | 35,131.57 | | | | |
| Interest Earned on Maintenance Reserve Funds | 2,719.70 | 6,093.12 | 8,732.70 | 6,942.99 | 4,149.40 | | | | | |
| Interest Earned on Emergency Reserve Funds | 645.23 | 2,509.66 | 4,046.01 | 3,205.03 | 1,970.60 | | | | | |
| Interest Earned on Deposits | 28,206.91 | 93,848.51 | 103,867.15 | 63,864.94 | 86,375.37 | 452,704.17 | 665,015.57 | 414,115.16 | 158,343.76 | 61,062.95 |
| Total Miscellaneous Revenues | \$ 804,647.78 | \$ 634,519.80 | \$ 909,041.33 | \$ 463,717.42 | \$ 692,458.17 | \$ 1,047,207.02 | \$ 1,428,388.57 | \$ 1,188,646.73 | \$ 921,267.05 | \$ 208,217.67 |

Source: District Records

Revenue Capacity Information

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

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

| Year Ended Dec. 31 | Vacant Land | Residential | Farm | Commercial | Industrial | Apartment | Total Assessed Value | Public Utilities (1) | Net Valuation Taxable | Taxable Value of Partial Exemptions and Abatements | Real Property Exempt from Taxation | Estimated Actual (County Equalized) Value | Total Direct School Tax Rate (2) |
|--------------------|------------------|---------------------|-----------------|-------------------|------------------|-------------------|----------------------|----------------------|-----------------------|--|------------------------------------|---|----------------------------------|
| 2013 | \$ 43,644,900.00 | \$ 3,860,376,200.00 | \$ 7,165,800.00 | \$ 340,986,300.00 | \$ 58,290,800.00 | \$ 161,685,100.00 | \$ 4,472,159,100.00 | \$ 8,504,800.00 | \$ 4,480,663,900.00 | \$ 1,786,500.00 | \$ 740,427,900.00 | \$ 4,224,341,058.00 | \$ 0.974 |
| 2012 | 42,470,400.00 | 3,912,957,500.00 | 7,189,600.00 | 333,418,200.00 | 57,339,900.00 | 160,651,000.00 | 4,514,026,600.00 | 10,169,900.00 | 4,524,196,500.00 | 2,243,900.00 | 754,018,000.00 | 4,488,127,902.00 | 0.966 |
| 2011 | 44,506,600.00 | 3,926,594,450.00 | 6,791,800.00 | 320,755,000.00 | 58,630,600.00 | 164,046,800.00 | 4,521,235,250.00 | 10,362,210.00 | 4,531,597,460.00 | 2,773,250.00 | 768,960,600.00 | 4,488,696,317.00 | 0.947 |
| 2010 (3) | 48,611,000.00 | 3,922,541,150.00 | 7,735,800.00 | 317,979,100.00 | 60,852,900.00 | 166,205,500.00 | 4,523,925,450.00 | 11,677,300.00 | 4,535,602,750.00 | 2,842,050.00 | 777,355,900.00 | 4,619,464,477.00 | 0.922 |
| 2009 | 25,485,900.00 | 2,145,192,600.00 | 4,312,600.00 | 153,492,500.00 | 32,643,200.00 | 85,262,700.00 | 2,446,389,500.00 | 5,923,640.00 | 2,452,313,140.00 | 1,545,300.00 | 418,139,400.00 | 4,688,905,072.00 | 1.667 |
| 2008 | 25,716,200.00 | 2,140,088,300.00 | 4,313,700.00 | 151,720,300.00 | 32,694,200.00 | 85,262,700.00 | 2,439,795,400.00 | 5,920,631.00 | 2,445,316,031.00 | 1,602,200.00 | 410,586,000.00 | 4,820,589,508.00 | 1.692 |
| 2007 | 24,462,900.00 | 2,125,453,500.00 | 4,277,200.00 | 148,503,800.00 | 33,918,700.00 | 82,508,000.00 | 2,419,124,100.00 | 6,055,577.00 | 2,425,179,677.00 | 1,430,600.00 | 404,633,900.00 | 4,764,364,192.00 | 1.727 |
| 2006 | 27,696,100.00 | 2,094,399,900.00 | 4,306,400.00 | 142,600,400.00 | 34,229,100.00 | 83,623,300.00 | 2,387,157,200.00 | 6,561,812.00 | 2,393,719,012.00 | 29,266,200.00 | 357,221,532.00 | 4,355,545,698.00 | 1.683 |
| 2005 | 30,229,100.00 | 2,070,257,700.00 | 4,669,300.00 | 145,046,600.00 | 34,200,800.00 | 83,623,300.00 | 2,368,026,800.00 | 8,339,470.00 | 2,376,365,270.00 | 29,440,900.00 | 355,692,286.00 | 3,900,558,720.00 | 1.643 |
| 2004 | 32,768,701.00 | 2,033,132,300.00 | 4,165,500.00 | 137,553,300.00 | 34,828,300.00 | 83,623,300.00 | 2,326,071,401.00 | 9,521,991.00 | 2,335,593,392.00 | 12,913,300.00 | 354,306,483.00 | 3,201,605,703.00 | 1.510 |

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

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

(3) Revaluation

Source: Camden County Board of Taxation

GLOUCESTER TOWNSHIP SCHOOL DISTRICT

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(Rate per \$100 of Assessed Value)

Unaudited

| Year Ended Dec. 31 | District Direct Rate | | | Overlapping Rates | | | | Total Direct and Overlapping Tax Rate |
|--------------------|----------------------|---------------------------------|------------------------------|-------------------------------|------------------------|---------------------------------------|---------------|---------------------------------------|
| | Basic Rate | General Obligation Debt Service | Total Direct School Tax Rate | Regional High School District | Township of Gloucester | Township of Gloucester Fire Districts | Camden County | |
| 2013 | \$0.922 | \$0.052 | \$0.974 | \$0.517 | \$0.853 | \$0.778 | \$0.791 | \$3.913 |
| 2012 | 0.898 | 0.058 | 0.956 | 0.509 | 0.845 | 0.764 | 0.772 | 3.846 |
| 2011 | 0.888 | 0.059 | 0.947 | 0.511 | 0.843 | 0.734 | 0.736 | 3.771 |
| 2010 (1) | 0.865 | 0.058 | 0.922 | 0.499 | 0.887 | 0.708 | 0.682 | 3.698 |
| 2009 | 1.567 | 0.100 | 1.667 | 0.888 | 1.448 | 1.294 | 1.239 | 6.536 |
| 2008 | 1.597 | 0.095 | 1.692 | 0.939 | 1.116 | 1.259 | 1.257 | 6.263 |
| 2007 | 1.636 | 0.090 | 1.727 | 0.981 | 1.040 | 1.211 | 1.287 | 6.246 |
| 2006 | 1.603 | 0.090 | 1.693 | 0.924 | 0.927 | 1.187 | 1.336 | 6.067 |
| 2005 | 1.554 | 0.089 | 1.643 | 0.867 | 1.009 | 1.085 | 1.139 | 5.743 |
| 2004 | 1.424 | 0.085 | 1.510 | 0.745 | 0.920 | 1.006 | 1.080 | 5.261 |

(1) Revaluation

Source: Municipal Tax Collector

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

| Taxpayer | 2013 | | | 2004 | | |
|--------------------------------------|--------------------------|------|--|--------------------------|------|--|
| | Taxable Assessed Value | Rank | % of Total District Net Assessed Value | Taxable Assessed Value | Rank | % of Total District Net Assessed Value |
| Autumn Ridge Apartments | \$ 38,863,100.00 | 1 | 0.87% | \$ 18,476,800.00 | 1 | 0.79% |
| Millbridge Apartments | 30,841,600.00 | 2 | 0.69% | 15,480,300.00 | 3 | 0.66% |
| Lakeview Apartments | 24,166,700.00 | 3 | 0.54% | 17,402,000.00 | 2 | 0.75% |
| Korman Cherrywood Apartments | 19,872,000.00 | 4 | 0.44% | 10,914,600.00 | 4 | 0.47% |
| Inland Western Gloucester Cross Keys | 18,144,900.00 | 5 | 0.40% | 7,800,000.00 | 7 | 0.33% |
| Paramount at Chews Landing | 16,209,900.00 | 6 | 0.36% | 9,810,800.00 | 6 | 0.42% |
| Fairways Apartments | 16,145,500.00 | 7 | 0.36% | | | |
| Benderson Development | 13,976,600.00 | 8 | 0.31% | | | |
| Clinton Blackwood | 13,288,900.00 | 9 | 0.30% | | | |
| Target Corporation | 2,252,300.00 | 10 | 0.05% | | | |
| Group IV Equities | | | | 10,547,600.00 | 5 | 0.45% |
| Pine Run Commerce Center | | | | 6,602,900.00 | 8 | 0.28% |
| A.C. Moore Warehouse | | | | 6,472,600.00 | 9 | 0.28% |
| Zallies Supermarket (Shop Rite) | | | | 4,350,600.00 | 10 | 0.19% |
| Total | \$ 193,761,500.00 | | 4.32% | \$ 107,858,200.00 | | 4.62% |

Source: Abstracted via NJ Tax Search

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

| <u>Fiscal Year Ended June 30,</u> | <u>School District Taxes Levied for the Fiscal Year</u> | <u>Collected within the Fiscal Year of the Levy (1)</u> | | <u>Collections in Subsequent Years</u> |
|---------------------------------------|---|---|-------------------------------|--|
| | | <u>Amount</u> | <u>Percentage of Levy</u> | |
| 2013 | \$ 43,512,893.00 | \$ 43,507,991.00 | 99.99% | \$ 4,902.00 |
| 2012 | 43,036,028.00 | 43,026,028.10 | 99.98% | 9,999.90 |
| 2011 | 42,724,666.00 | 42,714,666.10 | 99.98% | 9,999.90 |
| 2010 | 40,843,497.00 | 40,843,497.00 | 100.00% | - |
| 2009 | 40,870,107.00 | 40,870,107.00 | 100.00% | - |
| 2008 | 41,895,620.00 | 41,895,620.00 | 100.00% | - |
| 2007 | 41,895,620.00 | 41,895,620.00 | 100.00% | - |
| 2006 | 39,114,451.00 | 39,114,451.00 | 100.00% | - |
| 2005 | 38,951,790.00 | 38,951,790.00 | 100.00% | - |
| 2004 | 31,573,594.00 | 31,573,594.00 | 100.00% | - |

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

Source: District Records

Debt Capacity Information

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

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

| Fiscal Year Ended <u>June 30.</u> | Governmental Activities | | <u>Total District</u> | Percentage of Personal Income (2) | <u>Per Capita (3)</u> |
|---|---|---------------------------|-----------------------|---|-----------------------|
| | <u>General Obligation Bonds (1)</u> | <u>Capital Leases</u> | | | |
| 2013 | \$ 19,886,789.54 | \$ 230,914.83 | \$ 20,117,704.37 | Unavailable | \$ 312.36 |
| 2012 | 23,372,579.01 | 98,470.51 | 23,471,049.52 | 0.84% | 363.44 |
| 2011 | 26,577,368.48 | 193,161.58 | 26,770,530.06 | 0.97% | 414.24 |
| 2010 | 29,638,157.95 | - | 29,638,157.95 | 1.11% | 458.09 |
| 2009 | 32,588,947.42 | 187,040.51 | 32,775,987.93 | 1.20% | 505.79 |
| 2008 | 35,339,736.89 | 537,813.41 | 35,877,550.30 | 1.37% | 551.17 |
| 2007 | 37,770,526.36 | 335,164.12 | 38,105,690.48 | 1.51% | 583.07 |
| 2006 | 32,285,315.83 | 206,842.63 | 32,492,158.46 | 1.38% | 499.64 |
| 2005 | 34,466,105.30 | 844,780.40 | 35,310,885.70 | 1.56% | 545.11 |
| 2004 | 36,476,894.77 | 995,574.04 | 37,472,468.81 | 1.72% | 580.18 |

Sources:

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

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

| Fiscal Year Ended June 30, | General Bonded Debt Outstanding | | | Percentage of Net Assessed Valuation Taxable (2) | Per Capita (3) |
|-------------------------------|---------------------------------|------------|---|---|----------------|
| | General Obligation Bonds | Deductions | Net General Bonded Debt Outstanding (1) | | |
| 2013 | \$ 19,886,789.54 | - | \$ 19,886,789.54 | 0.44% | \$ 308.77 |
| 2012 | 23,372,579.01 | - | 23,372,579.01 | 0.52% | 361.92 |
| 2011 | 26,577,368.48 | - | 26,577,368.48 | 0.59% | 411.25 |
| 2010 (4) | 29,638,157.95 | - | 29,638,157.95 | 0.65% | 458.09 |
| 2009 | 32,588,947.42 | - | 32,588,947.42 | 1.33% | 502.91 |
| 2008 | 35,339,736.89 | - | 35,339,736.89 | 1.45% | 542.90 |
| 2007 | 37,770,526.36 | - | 37,770,526.36 | 1.56% | 577.95 |
| 2006 | 32,285,315.83 | - | 32,285,315.83 | 1.35% | 496.46 |
| 2005 | 34,466,105.30 | - | 34,466,105.30 | 1.45% | 532.07 |
| 2004 | 36,476,894.77 | - | 36,476,894.77 | 1.56% | 564.76 |

Sources:

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

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2012
Unaudited

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Statutory Net Debt Outstanding</u> | <u>Net Debt Outstanding Allocated to Gloucester Township</u> | <u>Debt Authorized but not issued</u> |
|--|-----------------------|----------------------|---------------------------------------|--|---------------------------------------|
| Municipal Debt: (1) | | | | | |
| Gloucester Township School District (1) | \$ 20,131,789.54 | \$ 20,131,789.54 | | | |
| Black Horse Pike Regional School District (1) (2) | 16,277,135.52 | 16,277,135.52 | | | |
| Gloucester Township (3) | 61,063,906.52 | | \$ 61,063,906.52 | \$ 61,063,906.52 | |
| | <u>97,472,831.58</u> | <u>36,408,925.06</u> | <u>61,063,906.52</u> | <u>61,063,906.52</u> | |
| Overlapping Debt Apportioned to the Municipality: | | | | | |
| County of Camden: (1) | | | | | |
| General: | | | | | |
| Bonds | 44,081,645.00 | | 33,397,394.00 | 3,799,102.52 (6) | \$ 16,704,000.00 |
| Loan Agreements | 147,285,000.00 | 10,684,251.00 (4) | 147,285,000.00 | 16,754,325.66 (6) | |
| Bonds Issued by Other Public Bodies | | | | | |
| Guaranteed by the County | 68,177,740.00 | | | | |
| Gloucester Township Municipal Utilities Authority(1) | 13,180,179.62 | 68,177,740.00 (5) | 13,180,179.62 | 13,180,179.62 | |
| Gloucester Township Fire Districts (1) | 880,000.00 | | 880,000.00 | 880,000.00 | |
| | <u>273,604,564.62</u> | <u>78,861,991.00</u> | <u>194,742,573.62</u> | <u>34,613,607.80</u> | <u>16,704,000.00</u> |
| | \$ 371,077,396.20 | \$ 115,270,916.06 | \$ 255,806,480.14 | \$ 95,677,514.32 | \$ 16,704,000.00 |

Sources:

- (1) Entity's Audit Report
 - (2) Allocated based on percentage of average equalized valuations
 - (3) Township Audit Report
 - (4) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
 - (5) Deductible in accordance with N.J.S. 40:37A-80.
 - (6) Such debt is allocated as a proportion of the Issuer's share of the total 2012 Net Valuation on which County taxes are apportioned, which is 11.38%.
- The source for this computation was the County of Camden 2012 Abstract of Ratables.

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

Legal Debt Margin Calculation for Fiscal Year 2013

| | |
|------|---|
| | Equalized |
| | Valuation |
| | Basis (1) |
| 2012 | \$ 4,255,304,110 |
| 2011 | 4,478,244,107 |
| 2010 | 4,607,787,177 |
| | <u>\$ 13,341,335,394</u> |
| | <u>\$ 4,447,111,798</u> |
| | Average equalized valuation of taxable property |
| | <u>\$ 133,413,354</u> |
| | Debt limit (3% of average equalization value) (2) |
| | <u>19,886,790</u> |
| | Total Net Debt Applicable to Limit |
| | <u>\$ 113,526,564</u> |

| | Fiscal Year Ended June 30, | | | | | | | | | |
|--|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| Debt limit | \$ 133,413,353.94 | \$ 137,690,127.16 | \$ 141,058,374.86 | \$ 142,563,589.24 | \$ 139,223,612.78 | \$ 129,995,126.52 | \$ 114,332,877.48 | \$ 98,872,910.43 | \$ 85,339,768.64 | \$ 76,873,549.84 |
| Total net debt applicable to limit (3) | <u>19,886,789.54</u> | <u>23,372,579.01</u> | <u>26,577,368.48</u> | <u>29,638,157.95</u> | <u>32,588,947.42</u> | <u>35,339,736.89</u> | <u>37,770,526.36</u> | <u>32,285,315.83</u> | <u>34,466,105.30</u> | <u>36,476,894.77</u> |
| Legal debt margin | <u>\$ 113,526,564.40</u> | <u>\$ 114,317,548.15</u> | <u>\$ 114,481,006.38</u> | <u>\$ 112,925,431.29</u> | <u>\$ 106,634,665.36</u> | <u>\$ 94,655,389.63</u> | <u>\$ 76,562,351.12</u> | <u>\$ 66,587,594.60</u> | <u>\$ 50,873,663.34</u> | <u>\$ 40,396,655.07</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 14.91% | 16.97% | 18.84% | 20.79% | 23.41% | 27.19% | 33.04% | 32.65% | 40.39% | 47.45% |

Sources:
 (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
 (2) Limit set by N.J.S.A. 18A:24-19 for a K through 6 district.
 (3) District Records

Demographic and Economic Information

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

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

| <u>Year</u> | <u>Population (1)</u> | <u>Personal Income (2)</u> | County of Camden <u>Per Capita Personal Income (3)</u> | <u>Unemployment Rate (4)</u> |
|-------------|-----------------------|--------------------------------|--|----------------------------------|
| 2012 | 64,406 | Unavailable | Unavailable | 9.4% |
| 2011 | 64,580 | \$ 2,783,333,420.00 | \$ 43,099.00 | 9.3% |
| 2010 | 64,626 | 2,760,822,720.00 | 42,720.00 | 9.6% |
| 2009 | 64,700 | 2,678,968,200.00 | 41,406.00 | 8.7% |
| 2008 | 64,801 | 2,721,123,592.00 | 41,992.00 | 3.2% |
| 2007 | 65,094 | 2,620,684,440.00 | 40,260.00 | 2.7% |
| 2006 | 65,353 | 2,527,265,863.00 | 38,671.00 | 2.7% |
| 2005 | 65,031 | 2,360,560,269.00 | 36,299.00 | 2.4% |
| 2004 | 64,777 | 2,264,280,035.00 | 34,955.00 | 4.8% |
| 2003 | 64,588 | 2,181,265,936.00 | 33,772.00 | 5.4% |

Sources:

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

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

| <u>Employer</u> | <u>2013</u> | | | <u>2004 (1)</u> | | |
|-------------------------------|------------------|-------------|---|------------------|-------------|---|
| | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total Municipal Employment (1)</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total Municipal Employment</u> |
| Metrologic Corp. | 500 | 1 | | | | |
| U.S. Vision | 350 | 2 | | | | |
| Zallie Supermarkets | 300 | 3 | | | | |
| Freeland Associates | 255 | 4 | | | | |
| Super G | 225 | 5 | | | | |
| Blackwell North America | 180 | 6 | | | | |
| Wastequip/Accurate Industries | 150 | 7 | | | | |
| K-Mart | 100 | 8 | | | | |
| A.L. Hyde Company | 95 | 9 | | | | |
| Reliable Tire | 77 | 10 | | | | |
| | <u>2,232</u> | | | | | |
| | | | - | | | - |

(1) Information not available

Source: Township Official Statement

Operating Information

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

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

| Function/Program | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| Instruction: | | | | | | | | | | |
| Teachers | 534.0 | 526.0 | 528.0 | 572.0 | 564.0 | 589.0 | 608.0 | 578.0 | 583.0 | 577.0 |
| Classroom Aides | 60.0 | 56.0 | 53.0 | 108.0 | 129.0 | 107.0 | 99.0 | 104.0 | 104.0 | 99.0 |
| Support Services: | | | | | | | | | | |
| Attendance and Social Work services | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Health Services | 24.0 | 24.0 | 22.0 | 22.0 | 13.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 |
| Related Services | 18.0 | 21.0 | 22.0 | 20.0 | 18.0 | 16.0 | 11.0 | 11.0 | 10.0 | 10.0 |
| Extraordinary Services | - | - | - | - | - | - | 2.0 | 2.0 | 2.0 | 2.0 |
| Guidance Services | 21.0 | 19.0 | 19.0 | 22.0 | 22.0 | 20.5 | 20.5 | 20.5 | 20.5 | 20.5 |
| Child Study Team Services | 21.0 | 20.0 | 22.0 | 24.0 | 22.0 | 20.0 | 24.0 | 24.0 | 23.0 | 23.0 |
| Improvement of Instruction Services | 11.6 | 9.0 | 15.0 | 22.0 | 20.0 | 10.0 | 12.0 | 12.0 | 12.0 | 12.0 |
| Media/Library Services | 18.0 | 18.0 | 11.0 | 11.0 | 10.0 | 7.0 | 7.0 | 7.0 | 10.0 | 10.0 |
| Instructional Staff Training Services | - | - | - | - | - | - | 1.0 | 1.0 | 1.0 | 1.0 |
| General Administrative Services | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 3.0 | 2.0 | 2.0 | 2.0 | 3.0 |
| School Administrative Services | 50.0 | 49.0 | 51.0 | 55.0 | 55.0 | 54.0 | 49.0 | 49.0 | 49.0 | 49.0 |
| Central Services | 17.0 | 16.5 | 16.0 | 19.0 | 19.0 | 4.0 | 3.0 | 3.0 | 5.0 | 23.0 |
| Administrative Information Technology | 7.3 | 9.0 | 9.0 | 12.0 | 13.0 | 15.0 | 18.0 | 17.0 | 18.0 | 10.0 |
| Plant Operations and Maintenance Services | 69.0 | 71.0 | 69.0 | 82.0 | 84.0 | 81.0 | 91.0 | 9.0 | 10.0 | 82.0 |
| Student Transportation Services | 15.0 | 15.0 | 12.0 | 20.0 | 20.0 | 24.0 | 81.0 | 81.0 | 81.0 | 87.0 |
| Business and Other Support Services | - | - | - | 20.0 | 20.0 | 20.0 | 86.0 | 87.0 | 87.0 | - |
| Various Other Functions | 79.0 | 72.0 | 81.0 | 87.0 | 88.0 | 81.0 | 88.0 | 90.0 | 90.0 | 90.0 |
| Food Service | 59.0 | 59.0 | 62.0 | 67.0 | 69.0 | 45.0 | 57.0 | 58.0 | 58.0 | 57.0 |
| Latchkey | 33.6 | 36.0 | 36.0 | 43.0 | 43.0 | 53.0 | 45.0 | 42.0 | 46.0 | 43.0 |
| Total | 1,041.5 | 1,023.5 | 1,031.0 | 1,209.0 | 1,212.0 | 1,161.5 | 1,316.5 | 1,209.5 | 1,223.5 | 1,210.5 |

Source: Annual School District Budget Statement Supporting Documentation

GLOUCESTER TOWNSHIP SCHOOL DISTRICT

Operating Statistics
Last Ten Fiscal Years
Unaudited

| Fiscal Year Ended June 30, | Enrollment | Operating Expenditures | Cost Per Pupil | Percentage Change | Teaching Staff | Pupil/Teacher Ratio | | Average Daily Enrollment (ADE) | Average Daily Attendance (ADA) | % Change in Average Daily Enrollment | Student Attendance Percentage |
|----------------------------|------------|------------------------|----------------|-------------------|----------------|---------------------|---------------|--------------------------------|--------------------------------|--------------------------------------|-------------------------------|
| | | | | | | Elementary | Middle School | | | | |
| 2013 | 6,946 | \$ 99,446,071.36 | \$ 14,317.03 | 4.12% | 559 | 19.0 | 25.4 | 6,941.80 | 6,596.10 | -1.19% | 95.00% |
| 2012 | 7,048 | 96,911,962.89 | 13,750.28 | 11.43% | 557 | 19.3 | 26.0 | 7,025.30 | 6,708.10 | -4.29% | 95.50% |
| 2011 | 7,360 | 90,820,243.71 | 12,339.71 | -3.57% | 557 | 18.8 | 27.6 | 7,340.30 | 6,998.80 | -1.19% | 95.30% |
| 2010 | 7,421 | 94,965,541.06 | 12,796.87 | 6.60% | 564 | 19.4 | 23.3 | 7,428.90 | 7,066.50 | -1.41% | 95.10% |
| 2009 | 7,554 | 90,683,934.07 | 12,004.76 | 0.95% | 564 | 19.6 | 23.8 | 7,535.30 | 7,170.70 | -1.13% | 95.40% |
| 2008 | 7,641 | 90,864,109.50 | 11,891.65 | 6.28% | 548 | 20.2 | 23.7 | 7,621.20 | 7,268.40 | -1.70% | 95.40% |
| 2007 | 7,762 | 86,846,364.06 | 11,188.66 | 7.65% | 544 | 20.6 | 24.9 | 7,753.20 | 7,392.90 | -1.15% | 95.40% |
| 2006 | 7,855 | 81,641,054.34 | 10,393.51 | 5.93% | 578 | 21.1 | 25.1 | 7,843.70 | 7,466.60 | -0.98% | 95.20% |
| 2005 | 7,972 | 78,218,703.73 | 9,811.68 | 8.20% | 583 | 20.8 | 25.3 | 7,921.20 | 7,543.60 | -0.76% | 95.23% |
| 2004 | 7,992 | 72,473,609.75 | 9,068.27 | 8.48% | 577 | 21.0 | 26.0 | 7,981.70 | 7,609.60 | -0.44% | 95.34% |

Sources: District Records

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

| | Fiscal Year Ended June 30, | | | | | | | | | |
|----------------------------|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| District Buildings: | | | | | | | | | | |
| Elementary Schools: | | | | | | | | | | |
| Square Feet | 67,565 | 67,565 | 67,565 | 67,565 | 67,565 | 67,565 | 67,565 | 67,565 | 67,565 | 67,565 |
| Capacity (students) | 850 | 850 | 850 | 850 | 850 | 850 | 850 | 850 | 850 | 850 |
| Enrollment | 615 | 605 | 676 | 669 | 670 | 727 | 719 | 713 | 912 | 623 |
| Chews (1958) | | | | | | | | | | |
| Square Feet | 76,676 | 76,676 | 76,676 | 76,676 | 76,676 | 76,676 | 76,676 | 76,676 | 76,676 | 76,676 |
| Capacity (students) | 925 | 925 | 925 | 925 | 925 | 925 | 925 | 925 | 925 | 925 |
| Enrollment | 745 | 748 | 820 | 824 | 829 | 831 | 839 | 839 | 892 | 823 |
| Erial (1961) | | | | | | | | | | |
| Square Feet | 76,202 | 76,202 | 76,202 | 76,202 | 76,202 | 76,202 | 76,202 | 76,202 | 76,202 | 76,202 |
| Capacity (students) | 925 | 925 | 925 | 925 | 925 | 925 | 925 | 925 | 925 | 925 |
| Enrollment | 730 | 766 | 764 | 758 | 804 | 795 | 777 | 776 | 813 | 771 |
| Glendora (1922) | | | | | | | | | | |
| Square Feet | 32,906 | 32,906 | 32,906 | 32,906 | 32,906 | 32,906 | 32,906 | 32,906 | 32,906 | 32,906 |
| Capacity (students) | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 |
| Enrollment | 277 | 285 | 285 | 272 | 290 | 275 | 274 | 279 | 283 | 269 |
| Gloucester Township (1926) | | | | | | | | | | |
| Square Feet | 37,684 | 37,684 | 37,684 | 37,684 | 37,684 | 37,684 | 37,684 | 37,684 | 37,684 | 37,684 |
| Capacity (students) | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 |
| Enrollment | 275 | 272 | 278 | 296 | 285 | 293 | 266 | 274 | 262 | 263 |
| J.W. Lilley (1986) | | | | | | | | | | |
| Square Feet | 67,812 | 67,812 | 67,812 | 67,812 | 67,812 | 67,812 | 67,812 | 67,812 | 67,812 | 67,812 |
| Capacity (students) | 925 | 925 | 925 | 925 | 925 | 925 | 925 | 925 | 925 | 925 |
| Enrollment | 487 | 510 | 593 | 634 | 644 | 664 | 686 | 667 | 736 | 741 |
| Loring-Flemming (1976) | | | | | | | | | | |
| Square Feet | 75,150 | 75,150 | 75,150 | 75,150 | 75,150 | 75,150 | 75,150 | 75,150 | 75,150 | 75,150 |
| Capacity (students) | 975 | 975 | 975 | 975 | 975 | 975 | 975 | 975 | 975 | 975 |
| Enrollment | 780 | 761 | 745 | 713 | 713 | 725 | 754 | 764 | 794 | 821 |
| Union Valley (2001) | | | | | | | | | | |
| Square Feet | 88,841 | 88,841 | 88,841 | 88,841 | 88,841 | 88,841 | 88,841 | 88,841 | 88,841 | 88,841 |
| Capacity (students) | 925 | 925 | 925 | 925 | 925 | 925 | 925 | 925 | 925 | 925 |
| Enrollment | 543 | 561 | 607 | 627 | 630 | 650 | 679 | 667 | 716 | 717 |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT

School Building Information
Last Ten Fiscal Years
Unaudited

| | Fiscal Year Ended June 30, | | | | | | | | | |
|--|----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| District Buildings: | | | | | | | | | | |
| Middle Schools: | | | | | | | | | | |
| C.W. Lewis (1964) | | | | | | | | | | |
| Square Feet | 133,119 | 133,119 | 133,119 | 133,119 | 133,119 | 133,119 | 133,119 | 133,119 | 133,119 | 133,119 |
| Capacity (students) | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 |
| Enrollment | 679 | 671 | 641 | 626 | 638 | 646 | 709 | 714 | 716 | 744 |
| Glen Landing (1971) | | | | | | | | | | |
| Square Feet | 131,646 | 131,646 | 131,646 | 131,646 | 131,646 | 131,646 | 131,646 | 131,646 | 131,646 | 131,646 |
| Capacity (students) | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 |
| Enrollment | 842 | 820 | 843 | 873 | 889 | 891 | 883 | 886 | 916 | 917 |
| Ann A. Mullen (1996) | | | | | | | | | | |
| Square Feet | 173,342 | 173,342 | 173,342 | 173,342 | 173,342 | 173,342 | 173,342 | 173,342 | 173,342 | 173,342 |
| Capacity (students) | 1,350 | 1,350 | 1,350 | 1,350 | 1,350 | 1,350 | 1,350 | 1,350 | 1,350 | 1,350 |
| Enrollment | 973 | 1,049 | 1,108 | 1,129 | 1,162 | 1,144 | 1,176 | 1,174 | 1,149 | 1,182 |
| Other: | | | | | | | | | | |
| Administration Office (1955) | | | | | | | | | | |
| Square Feet | 7,440 | 7,440 | 7,440 | 7,440 | 7,440 | 7,440 | 7,440 | 7,440 | 7,440 | 7,440 |
| Miranda Building (1923) | | | | | | | | | | |
| Square Feet | 10,300 | 10,300 | 10,300 | 10,300 | 10,300 | 10,300 | 10,300 | 10,300 | 10,300 | 10,300 |
| Maintenance/Transportation Building (1970) | | | | | | | | | | |
| Square Feet | 18,716 | 18,716 | 18,716 | 18,716 | 18,716 | 18,716 | 18,716 | 18,716 | 18,716 | 18,716 |
| Grenloch Building (1916) | | | | | | | | | | |
| Square Feet | 9,492 | 9,492 | 9,492 | 9,492 | 9,492 | 9,492 | 9,492 | 9,492 | 9,492 | 9,492 |

Number of Schools at June 30, 2013

Elementary = 8

Middle School = 3

Other = 4

Source: District Records

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

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

| School Facilities | Project # (s) | Fiscal Year Ended June 30, | | | | | | | | | |
|---------------------------------------|---------------|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| Blackwood Elementary School | N/A | \$ 37,987.46 | \$ 26,170.31 | \$ 27,533.69 | \$ 26,396.00 | \$ 25,722.68 | \$ 27,136.00 | \$ 27,762.00 | \$ 28,201.00 | \$ 37,945.00 | \$ 63,394.00 |
| C.W. Lewis Middle School | N/A | 74,892.49 | 44,217.69 | 46,521.28 | 51,352.00 | 47,846.28 | 73,530.00 | 75,226.00 | 52,185.00 | 70,217.00 | 73,559.00 |
| Chews Elementary School | N/A | 43,110.36 | 34,171.36 | 35,951.57 | 28,516.00 | 39,107.21 | 21,446.00 | 21,941.00 | 32,004.00 | 43,062.00 | 54,717.00 |
| Erial Elementary School | N/A | 42,843.38 | 28,050.09 | 29,511.40 | 31,629.00 | 29,294.76 | 45,518.00 | 46,568.00 | 31,805.00 | 42,795.00 | 44,604.00 |
| Glen Landing Middle School | N/A | 66,139.25 | 68,502.39 | 72,071.13 | 40,289.00 | 50,256.34 | 56,898.00 | 58,658.00 | 49,099.00 | 66,065.00 | 70,186.00 |
| Glendora Elementary School | N/A | 18,875.23 | 11,680.73 | 12,289.26 | 12,448.00 | 19,857.79 | 24,072.00 | 24,628.00 | 14,053.00 | 18,909.00 | 27,753.00 |
| Gloucester Township Elementary School | N/A | 19,668.43 | 14,287.47 | 15,031.80 | 18,923.00 | 18,238.16 | 24,948.00 | 25,523.00 | 15,713.00 | 21,143.00 | 28,782.00 |
| J.W. Lilley Elementary School | N/A | 38,126.75 | 24,826.81 | 26,120.20 | 25,053.00 | 27,393.04 | 41,579.00 | 42,538.00 | 28,303.00 | 38,083.00 | 40,463.00 |
| Loing-Fleming Elementary School | N/A | 42,252.35 | 44,213.43 | 46,516.80 | 37,082.00 | 94,743.36 | 41,142.00 | 42,091.00 | 31,366.00 | 42,204.00 | 45,381.00 |
| Ann A. Mullen Middle School | N/A | 97,459.97 | 94,472.90 | 67,834.03 | 103,287.00 | 77,546.06 | 31,950.00 | 32,687.00 | 57,585.00 | 77,482.00 | 81,057.00 |
| Union Valley Elementary School | N/A | 49,748.08 | 40,964.88 | 43,099.01 | 31,703.00 | 34,809.82 | 26,261.00 | 26,866.00 | 36,932.00 | 49,693.00 | 58,264.00 |
| Total School Facilities | | 531,103.76 | 431,558.07 | 422,480.17 | 406,678.00 | 464,815.50 | 414,480.00 | 424,488.00 | 377,246.00 | 507,598.00 | 588,160.00 |
| Other Facilities | | 2,978.85 | 32,694.18 | 34,155.98 | 6,782.00 | 38,630.72 | 23,198.00 | 23,284.00 | 19,178.00 | 25,804.00 | 220,849.00 |
| Grand Total | | \$ 534,082.61 | \$ 464,252.25 | \$ 456,636.15 | \$ 413,460.00 | \$ 503,446.22 | \$ 437,678.00 | \$ 447,772.00 | \$ 396,424.00 | \$ 533,402.00 | \$ 809,009.00 |

Source: District Records

GLOUCESTER TOWNSHIP SCHOOL DISTRICT

Insurance Schedule

June 30, 2013

Unaudited

| | <u>Coverage</u> | <u>Deductible</u> |
|--|-------------------|-------------------|
| School Package Policy | | |
| Property | | |
| Blanket Building & Contents | \$ 191,732,707.00 | \$ 1,000.00 |
| Earthquake - Volcanic Eruption | 5,000,000.00 | 25,000.00 |
| Flood | 5,015,000.00 | 25,000.00 |
| Equipment | | |
| Audio Visual | 908,930.00 | 250.00 |
| Lab/Science/Engineer | 132,357.00 | 250.00 |
| Data Processing | 5,453,995.00 | 250.00 |
| Communications | 150,000.00 | 250.00 |
| Boiler and Machinery | | |
| Property Damage | 191,732,707.00 | 1,000.00 |
| Employee Dishonesty - Per Employee | 100,000.00 | 500.00 |
| Comprehensive General Liability | | |
| General | 2,000,000.00 | |
| Products/Completed Operations | 1,000,000.00 | |
| Personal and Advertising Injury - Per Occurrence | 1,000,000.00 | |
| Employee Benefits - Per Claim | 1,000,000.00 | |
| Employee Benefits | 3,000,000.00 | 1,000.00 |
| Sexual Abuse and Molestation - Per Claim | 1,000,000.00 | |
| Sexual Abuse and Molestation | 3,000,000.00 | |
| Educators Legal Liability Policy - Per Claim | 1,000,000.00 | |
| Educators Legal Liability Policy | 2,000,000.00 | |
| Comprehensive Automobile Liability | 1,000,000.00 | 10,000.00 |
| Umbrella Liability | | |
| Umbrella Policy | 15,000,000.00 | |
| Workers Compensation | | |
| Specific Retention--Each Accident | 1,000,000.00 | |
| Student Accident | 500,000.00 | |

Source: School District Records

SINGLE AUDIT SECTION

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND
STATE OF NEW JERSEY CIRCULAR 04-04-OMB**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Gloucester Township School District's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2013. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133, and State of New Jersey Circular 04-04-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Gloucester Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Gloucester Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2013.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and State of New Jersey Circular 04-04-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Todd R. Saler

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

Voorhees, New Jersey
December 4, 2013

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2013

| <u>Pass-through</u> <u>Grantor/Program Title</u> | <u>CFDA</u> <u>Number</u> | <u>State Project</u> <u>Number</u> | <u>Award</u> <u>Amount</u> | <u>Grant Period</u> <u>From</u> <u>To</u> | | <u>Balance</u> <u>June 30, 2012</u> |
|--|------------------------------|---------------------------------------|-------------------------------|--|-------------|--|
| General Fund: | | | | | | |
| U.S. Department of Law and Public Safety: Public Assistance Grants | 97.036 | Unavailable | \$ 6,795.62 | Unavailable | Unavailable | |
| U.S. Department of Health and Human Services: Passed-through the State Department of Education: | | | | | | |
| Education Jobs Fund | 84.410 | Unavailable | 1,774,132.00 | 8-10-10 | 9-30-12 | |
| Special Education--Medicaid Initiative | 93.778 | N/A | 193,733.61 | 7-1-12 | 6-30-13 | |
| Special Education--Medicaid Initiative | 93.778 | N/A | 186,653.57 | 7-1-11 | 6-30-12 | <u>\$ (25,907.57)</u> |
| Total General Fund | | | | | | <u>(25,907.57)</u> |
| Special Revenue Fund: | | | | | | |
| U.S. Department of Education: Passed-through State Department of Education: | | | | | | |
| N.C.L.B.: | | | | | | |
| Title I | 84.010 | NCLB178012 | 1,106,625.00 | 9-1-11 | 8-31-12 | (651,334.00) |
| Title I | 84.010 | NCLB178013 | 974,313.00 | 9-1-12 | 8-31-13 | |
| Title I | 84.010 | NCLB178010 | 1,040,252.00 | 9-1-09 | 8-31-10 | 10,446.02 |
| Title I School Improvement | 84.010 | NCLB178010 | 3,355.00 | 9-1-09 | 8-31-10 | 3,355.00 |
| Title II - Part A | 84.367 | NCLB178012 | 208,556.00 | 9-1-11 | 8-31-12 | (114,446.00) |
| Title II - Part A | 84.367 | NCLB178013 | 179,787.00 | 9-1-12 | 8-31-13 | |
| Title II - Part A | 84.367 | NCLB178010 | 255,269.00 | 9-1-09 | 8-31-10 | |
| Title III | 84.365 | NCLB178012 | 30,574.00 | 9-1-11 | 8-31-12 | (8,027.00) |
| Title III | 84.365 | NCLB178013 | 30,467.00 | 9-1-12 | 8-31-13 | |
| I.D.E.I.A. Part B: | | | | | | |
| Basic | 84.027 | IDEIA178012 | 3,172,783.00 | 9-1-11 | 8-31-12 | (721,338.00) |
| Basic | 84.027 | IDEIA178013 | 1,973,877.00 | 9-1-12 | 8-31-13 | |
| Pre-School | 84.173 | IDEA178012 | 125,121.00 | 9-1-11 | 8-31-12 | |
| Pre-School | 84.173 | IDEA178013 | 124,232.00 | 9-1-12 | 8-31-13 | |
| Race to the Top Phase 3 | 84.413A | N/A | 76,810.00 | 9-1-11 | 11-30-15 | |
| Total Special Revenue Fund | | | | | | <u>(1,481,343.98)</u> |
| Enterprise Fund: | | | | | | |
| U.S. Department of Agriculture: Passed-through State Department of Education: | | | | | | |
| Child Nutrition Cluster: | | | | | | |
| Non-Cash Assistance (Food Distribution): | | | | | | |
| National School Lunch Program | 10.555 | Unavailable | 91,133.25 | 7-1-12 | 6-30-13 | |
| Cash Assistance: | | | | | | |
| School Breakfast Program | 10.553 | Unavailable | 243,810.47 | 7-1-12 | 6-30-13 | |
| School Breakfast Program | 10.553 | Unavailable | 227,595.22 | 7-1-11 | 6-30-12 | (8,375.58) |
| Special Milk Program | 10.556 | Unavailable | 10,026.26 | 7-1-12 | 6-30-13 | |
| Special Milk Program | 10.556 | Unavailable | 10,043.12 | 7-1-11 | 6-30-12 | (266.65) |
| After School Snack Program | 10.555 | Unavailable | 8,935.44 | 7-1-12 | 6-30-13 | |
| After School Snack Program | 10.555 | Unavailable | 8,361.79 | 7-1-11 | 6-30-12 | (246.53) |
| National School Lunch Program | 10.555 | Unavailable | 1,021,638.97 | 7-1-12 | 6-30-13 | |
| National School Lunch Program | 10.555 | Unavailable | 948,609.12 | 7-1-11 | 6-30-12 | <u>(28,886.28)</u> |
| Total Enterprise Fund: | | | | | | <u>(37,775.04)</u> |
| Total Federal Financial Assistance | | | | | | <u>\$ (1,545,026.59)</u> |

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

(B) Realized as Miscellaneous Revenue

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

| Carryover <u>Amount</u> | Cash <u>Received</u> | <u>Adjustments (A)</u> | Budgetary <u>Expenditures</u> | Repayment of Prior Years' <u>Balances</u> | <u>Balance at June 30, 2013</u> | | |
|----------------------------|-------------------------|------------------------|----------------------------------|---|---------------------------------|-----------------------------|---------------------------|
| | | | | | <u>Accounts Receivable</u> | <u>Unearned Revenue</u> | <u>Due to Grantor</u> |
| | \$ 6,795.62 | | \$ 6,795.62 (B) | | | | |
| | 53,758.00 | | 58,175.00 | | \$ (4,417.00) | | |
| | 193,733.61 | | 193,733.61 | | | | |
| | 25,907.57 | | | | | | |
| <u>-</u> | <u>280,194.80</u> | <u>-</u> | <u>258,704.23</u> | <u>-</u> | <u>(4,417.00)</u> | <u>-</u> | <u>-</u> |
| \$ (73,227.00) | 765,850.00 | \$ 0.33 | 41,289.33 | | | | |
| 73,227.00 | 369,263.00 | 4,955.08 | 859,597.08 | | (412,152.00) | | \$ 10,446.02 |
| | | | | | | | 3,355.00 |
| (305.00) | 115,285.00 | (0.07) | 533.93 | | | | |
| 305.00 | 105,419.00 | (0.16) | 178,747.84 | | (73,024.00) | | |
| (8,536.00) | 18,378.00 | 0.82 | 1,815.82 | | | | |
| 8,536.00 | 3,993.00 | 0.46 | 12,877.46 | | (348.00) | | |
| (216,579.00) | 941,831.00 | | 3,914.00 | | | | |
| 216,579.00 | 1,405,316.00 | 0.06 | 1,860,839.06 | | (238,944.00) | | |
| (53,463.00) | 53,463.00 | | | | (58,464.00) | | |
| 53,463.00 | 3,073.00 | | 115,000.00 | | (76,810.00) | | |
| <u>-</u> | <u>3,781,871.00</u> | <u>4,956.52</u> | <u>3,151,424.52</u> | <u>-</u> | <u>(859,742.00)</u> | <u>-</u> | <u>13,801.02</u> |
| | 91,133.25 | | 91,133.25 | | | | |
| | 228,948.72 | | 243,810.47 | | (14,861.75) | | |
| | 8,375.58 | | | | | | |
| | 9,515.55 | | 10,026.26 | | (510.71) | | |
| | 266.65 | | | | | | |
| | 8,492.77 | | 8,935.44 | | (442.67) | | |
| | 246.53 | | | | | | |
| | 967,054.63 | | 1,021,638.97 | | (54,584.34) | | |
| | 28,886.28 | | | | | | |
| <u>-</u> | <u>1,342,919.96</u> | <u>-</u> | <u>1,375,544.39</u> | <u>-</u> | <u>(70,399.47)</u> | <u>-</u> | <u>-</u> |
| \$ - | \$ 5,404,985.76 | \$ 4,956.52 | \$ 4,785,673.14 | \$ - | \$ (934,558.47) | \$ - | \$ 13,801.02 |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance
 For the Fiscal Year Ended June 30, 2013

| State Grantor/ Program Title | State Project Number | Award Amount | Grant Period | | Balance at June 30, 2012 | |
|--|-------------------------|------------------|--------------|-------------|--|-------------------|
| | | | From | To | Unearned Revenue/ Accounts Receivable | Due to Grantor |
| General Fund: | | | | | | |
| State Department of Education: | | | | | | |
| Equalization Aid | 13-495-034-5120-078 | \$ 45,129,600.00 | 7-1-12 | 6-30-13 | | |
| Equalization Aid | 12-495-034-5120-078 | 44,981,916.00 | 7-1-11 | 6-30-12 | \$ (4,310,772.00) | |
| Transportation Aid | 13-495-034-5120-014 | 470,925.00 | 7-1-12 | 6-30-13 | | |
| Nonpublic School Transportation Aid | 13-495-034-5120-014 | 41,038.34 | 7-1-12 | 6-30-13 | | |
| Nonpublic School Transportation Aid | 12-495-034-5120-014 | 43,077.62 | 7-1-11 | 6-30-12 | (43,077.62) | |
| Special Education Categorical Aid | 13-495-034-5120-089 | 3,865,272.00 | 7-1-12 | 6-30-13 | | |
| Special Education Categorical Aid | 12-495-034-5120-089 | 3,666,087.00 | 7-1-11 | 6-30-12 | (351,334.00) | |
| Security Aid | 13-495-034-5120-084 | 455,313.00 | 7-1-12 | 6-30-13 | | |
| Security Aid | 12-495-034-5120-084 | 271,024.00 | 7-1-11 | 6-30-12 | (25,973.00) | |
| Extraordinary Special Education Aid | 13-100-034-5120-473 | 612,613.00 | 7-1-12 | 6-30-13 | | |
| Extraordinary Special Education Aid | 12-100-034-5120-473 | 442,630.00 | 7-1-11 | 6-30-12 | (442,630.00) | |
| Payment for Institutionalized Children - Unknown District of Residence | 13-495-034-5120-005 | 230,978.71 | 7-1-12 | 6-30-13 | | |
| Payment for Institutionalized Children - Unknown District of Residence | 12-495-034-5120-005 | 149,091.61 | 7-1-11 | 6-30-12 | (149,091.61) | |
| Reimbursed TPAF Social Security Contributions | 13-495-034-5095-002 | 3,372,304.92 | 7-1-12 | 6-30-13 | | |
| Reimbursed TPAF Social Security Contributions | 12-495-034-5095-002 | 3,454,889.38 | 7-1-11 | 6-30-12 | (170,584.84) | |
| Total General Fund | | | | | (5,493,463.07) | - |
| Special Revenue Fund: | | | | | | |
| State Department of Education: | | | | | | |
| Nonpublic Aid: | | | | | | |
| Technology Aid | 13-100-034-5120-373 | 12,071.00 | 7-1-12 | 6-30-13 | | |
| Nursing Services | 13-100-034-5120-070 | 45,396.00 | 7-1-12 | 6-30-13 | | |
| Textbook Aid (Ch. 194, L. 1977) | 13-100-034-5120-064 | 32,707.00 | 7-1-12 | 6-30-13 | | |
| Textbook Aid (Ch. 194, L. 1977) | 12-100-034-5120-064 | 30,697.00 | 7-1-11 | 6-30-12 | | \$ 5,514.15 |
| Auxiliary Services (Ch. 192, L. 1977) | 13-100-034-5120-067 | | | | | |
| Compensatory Education | | 200,659.00 | 7-1-12 | 6-30-13 | | |
| English as a Second Language | | 1,705.00 | 7-1-12 | 6-30-13 | | |
| Transportation | | 29,568.00 | 7-1-12 | 6-30-13 | | |
| Home Instruction | | | 7-1-12 | 6-30-13 | | |
| Auxiliary Services (Ch. 192, L. 1977) | 12-100-034-5120-067 | | | | | |
| Compensatory Education | | 207,951.00 | 7-1-11 | 6-30-12 | | 28,747.40 |
| English as a Second Language | | 2,759.00 | 7-1-11 | 6-30-12 | | 1,552.20 |
| Transportation | | 20,383.00 | 7-1-11 | 6-30-12 | | 14,667.23 |
| Home Instruction | | 1,854.00 | 7-1-11 | 6-30-12 | (1,854.00) | |
| Handicapped Services (Ch. 193, L. 1977) | 13-100-034-5120-066 | | | | | |
| Corrective Speech | | 82,651.00 | 7-1-12 | 6-30-13 | | |
| Examination and Classification | | 54,135.00 | 7-1-12 | 6-30-13 | | |
| Supplementary Instruction | | 26,366.00 | 7-1-12 | 6-30-13 | | |
| Handicapped Services (Ch. 193, L. 1977) | 12-100-034-5120-066 | | | | | |
| Corrective Speech | | 68,085.00 | 7-1-11 | 6-30-12 | | 4,814.01 |
| Examination and Classification | | 54,089.00 | 7-1-11 | 6-30-12 | | 25,595.33 |
| Supplementary Instruction | | 22,098.00 | 7-1-11 | 6-30-12 | | 6,103.80 |
| Character Education Aid | 06-495-034-5120-053 | 21,055.00 | 7-1-05 | 6-30-06 | 3,667.87 | |
| Total State Department of Education | | | | | 1,813.87 | 86,994.12 |
| State Department of Treasury: | | | | | | |
| Municipal Drug Alliance Grant | 2000-475-995120-60 | 12,000.00 (B) | 7-1-11 | 6-30-12 | 8,666.00 | |
| Municipal Drug Alliance Grant | 2000-475-995120-60 | 26,741.00 (B) | 7-1-09 | 6-30-10 | 34.08 | |
| Total State Department of Treasury | | | | | 8,700.08 | - |
| Total Special Revenue Fund | | | | | 10,513.95 | 86,994.12 |
| Capital Projects Fund: | | | | | | |
| New Jersey Economic Development Authority: | | | | | | |
| Additional State School Building Aid-- | | | | | | |
| SDA Grants | 100-034-5120-016 | | | | | |
| SDA Grants | 1780-050-10-G0EN | 129,817.00 | 6-3-10 | Project End | (64,259.41) | |
| SDA Grants | 1780-050-09-OZRO | 595,249.00 | 6-3-10 | Project End | (123,791.44) | |
| SDA Grants | 1780-050-10-G0EN | 149,028.00 | 12-15-10 | Project End | (29,805.60) | |
| Total Capital Projects Fund | | | | | (217,856.45) | - |
| Debt Service Fund: | | | | | | |
| State Department of Education: | | | | | | |
| State Support | 13-495-034-5120-075 | 1,438,719.00 | 7-1-12 | 6-30-13 | - | - |
| Enterprise Fund: | | | | | | |
| State Department of Education: | | | | | | |
| State School Lunch Aid | 13-100-010-3350-023 | 30,007.39 | 7-1-12 | 6-30-13 | | |
| State School Lunch Aid | 12-100-010-3350-023 | 29,167.95 | 7-1-11 | 6-30-12 | (872.37) | |
| Total Enterprise Fund | | | | | (872.37) | - |
| Total State Financial Assistance | | | | | \$ (5,701,677.94) | \$ 86,994.12 |

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

(B) Passed through the Township of Gloucester

(C) Passed through to Camden County Educational Services Commission

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

| Carryover/ Walkover Amount | | | | | Balance at June 30, 2013 | | | Memo | |
|----------------------------------|-------------------------|-----------------|---------------------------|--|--------------------------|---------------------|----------------------|--|-------------------------------------|
| | Cash Received | Adjustments (A) | Budgetary Expenditures | Repayment of Prior Years' Balances | Accounts Receivable | Unearned Revenue | Due to Grantor | Budgetary Receivable June 30, 2013 | Cumulative Total Expenditures |
| | \$ 40,821,455.00 | | \$ 45,129,600.00 | | \$ (4,308,145.00) | | | \$ (4,308,145.00) | \$ 45,129,600.00 |
| | 4,310,772.00 | | | | | | | | |
| | 425,970.00 | | 470,925.00 | | (44,955.00) | | | (44,955.00) | 470,925.00 |
| | | | 41,038.34 | | (41,038.34) | | | | 41,038.34 |
| | 43,077.62 | | | | | | | | |
| | 3,496,287.00 | | 3,865,272.00 | | (368,985.00) | | | (368,985.00) | 3,865,272.00 |
| | 351,334.00 | | | | | | | | |
| | 411,848.00 | | 455,313.00 | | (43,465.00) | | | (43,465.00) | 455,313.00 |
| | 25,973.00 | | | | | | | | |
| | 442,630.00 | | 612,613.00 | | (612,613.00) | | | | 612,613.00 |
| | 149,091.61 | | 230,978.71 | | (230,978.71) | | | | 230,978.71 |
| | 3,116,307.55 | | 3,372,304.92 | | (255,997.37) | | | | 3,372,304.92 |
| | <u>170,584.84</u> | | | | | | | | |
| - | <u>53,765,330.62</u> | - | <u>54,178,044.97</u> | - | <u>(5,906,177.42)</u> | - | - | <u>(4,765,550.00)</u> | <u>54,178,044.97</u> |
| | | | | | | | | | |
| | 12,071.00 | \$ 0.36 | 9,437.36 | | | | \$ 2,634.00 | | 9,437.36 |
| | 45,396.00 | (0.40) | 45,394.60 | | | | 1.00 | | 45,394.60 |
| | 32,707.00 | 0.37 | 24,256.37 | \$ 5,514.00 | | | 8,451.00 | | 24,256.37 |
| | | (0.15) | | | | | | | |
| | 200,659.00 | 0.48 | 172,905.48 (C) | | | | 27,754.00 | | 172,905.48 |
| | 1,704.00 | 1.00 | | | | | 1,705.00 | | |
| | 29,568.00 | 0.46 | 8,156.46 (C) | | | | 21,412.00 | | 8,156.46 |
| | | (0.40) | | 28,747.00 | | | | | |
| | | (0.20) | | 1,552.00 | | | | | |
| | | (0.23) | | 14,667.00 | | | | | |
| | 1,854.00 | | | | | | | | |
| | 82,651.00 | 0.28 | 40,544.28 (C) | | | | 42,107.00 | | 40,544.28 |
| | 54,135.00 | 0.26 | 24,683.26 (C) | | | | 29,452.00 | | 24,683.26 |
| | 26,366.00 | 0.10 | 16,998.10 (C) | | | | 9,368.00 | | 16,998.10 |
| | | (0.01) | | 4,814.00 | | | | | |
| | | (0.33) | | 25,595.00 | | | | | |
| | | 0.20 | | 6,104.00 | | | | | |
| | | | 3,667.87 | | | | | | 21,055.00 |
| - | <u>487,111.00</u> | <u>1.79</u> | <u>346,043.78</u> | <u>86,993.00</u> | - | - | <u>142,884.00</u> | - | <u>363,430.91</u> |
| | | | 6,498.05 | | | \$ 2,167.95 | | | 26,706.92 |
| | | | 34.08 | | | | | | |
| - | - | - | 6,532.13 | - | - | 2,167.95 | - | - | 26,706.92 |
| - | <u>487,111.00</u> | <u>1.79</u> | <u>352,575.91</u> | <u>86,993.00</u> | - | <u>2,167.95</u> | <u>142,884.00</u> | - | <u>390,137.83</u> |
| | | | | | | | | | |
| | | | | | (64,259.41) | | | | 129,817.00 |
| | | | | | (123,791.44) | | | | 574,617.82 |
| | | | | | (29,805.60) | | | | 149,028.00 |
| - | - | - | - | - | <u>(217,856.45)</u> | - | - | - | <u>853,462.82</u> |
| - | <u>1,438,719.00</u> | - | <u>1,438,719.00</u> | - | - | - | - | - | <u>1,438,719.00</u> |
| | | | | | | | | | |
| | 26,643.53 | | 30,007.39 | | (3,363.86) | | | | 30,007.39 |
| | <u>872.37</u> | | | | | | | | |
| - | <u>27,515.90</u> | - | <u>30,007.39</u> | - | <u>(3,363.86)</u> | - | - | - | <u>30,007.39</u> |
| \$ - | <u>\$ 55,718,676.52</u> | <u>\$ 1.79</u> | <u>\$ 55,999,347.27</u> | <u>\$ 86,993.00</u> | <u>\$ (6,127,397.73)</u> | <u>\$ 2,167.95</u> | <u>\$ 142,884.00</u> | <u>\$ (4,765,550.00)</u> | <u>\$ 56,890,372.01</u> |

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2013

Note 1: GENERAL

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

Note 2: BASIS OF ACCOUNTING

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

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is (\$77,471.00) for the general fund and \$2,736.43 for the special revenue fund. The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$2,736.43 for the special revenue fund. See Exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

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

| <u>Fund</u> | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|---------------------------------------|------------------------|-------------------------|-------------------------|
| General | \$ 258,704.23 | \$ 54,178,044.97 | \$ 54,436,749.20 |
| Special Revenue | 3,154,160.95 | 352,575.91 | 3,506,736.86 |
| Debt Service | | 1,438,719.00 | 1,438,719.00 |
| Food Service | 1,375,544.39 | 30,007.39 | 1,405,551.78 |
| Total Awards and Financial Assistance | <u>\$ 4,788,409.57</u> | <u>\$ 55,999,347.27</u> | <u>\$ 60,787,756.84</u> |

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 5: ADJUSTMENTS

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

| <u>Adjustment</u> | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|----------------------------|--------------------|----------------|--------------------|
| Rounding Adjustments | \$ 1.52 | \$ 1.79 | \$ 3.31 |
| Prior Year Orders Canceled | 4,955.00 | | 4,955.00 |
| Total Adjustments | <u>\$ 4,956.52</u> | <u>\$ 1.79</u> | <u>\$ 4,958.31</u> |

Note 6: OTHER

Revenues and expenditures reported under the food distribution program represent current year value received and current year distribution, respectively. TPAF social security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2013.

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

Note 7: MAJOR PROGRAMS

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

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013**

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? X yes no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Type of auditor's report issued on compliance for major programs Unmodified

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

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|--|
| <u>84.027</u> | <u>I.D.E.I.A. Part B Basic</u> |
| <u>84.173</u> | <u>I.D.E.I.A. Part B Preschool</u> |
| <u>84.010</u> | <u>NCLB - Title I</u> |
| <u>10.555</u> | <u>National School Lunch Program</u> |
| <u>10.555</u> | <u>National School Lunch Program - Food Distribution</u> |
| <u>10.555</u> | <u>After School Snack Program</u> |
| <u>10.553</u> | <u>National School Breakfast Program</u> |
| <u>10.556</u> | <u>Special Milk Program</u> |

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

Auditee qualified as low-risk auditee? X yes no

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013**

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor's report issued on compliance for major programs Unmodified

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

Identification of major programs:

| <u>GMIS Number(s)</u> | <u>Name of State Program</u> |
|------------------------------|--|
| <u>13-495-034-5120-078</u> | <u>Equalization Aid</u> |
| <u>13-495-034-5120-089</u> | <u>Special Education Categorical Aid</u> |
| <u>13-495-034-5120-084</u> | <u>Security Aid</u> |
| <u>13-495-034-5095-002</u> | <u>Reimbursed TPAF Social Security Contributions</u> |
| <u> </u> | <u> </u> |
| <u> </u> | <u> </u> |

Dollar threshold used to determine Type A programs \$1,679,980

Auditee qualified as low-risk auditee? X yes _____ no

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

Section 2- Schedule of Financial Statement Findings

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

Finding No. 2013-1

Criteria or Specific Requirement

Effective internal controls include the preparation of accurate cash reconciliations on a monthly basis and properly maintaining subsidiary ledgers.

Condition

Cash reconciliations for several District bank accounts were not performed accurately on a monthly basis. Additionally, the payroll agency subsidiary ledger was not properly maintained.

Context

Cash reconciliations were not performed timely or accurately and the payroll agency subsidiary ledger was not maintained for the year under audit.

Effect

A lack of effective controls exists which increases the risk that an error may occur and not be detected.

Cause

During fiscal year 2013, the District implemented a new accounting software system and experienced personnel changes in the business office, both of which contributed to the condition detailed above.

Recommendation

That cash reconciliations for all District bank accounts be properly performed on a monthly basis and that the payroll agency subsidiary ledger be properly maintained.

View of Responsible Officials and Planned Corrective Action

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

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

None.

GLOUCESTER TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

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

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

None.

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

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

None.

