

PAULSBORO BOARD OF EDUCATION

Paulsboro, New Jersey
County of Gloucester

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

PAULSBORO BOARD OF EDUCATION

PAULSBORO, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Prepared by

**Paulsboro Board of Education
Business Office**

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INTRODUCTORY SECTION

Paulsboro Public Schools

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

Dr. Walter C. Quint, Interim Superintendent

November 10, 2014

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

Dear Board Members and Citizens of the District:

The Comprehensive Annual Financial Report of the Paulsboro Board of Education for the fiscal year ending June 30, 2014, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education.

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

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

REPORTING ENTITY AND ITS SERVICES

The Paulsboro Public Schools, consisting of the Billingsport Early Childhood Center, Loudenslager Elementary School and Paulsboro Junior High School (created 7/1/2014) and Paulsboro High School.

The Billingsport Early Childhood Center serves students in prekindergarten through grade two. Full day programs for all prekindergarten and kindergarten students are a matter of pride for the community.

Loudenslager Elementary School serves students in grades three through six. The program at this school is designed to meet the needs of upper elementary school age children.

Paulsboro Junior High School was created on July 1, 2014. It serves grade seven and eight students. The junior high school is now served by its own principal. The staff and administration are charged to create a program customized to the needs of students transitioning from elementary to high school.

Paulsboro High School continues to educate students in grades 9 through 12. In addition to hometown students, this school receives pupils from Greenwich Township. Paulsboro High School offers a comprehensive curriculum with courses ranging from special education to advanced placement. In addition to the excellent academic program, the community is particularly proud of the school's legendary athletic program. The number of graduates who attend the United States Military and Naval Academies as well as those who play in the National Football League demonstrates both the range and effectiveness of the school program.

All of the schools have modern library/media centers, Bright Links/Smart Boards in classrooms, and a computer classroom. All of the classrooms have Internet access. The district network consists of nearly 900 computers and numerous printers. Upgrades during the 2013-2014 school year increased Internet broadband capabilities by more than 7,000 times. Streaming video is now available throughout the district. All of the computers in the district are three or fewer years old. The school system served as a field test site for the new PARCC test. As a result, the staff and administration are confident that the schools are technologically ready for PARCC. The Genesis student information program is used districtwide to provide accurate recordkeeping and curriculum monitoring.

Many districts have discontinued PreK-12 fine and practice arts programs. The Paulsboro Public Schools continue to offer these programs so that the interests of all students are addressed. Once again, going against the trend, Paulsboro High School has excellent woodshop and culinary programs.

Another point of pride is the fact that the district is organized based on the Princeton Plan where all students in a given grade are served in a single school. As a result, the schools are fully integrated. In fact, diversity is celebrated in the Paulsboro Public Schools. One example of the pride in diversity is the half-century old Brotherhood Program. Another example is the Student United for Respect and Equality (SURE). This program was founded at Paulsboro High School and now serves as the model for the Gloucester County SURE initiative.

The entire Paulsboro School Family is focused on improving student attendance, increasing instructional time and improving test scores. Implementation of the McREL teacher observation system as well as the New Jersey Department of Education initiative of Student Growth Objectives (SGO) and Student Growth Percentiles (SGP) will move the administration and faculty toward their goal of maintaining and improving the education for all of the district students.

The school district is now engaged in a major initiative to increase instructional time as well as the quality of programs. To this end, the Board of Education, administration, faculty and staff have:

- Eliminated 240 half-days of school as a student moves from PreK – 12.
- Restructured the calendar to provide long blocks of uninterrupted instructional days.
- Reassigned special area teachers at the Billingsport Early Childhood Center in order to provide additional Language Arts Literacy instruction.
- Added a fourth section of both 5th and 6th grade at Loudenslager Elementary School in order to reduce class size.
- Changed assignments so the 5th and 6th grade teachers focus on either Language Arts Literacy or Mathematics rather than both.

- Created Paulsboro Junior High School so that the 7th and 8th graders have a program customized to their needs.
- Moved administrators from central office positions to the schools. As a result, Paulsboro Junior High School has its own principal.
- Purchased 60 computers so that the Digits program can be implemented in Grades 7 and 8.
- Modified the Paulsboro High School schedule so that students have the equivalent of one extra marking period of instruction as they move from grade 9 – 12.
- Provided a 25 minute block of professional development time for every grade 9-12 teacher – every day.
- Reconfigured Freshman Seminar and reassigned teachers in order to provide more focused Language Arts and Mathematics instruction for students who are almost at the passing score on mandated tests.
- Reconfigured Internal Suspension into a Supplemental Learning Laboratory. Now, when students in grades 7-12 must be removed from class, they go to the SLL and log onto their individual learning path via Compass Odyssey.
- Challenged every student absence. Aggressively pursued those who were chronically absent. As a result, the rate of chronic absenteeism dropped from 24% to 11%.
- Field tested PARCC then created the plan and purchased the computers to implement this examination.
- Created a new website for the district and each school.
- Purchased hundreds of computers. No computer is more than three years old.
- Rebuilt the entire computer network at Loudenslager Elementary School.
- Installed fiber-optic cables. Then installed new broadband service which is more than 7000 times faster. Streaming video such as YouTube and other valuable teaching resources are now available in every classroom.
- Upgraded email software to Microsoft 365 which also allowed the latest version of Office to be installed.
- Installed new software that places the requisition and purchase order process online.
- Made decisions based on instructional value for every activity, field trip, assembly and PA announcement.

All of these innovations were accomplished within the state mandated budget caps and without a reduction in force.

School enrollment has steadily declined from approximately 1500 students (circa 2000-2001) to a current enrollment of 1158. This is approximately a 23% decrease in enrollment. Unfortunately, the trend continues as follows:

Fiscal Year	Student Enrollment	Difference	Percent Change
2013-14	1,158	-12	-1.0%
2012-13	1,170	-46	-3.8%
2011-12	1,216		

The decrease in enrollment is partially due to the Gloucester County Institute of Technology (GCIT) becoming a full-time program. While we are all proud of the quality and scope of the programs offered by GCIT, the full-time program has placed an additional strain on the Paulsboro Public Schools.

Specifically, it is very difficult to offer the full range of programs required in a comprehensive high school with fewer students.

The overall decrease in enrollment reduces the revenue available to the Paulsboro Public Schools. The decrease in funds is a result of less state school aid, fewer students (and therefore less tuition) from the Greenwich Township Public Schools. The cost of sending students to GCIT places a strain on the expenditure side of the budget.

FINANCIAL AND ORGANIZATIONAL

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

- The Board of Education is a member of a Joint Insurance Fund (SAIF) composed of school districts in southern New Jersey. The SAIF has the potential of leveling costs in the future.
- The Board of Education has accepted status as a Choice School. Parents from other districts may send their child to the Paulsboro Public Schools at no cost. In fact, the district applied for and received approval to expand the Choice program. It now includes the Loudenslager Elementary School as well as Paulsboro High School.
- The district also offers professional courtesy to staff members so that their children can attend the Paulsboro Public Schools. Staff members recognize the quality of education at Paulsboro and therefore request that their children attend.
- The school district maintains a strong cooperative relationship with local businesses and industry. By illustration, the ExxonMobil grant funding program "Summer Youth Science, Technology, Engineering and Mathematics" (SYSTEM) allows students to participate in a summer work-study program.

PUBLIC RELATIONS - RECOGNITION

The district and school websites were totally rebuilt during the 2013-2014 school year in order to provide more information to the public as well as present the district in the most positive manner.

The municipality is also in the process of expanding and modernizing its library (Gill Memorial Library). The Superintendent of Schools was appointed by Mayor and Council to serve as the Volunteer Project Manager for this \$1,200,000 project. The Board of Education gave approval for the municipal library to use the Paulsboro High School Media Center during construction of the new municipal facility.

The students and teachers in the Paulsboro High School Journalism classes are working directly with reporters from the *South Jersey Times* in order to create news articles that both provide experience for the students and present the school district in a very positive manner.

The Paulsboro Public Schools builds community support by utilizing many strategies. Examples of these strategies include the Memorial Tree Fund, Alumni Park, Volunteers in Paulsboro Schools (VIPS), Grandparents' Day, Key Communicators, community use of the schools, alumni tours, Senior Citizen Gold Card Passes.

On November 15, 2014, the Paulsboro High School Hall of Heroes will be dedicated. This memorial recognizes the 55 alumnus who gave the ultimate sacrifice in service to the United States of America.

The district has also created a Hall of Diplomas in the Administration Building in order to display diplomas, varsity letters and other memorabilia donated by alumni.

ECONOMIC CONDITION AND OUTLOOK

The Borough of Paulsboro is fully developed with little potential for an increase in the number of residential units. There is, however, a considerable amount of recycling of existing homes. Some large homes have been converted into multi-unit apartments. Young families are purchasing other homes. As a result, the overall valuation of the Borough is relatively stable.

There is also a substantial amount of subsidized housing within the borough. A significant percentage of the dwellings are rental properties.

The redevelopment of Paulsboro Plaza and the Port of Paulsboro have significant potential to stimulate the local economy.

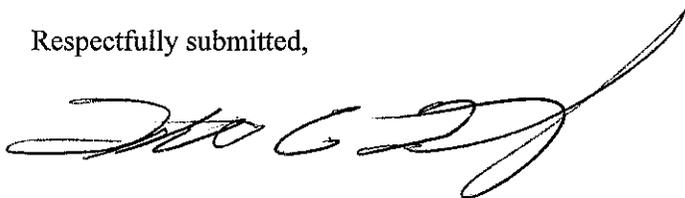
The most significant community factor impacting the students is poverty. As a result of the high poverty rate, the district is permitted to participate in the Community Eligibility Provision (CEP) which allows every student PreK-12 to eat both breakfast and lunch free of charge.

CEP eligibility is an indicator of poverty. The conditions surrounding poverty include high absence rates, high rates of mobility, elevated number of dropouts, and lower achievement. In addition, the rate of students identified with disabilities increases when poverty is a factor.

MAJOR INITIATIVES

The district is currently focused on three major priorities: Improved student achievement (see above), search for a new Superintendent of Schools and conducting a bond referendum. The bond will fund both deferred maintenance projects as well improvements such as security systems.

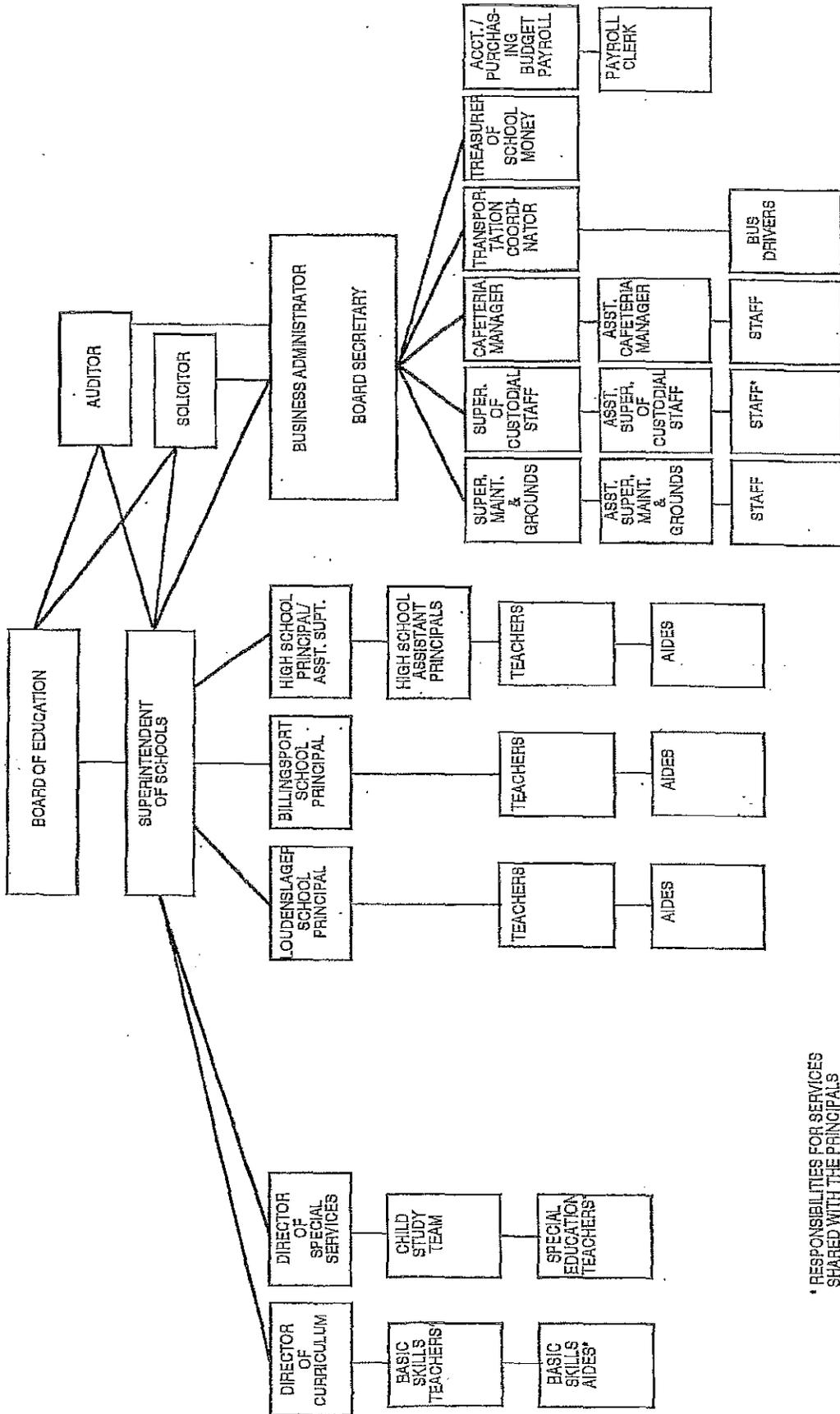
Respectfully submitted,



Dr. Walter C. Quint
Interim Superintendent of Schools

PAULSBORO PUBLIC SCHOOLS - ORGANIZATIONAL CHART

Chain of Command



* RESPONSIBILITIES FOR SERVICES SHARED WITH THE PRINCIPALS

PAULSBORO BOARD OF EDUCATION
Paulsboro, New Jersey

ROSTER OF OFFICIALS

JUNE 30, 2014

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Thomas Ridinger, President	2015
Bonnie Eastlack, Vice President	2016
Andrew J. Chapkowski (1)	
Paula Giampola	2014
Marvin Hamilton, Sr.	2016
Joseph Lisa	2014
Lisa Lozada-Shaw	2016
Lisa Priest	2014
Irma Stevenson	2015
Jim Walter	2015

OTHER OFFICIALS

Dr. Walter Quint, Superintendent of Schools

Jennifer Johnson, CPA, Business Administrator/Board Secretary

Lisa Capasso, Treasurer

Philipp Duvilla, Solicitor

(1) Representative from Greenwich Township Public Schools

PAULSBORO BOARD OF EDUCATION
Paulsboro, New Jersey

CONSULTANTS AND ADVISORS

AUDIT FIRM

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

ATTORNEY

Philipp Duvilla
39 South Broad Street
Woodbury, New Jersey 08055

OFFICIAL DEPOSITORY

Colonial Bank
Mantua, New Jersey 08051

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

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 Paulsboro Board of Education, County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School 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 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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies 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 Paulsboro Board of Education, County of Gloucester, State of New Jersey, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 presented 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 Paulsboro Board of Education's basic financial statements. The accompanying introductory section, comparative totals for June 30, 2013, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical information are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and is also not a required part of the financial statements.

The combining and individual fund financial statements, long term debt schedules and the accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is the responsibility of management and was 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 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 combining and individual fund financial statements, long-term debt schedules and the accompanying Schedule of Expenditures of Federal Awards and State Financial

Assistance are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section, comparative totals for June 30, 2013, and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion 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 November 01, 2014 on our consideration of the Paulsboro Board of Education'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 Paulsboro Board of Education's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey
November 01, 2014

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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PAULSBORO BOARD OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Fiscal Year Ended June 30, 2014

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

Objectives:

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

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

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

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

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

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

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

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

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

Gain information about a government's physical and other nonfinancial resources having useful lives that extend beyond current year (paragraph 79b) by describing significant capital assets activity during the

year, commitments made to acquire new capital assets, and in some cases, the condition level of infrastructure assets.

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Overview of the District as a Whole

The Paulsboro School District is a Pre K-12 School District, serving approximately 1,166 students from the Borough of Paulsboro and tuition students from Greenwich Township. There are three (3) school buildings, Billingsport Elementary (Grades Pre K-2), Loudenslager Elementary (Grades 3-6) and Paulsboro High School (Grades 7-12), the Administration Building (Ireland House), and various other structures for vehicles and/or storage capabilities.

General revenues received by the District are predominantly made up of state aid (62%), local tax levy (24%) and tuition for students attending from Greenwich Township (7%).

Financial Highlights

The district has closely monitored spending during the FY 2013-2014 school year which is evident by the budget transfers made throughout the year. Expenditures were closely monitored to ensure adequate surplus was available as budgeted for the next fiscal year. As in past budgets the districts is continuing to monitor overtime and substitutes closely. In-house maintenance staff continues to reduce costs from not outsourcing projects. Cooperative bidding is used to purchase instructional supplies, copier paper, electrical power, custodial supplies, and maintenance projects not done in-house.

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

Paulsboro Board of Education
Statement of Net Position
June 30, 2014
(With Comparative Totals for June 30, 2013)

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	JUNE 30, 2014	JUNE 30, 2013
Cash & Cash Equivalents	\$ 934,765	\$ -	\$ 934,765	\$ 1,065,590
Receivables, Net	1,091,475	48,497	1,139,972	945,401
Due from Other Funds	34,390		34,390	-
Inventory	-	11,383	11,383	19,172
Prepaid Expenses	57,260	-	57,260	-
Restricted Cash & Cash Equivalents	-	-	-	100,000
Capital Assets, Net (Note 5)	5,525,964	7,464	5,533,428	5,779,666
Total Assets	7,643,854	67,344	7,711,198	7,909,829
LIABILITIES				
Accounts Payable	508,060	7,180	515,240	514,165
Due to Other Funds		34,390	34,390	-
Unearned Revenue	81,205	-	81,205	58,300
Accrued Interest Payable	3,133	-	3,133	6,552
Noncurrent Liabilities (Note 6):				
Due Within One Year	235,000	-	235,000	275,370
Due Beyond One Year	905,113	20,700	925,813	1,247,287
Total Liabilities	1,732,511	62,270	1,794,781	2,101,674
NET POSITION				
Invested in Capital Assets, Net of Related Debt	5,290,964	7,464	5,298,428	5,269,296
Restricted For:				
Debt Service	(3,131)	-	(3,131)	(6,550)
Other Purposes	205,086	-	205,086	201,643
Unrestricted	418,424	(2,390)	416,034	343,766
Total Net Position	\$ 5,911,343	\$ 5,074	\$ 5,916,417	\$ 5,808,155

Financial Analysis of the District's Funds

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

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

Financial Information at Fiscal Year End

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the governmental funds revenues for the fiscal year ended June 30, 2014 and the amount and percentage of increase/(decrease) relative to FY'2013 amounts.

Revenue Source	Amount	Percent of Total	Increase/Decrease from 2013	Percent of Increase/(Decrease)
Local Sources	\$ 7,458,107	32.42%	\$ 299,806	4.19%
State Sources	14,215,136	61.78%	(141,940)	-0.99%
Federal Sources	<u>1,334,795</u>	5.80%	<u>(110,209)</u>	<u>-7.63%</u>
Total	<u>\$ 23,008,038</u>		<u>\$ 47,657</u>	0.21%

The following schedule presents a summary of the governmental funds expenditures for the fiscal year ended June 30, 2014 and the percentage of increase/(decrease) relative to FY'2013 amounts.

Expenditure Source	Amount	Percent of Total	Increase / Decrease from 2013	Percent of Increase/(Decrease)
Instruction	\$ 9,556,618	41.53%	\$ 598,907	6.69%
Support Services	12,961,491	56.32%	(667,297)	-4.90%
Capital Outlay	204,417	0.89%	(45,673)	-18.26%
Debt Service	<u>289,898</u>	1.26%	<u>(15,356)</u>	<u>-5.03%</u>
Total	<u>\$ 23,012,424</u>		<u>\$ (129,419)</u>	-0.56%

Spending during FY'2014 was monitored closely and only essential spending was approved to ensure surplus was available at year end.

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

CAPITAL ASSESTS, NET OF DEPRECIATION

**PAULSBORO BOARD OF EDUCATION
RECAP-CAPITAL ASSETS – GOVERNMENTAL ACTIVITIES
June 30, 2014**

	June 30, 2013	Additions	Adjustments/ Deletions	June 30, 2014
Land	\$ 2,030,446	\$ -	\$ -	\$ 2,030,446
Buildings	2,576,327	86,250	(142,843)	2,519,734
Machinery & Equipment	1,156,938	110,696	(291,850)	975,784
Total	\$ 5,763,711	\$ 196,946	\$ (434,693)	\$ 5,525,964

Economic Factors and the Forecast on the 2014/2015 (FY’15) Budget

The District anticipates the approved 2014-2015 budget will be adequate to satisfy all 2014-2015 financial needs. With local and state tax revenues depleting it is anticipated that the district will continue to face difficult tasks when preparing subsequent years budgets.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

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A. District-Wide Financial Statements

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PAULSBORO BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2014
(With Comparative Totals for June 30, 2013)

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
			JUNE 30, 2014	JUNE 30, 2013
				(MEMORANDUM ONLY)
Cash & Cash Equivalents	\$ 934,765	\$ -	\$ 934,765	\$ 1,065,590
Receivables, Net	1,091,475	48,497	1,139,972	945,401
Due from Other Funds	34,390	-	34,390	-
Prepaid Expense	57,260	-	57,260	-
Inventory	-	11,383	11,383	19,172
Restricted Cash & Cash Equivalents	-	-	-	100,000
Capital Assets, Net (Note 5)	5,525,964	7,464	5,533,428	5,779,666
Total Assets	7,643,854	67,344	7,711,198	7,909,829
LIABILITIES				
Accounts Payable	508,060	7,180	515,240	514,165
Due to Other Funds	-	34,390	34,390	-
Unearned Revenue	81,205	-	81,205	58,300
Accrued Interest Payable	3,133	-	3,133	6,552
Noncurrent Liabilities (Note 6):				
Due Within One Year	235,000	-	235,000	275,370
Due Beyond One Year	905,113	20,700	925,813	1,247,287
Total Liabilities	1,732,511	62,270	1,794,781	2,101,674
NET POSITION				
Invested in Capital Assets, Net of Related Debt	5,290,964	7,464	5,298,428	5,269,296
Restricted For:				
Debt Service	(3,131)	-	(3,131)	(6,550)
Other Purposes	205,086	-	205,086	201,643
Unrestricted	418,424	(2,390)	416,034	343,766
Total Net Position	\$ 5,911,343	\$ 5,074	\$ 5,916,417	\$ 5,808,155

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

**PAULSBORO BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014
(With Comparative Totals for June 30, 2013)**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			TOTALS	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS		GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	(MEMORANDUM ONLY)		
			OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS			JUNE 30, 2014	JUNE 30, 2013	
Governmental Activities:									
Instruction:									
Regular	\$ 5,348,121	\$ -	\$ -	\$ -	\$ (5,348,121)	\$ -	\$ (5,348,121)	\$ (5,034,386)	
Special Education	3,143,366	-	1,441,379	-	(1,701,987)	-	(1,701,987)	(1,733,587)	
Other Special Instruction	579,314	-	-	-	(579,314)	-	(579,314)	(574,828)	
Other Instruction	485,817	-	-	-	(485,817)	-	(485,817)	(480,130)	
Support Services & Undistributed Costs:									
Instruction	1,669,618	-	107,468	-	(1,562,150)	-	(1,562,150)	(1,585,406)	
Attendance & Social Work Services	71,426	-	-	-	(71,426)	-	(71,426)	(67,723)	
Health Services	192,288	-	-	-	(192,288)	-	(192,288)	(173,335)	
Other Support Services	1,034,322	-	-	-	(1,034,322)	-	(1,034,322)	(1,130,267)	
Improvement of Instructional Services	384,487	-	-	-	(384,487)	-	(384,487)	(252,906)	
Educational Media Services	349,939	-	-	-	(349,939)	-	(349,939)	(368,466)	
Instructional Staff Training Services	32,050	-	-	-	(32,050)	-	(32,050)	(36,780)	
General Administration	380,548	-	-	-	(380,548)	-	(380,548)	(402,263)	
School Administration	868,322	-	-	-	(868,322)	-	(868,322)	(864,657)	
Central Services	232,388	-	-	-	(232,388)	-	(232,388)	(239,882)	
Administrative Information Technology	105,689	-	-	-	(105,689)	-	(105,689)	(96,763)	
Plant Operations & Maintenance	1,447,747	-	-	-	(1,447,747)	-	(1,447,747)	(1,519,474)	
Pupil Transportation	602,489	-	25,418	-	(577,071)	-	(577,071)	(534,132)	
Transfer to Charter Schools	-	-	-	-	-	-	-	(18,365)	
Unallocated Benefits	5,590,178	-	1,916,661	-	(3,673,517)	-	(3,673,517)	(3,859,340)	
Interest & Other Changes on Long Term Debt	18,580	-	-	-	(18,580)	-	(18,580)	(21,399)	
Unallocated Adjustment to Compensated Absences	(86,990)	-	-	-	86,990	-	86,990	(16,334)	
Unallocated Depreciation	342,411	-	-	-	(342,411)	-	(342,411)	(974,617)	
Adjustment to Capital Assets	92,282	-	-	-	(92,282)	-	(92,282)	6,383	
Total Governmental Activities	22,884,392	-	3,490,926	-	(19,393,466)	-	(19,393,466)	(19,978,657)	
Business-Type Activities:									
Food Service	754,692	62,328	584,698	-	-	(107,666)	(107,666)	(71,358)	
Total Business - Type Activities	754,692	62,328	584,698	-	-	(107,666)	(107,666)	(71,358)	
Total Primary Government	\$ 23,639,084	\$ 62,328	\$ 4,075,624	\$ -	(19,393,466)	(107,666)	(19,501,132)	(20,050,015)	

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

PAULSBORO BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014
(With Comparative Totals for June 30, 2013)

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES
						(MEMORANDUM ONLY) JUNE 30, 2013
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net					5,376,765	5,135,064
Taxes Levied for Debt Service					143,066	150,644
Federal & State Aid					12,059,005	12,165,061
Tuition Received					1,566,297	1,613,147
Miscellaneous Income					371,979	259,446
Insurance Recovery Related to Impaired Capital Assets					92,282	-
Total General Revenues, Special Items, Extraordinary Items & Transfer					19,609,394	19,323,362
Change In Net Position					215,928	(726,653)
Net Position - Beginning					5,695,415	6,534,808
Net Position - Ending					5,911,343	5,808,155

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B. Fund Financial Statements

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Governmental Funds

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**PAULSBORO BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2014
(With Comparative Totals for June 30, 2013)**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS (MEMORANDUM ONLY)	
					JUNE 30, 2014	JUNE 30, 2013
Cash & Cash Equivalents	\$ 735,757	\$ 199,006	\$ -	\$ 2	\$ 934,765	\$ 1,063,897
Accounts Receivable:						
Intergovernmental - State	71,484	17,667	469,686	-	558,837	575,127
Intergovernmental - Federal	-	151,304	-	-	151,304	252,056
Other	362,850	9,788	-	-	372,638	9,788
Prepaid Expense	57,260	-	-	-	57,260	-
Interfund Receivables	528,484	-	-	-	528,484	479,991
Restricted Cash & Cash Equivalents	-	-	-	-	-	100,000
Total Assets	\$ 1,755,835	\$ 377,765	\$ 469,686	\$ 2	\$ 2,603,288	\$ 2,480,859
LIABILITIES & FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 234,405	\$ 271,768	\$ -	\$ -	\$ 506,173	\$ 493,496
Intergovernmental Payable - State	-	1,887	-	-	1,887	17,039
Interfund Payables	-	44,289	441,109	-	485,398	471,295
Unearned Revenue	9,699	71,506	-	-	81,205	58,300
Total Liabilities	244,104	389,450	441,109	-	1,074,663	1,040,130
Fund Balances:						
Restricted for:						
Excess Surplus	103,443	-	-	-	103,443	73,066
Excess Surplus - Designated for Subsequent Year's Expenditures	73,066	-	-	-	73,066	-
Capital Reserve	-	-	-	-	-	100,000
Capital Projects Fund	-	-	28,577	-	28,577	28,577
Debt Service Fund	-	-	-	2	2	2
Committed to:						
Other Purposes	-	-	-	-	-	285,067
Assigned to:						
Designated for Subsequent Year's Expenditures	1,335,222	-	-	-	1,335,222	954,016
Unassigned	-	(11,685)	-	-	(11,685)	1
Total Fund Balances	1,511,731	(11,685)	28,577	2	1,528,625	1,440,729
Total Liabilities & Fund Balances	\$ 1,755,835	\$ 377,765	\$ 469,686	\$ 2		
Amounts reported for governmental activities in the statement of net position (A-1) are different because:						
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$14,671,562 and the accumulated depreciation is \$9,145,598.					5,525,964	5,763,711
Accrued interest payable is not recorded in the fund financial statements due to the fact that payable is not due in the period.					(3,133)	(6,552)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:						
Bonds Payable					(235,000)	(480,000)
Loans Payable					-	(30,370)
Compensated Absences Payable					(905,113)	(992,103)
Net position of Governmental Activities					\$ 5,911,343	\$ 5,695,415

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

**PAULSBORO BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014
(With Comparative Totals for June 30, 2013)**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS (MEMORANDUM ONLY)	
					JUNE 30, 2014	JUNE 30, 2013
Revenues:						
Local Sources:						
Local Tax Levy	\$ 5,376,765	\$ -	\$ -	\$ 143,066	\$ 5,519,831	\$ 5,285,708
Tuition Charges	1,566,297	-	-	-	1,566,297	1,613,147
Transportation Fees	-	-	-	-	-	3,330
Miscellaneous	91,465	280,514	-	-	371,979	256,116
Total Local Sources	7,034,527	280,514		143,066	7,458,107	7,158,301
State Sources	13,837,125	231,179	-	146,832	14,215,136	14,357,076
Federal Sources	96,627	1,238,168	-	-	1,334,795	1,445,004
Total Revenues	20,968,279	1,749,861	-	289,898	23,008,038	22,960,381
Expenditures:						
Current:						
Regular Instruction	5,348,121	-	-	-	5,348,121	5,034,386
Special Education Instruction	1,705,482	1,437,884	-	-	3,143,366	2,868,367
Other Special Instruction	579,314	-	-	-	579,314	574,828
Other Instruction	485,817	-	-	-	485,817	480,130
Support Services & Undistributed Costs:						
Instruction	1,562,150	107,468	-	-	1,669,618	1,834,598
Attendance & Social Work Services	71,426	-	-	-	71,426	67,723
Health Services	192,288	-	-	-	192,288	173,335
Other Support Services	1,034,322	-	-	-	1,034,322	1,130,267
Improvement of Instructional Services	384,487	-	-	-	384,487	252,906
Educational Media Services	349,939	-	-	-	349,939	368,466
Instructional Staff Training Services	32,050	-	-	-	32,050	36,780
General Administration	380,548	-	-	-	380,548	402,263
School Administration	868,322	-	-	-	868,322	864,657
Central Services	232,388	-	-	-	232,388	239,882
Administrative Information Technology	105,689	-	-	-	105,689	96,763
Plant Operations & Maintenance	1,447,747	-	-	-	1,447,747	1,514,629
Pupil Transportation	602,489	-	-	-	602,489	557,207
Unallocated Benefits	5,389,164	201,014	-	-	5,590,178	6,089,312
Capital Outlay	204,417	-	-	-	204,417	250,090
Debt Service:						
Principal	-	-	-	275,370	275,370	280,370
Interest	-	-	-	14,528	14,528	24,884
Total Expenditures	20,976,160	1,746,366	-	289,898	23,012,424	23,141,843
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	(7,881)	3,495	-	-	(4,386)	(181,462)
Other Financing Sources/(Uses):						
Transfers to Charter Schools	-	-	-	-	-	(18,365)
Transfers In/(Out)	-	-	-	-	-	(70,000)
Insurance Recovery Related to Impaired Capital Asset	92,282	-	-	-	92,282	-
Total Other Financing Sources & Uses	92,282	-	-	-	92,282	(88,365)
Net Change in Fund Balances	84,401	3,495	-	-	87,896	(269,827)
Fund Balance - July 1	1,427,330	(15,180)	28,577	2	1,440,729	1,710,556
Fund Balance - June 30	\$ 1,511,731	\$ (11,685)	\$ 28,577	\$ 2	\$ 1,528,625	\$ 1,440,729

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

**PAULSBORO BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$	87,896
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Amounts reported for governmental activities in the statement of activities (A-2) are different as follows:

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

Depreciation Expense	\$	(342,411)	
Adjustment to Capital Assets		(92,282)	
Capital Outlays		204,417	
Less: SDA Debt Service Assessment		<u>(7,471)</u>	(237,747)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statements of Net Assets and is not reported in the Statement of Activities.		275,370
--	--	---------

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

Prior Year		6,552	
Current Year		<u>(3,133)</u>	3,419

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

Prior Year		992,103	
Current Year		<u>(905,113)</u>	86,990

Change in Net Position of Governmental Activities	\$	<u><u>215,928</u></u>
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The accompanying Notes to Financial Statements are an integral part of this Statement.

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Proprietary Funds

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**PAULSBORO BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2014
 (With Comparative Totals for June 30, 2013)**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTALS (MEMORANDUM ONLY)	
	FOOD SERVICE		JUNE 30, 2014	JUNE 30, 2013
Current Assets:				
Cash & Cash Equivalents	\$ -	\$ -	\$ -	\$ 1,693
Accounts Receivable:				
State	631		631	1,391
Federal	47,866		47,866	98,343
Inventories	11,383		11,383	19,172
Total Current Assets	59,880		59,880	120,599
Noncurrent assets:				
Furniture, Machinery & Equipment	96,682		96,682	96,682
Less: Accumulated Depreciation	(89,218)		(89,218)	(80,727)
Total Noncurrent Assets	7,464		7,464	15,955
Total Assets	67,344		67,344	136,554
LIABILITIES				
Accounts Payable	7,180		7,180	3,630
Interfund Payable	34,390		34,390	-
Compensated Absences Payable	20,700		20,700	20,184
Total Liabilities	62,270		62,270	23,814
NET POSITION				
Investments in Capital Assets -				
Net of Related Debt	7,464		7,464	15,955
Unrestricted	(2,390)		(2,390)	96,785
Total Net Position	\$ 5,074	\$ 5,074	\$ 5,074	\$ 112,740

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

**PAULSBORO BOARD OF EDUCATION
 PROPRIETARY FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 AS OF JUNE 30, 2014
 (With Comparative Totals for June 30, 2013)**

	BUSINESS-TYPE ACTIVITIES -		TOTALS	
	ENTERPRISE FUNDS		(MEMORANDUM ONLY)	
	FOOD SERVICE		JUNE 30, 2014	JUNE 30, 2013
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 28,557		\$ 28,557	\$ 37,833
Daily Sales - Nonreimbursable Programs	33,771		33,771	34,140
Total Operating Revenues	62,328		62,328	71,973
Operating Expenses:				
Cost of Sales	331,896		331,896	291,663
Salaries	238,704		238,704	221,337
Employee Benefits	97,159		97,159	94,434
Supplies & Materials	22,674		22,674	22,512
Management Fee	38,022		38,022	33,618
Other Miscellaneous	17,746		17,746	6,808
Depreciation	8,491		8,491	8,350
Total Operating Expenses	754,692		754,692	678,722
Operating Income/(loss)	(692,364)		(692,364)	(606,749)
Nonoperating Revenues/(Expenses):				
State Sources:				
State School Lunch Program	7,655		7,655	7,120
Federal Sources:				
National School Lunch Program	349,151		349,151	330,422
National Summer Lunch Program	24,415		24,415	18,486
Healthy Hunger-Free Kids Act	8,156		8,156	7,388
School Breakfast Program	160,507		160,507	139,192
After School Snacks	-		-	709
Food Distribution Program	34,814		34,814	32,074
Total Nonoperating Revenues/(Expenses)	584,698		584,698	535,391
Income/(Loss) Before Contributions & Transfers	(107,666)		(107,666)	(71,358)
Operating Transfers in:				
Board Contribution	-		-	70,000
Change in Net Position	(107,666)		(107,666)	(1,358)
Total Net Position - Beginning	112,740		112,740	114,098
Total Net Position - Ending	\$ 5,074		\$ 5,074	\$ 112,740

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

**PAULSBORO BOARD OF EDUCATION
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
AS OF JUNE 30, 2014
(With Comparative Totals for June 30, 2013)**

	BUSINESS-TYPE ACTIVITIES -		TOTALS	
	<u>ENTERPRISE FUNDS</u>		(MEMORANDUM ONLY)	
	FOOD SERVICE	JUNE 30, 2014	JUNE 30, 2013	
Cash Flows From Operating Activities:				
Receipts from Customers	\$ 62,328	\$ 62,328	\$ 70,314	
Payments to Employees	(335,347)	(335,347)	(316,475)	
Payments to Suppliers	(329,795)	(329,795)	(327,555)	
Net Cash Provided/(Used) by Operating Activities	<u>(602,814)</u>	<u>(602,814)</u>	<u>(573,716)</u>	
Cash Flows From Noncapital Financing Activities:				
Cash Received from Federal & State Reimbursements	601,121	601,121	425,130	
Operating Transfers in	-	-	70,000	
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>601,121</u>	<u>601,121</u>	<u>495,130</u>	
Cash Flows From Investing Activities:				
Purchase of Equipment	-	-	(6,790)	
Net Cash Provided/(Used) by Investing Activities	<u>-</u>	<u>-</u>	<u>(6,790)</u>	
Net Increase/(Decrease) in Cash & Cash Equivalents	(1,693)	(1,693)	(85,376)	
Balances - Beginning of Year	<u>1,693</u>	<u>1,693</u>	<u>87,069</u>	
Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,693</u>	

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

Operating Income/(Loss)	\$ (692,364)	\$ (692,364)	\$ (606,749)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Depreciation & Net Amortization	8,491	8,491	8,350
Food Distribution Program	34,814	34,814	32,074
Changes in Assets & Liabilities:			
(Increase)/Decrease in Inventory	7,789	7,789	(7,128)
Increase/(Decrease) in Accounts Payable	3,550	3,550	2,100
Increase/(Decrease) in Interfund Payable	34,390	34,390	
Increase/(Decrease) in Deferred Revenue	-	-	(1,659)
Increase/(Decrease) in Compensated Absences Payable	516	516	(704)
Total Adjustments	<u>89,550</u>	<u>89,550</u>	<u>33,033</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (602,814)</u>	<u>\$ (602,814)</u>	<u>\$ (573,716)</u>

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

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Fiduciary Fund

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**PAULSBORO BOARD OF EDUCATION
FIDUCIARY FUNDS
COMPARATIVE COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2014
(With Comparative Totals for June 30, 2013)**

ASSETS	PRIVATE PURPOSE SCHOLARSHIP	AGENCY		TOTALS (MEMORANDUM ONLY)	
		STUDENT ACTIVITY	PAYROLL	JUNE 30, 2014	JUNE 30, 2013
Cash & Cash Equivalents	\$ 137,852	\$ 91,661	\$ 116,458	\$ 345,971	\$ 349,749
Total Assets	137,852	91,661	116,458	345,971	349,749
LIABILITIES					
Payroll Deductions & Withholdings	-	-	107,762	107,762	135,833
Due to Student Groups	-	91,661	-	91,661	87,359
Interfund Payable	-	-	8,696	8,696	8,696
Total Liabilities	-	91,661	116,458	208,119	231,888
NET POSITION					
Reserved for Scholarships	137,852	-	-	137,852	117,861
Total Net Position	\$ 137,852	\$ -	\$ -	\$ 137,852	\$ 117,861

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

**PAULSBORO BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014
(With Comparative Totals for June 30, 2013)**

ADDITIONS	PRIVATE	TOTALS	
	PURPOSE SCHOLARSHIP	JUNE 30, 2014	(MEMORANDUM ONLY) JUNE 30, 2013
Contributions:			
Other	\$ 49,275	\$ 49,275	\$ 69,405
Total Contributions	49,275	49,275	69,405
Investment Earnings:			
Interest	106	106	254
Net Investment Earnings	106	106	254
Total Additions	49,381	49,381	69,659
DEDUCTIONS			
Scholarship Payments	29,390	29,390	45,700
Total Deductions	29,390	29,390	45,700
Change in Net Position	19,991	19,991	23,959
Net Position - Beginning of the Year	117,861	117,861	93,902
Net Position - End of the Year	\$ 137,852	\$ 137,852	\$ 117,861

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

PAULSBORO BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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Note 1. Summary of Significant Accounting Policies

The financial statements of the Paulsboro Board of Education (the ‘District’) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

A. Reporting Entity

The Paulsboro Borough Board of Education is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of ten members appointed to three-year terms and one member is appointed annually by the sending district of Greenwich Borough. These terms are staggered so that three members’ terms expire each year. The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The Paulsboro Borough Board of Education has an approximate enrollment at June 30, 2014 of 1,166 students.

B. Component Units

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

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

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

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

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

Governmental Fund Financial Statements – The Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued):

are collected within 60 days of the end of the current fiscal year-end. Principal revenue sources considered susceptible to accrual include federal and state grants, interest on investments, tuition and transportation. Other revenues are considered to be measurable and available only when cash is received by the state.

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

D. District-Wide and Fund Financial Statements

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

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

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

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

E. Fund Accounting

The accounts of the Paulsboro Borough Board of Education are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the

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

E. Fund Accounting (continued):

purposes for which they are to be spent and the means by which spending activities are controlled. An account group, on the other hand, is a financial reporting device designed to provide accountability for

certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The various funds and accounts are grouped, in the financial statements in this report, into seven fund types within three broad fund categories and two account groups as follows:

Governmental Funds

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

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

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

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

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

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

Proprietary Fund

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to

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

E. Fund Accounting (continued):

businesses in the private sector. The following is a description of the Proprietary Funds of the District:

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

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

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

Buildings & Improvements	10-50 years
Equipment	12 years
Light Trucks & Vehicles	4 years
Heavy Trucks & Vehicles	6 years

The District’s Enterprise Fund is comprised of the following:

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

Fiduciary Fund

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

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

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

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

F. Basis of Accounting

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

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

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

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

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

G. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Effective January 17, 2012, P.L.2011 c.202 eliminated the annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in *N.J.A.C.6:20-2A(m)1*. All budget amendments must be approved by School Board resolution.

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

G. Budgets/Budgetary Control (continued):

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

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

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

H. Encumbrances

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

Open encumbrances in the special revenue fund for which the Paulsboro Borough Board of Education has received advances are reflected in the balance sheet as 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.

I. Cash and Cash Equivalents

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

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection

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

I. Cash and Cash Equivalents (continued):

Act (“GUDPA”). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey.

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

J. Tuition Receivable/Payable

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

These adjustments are recorded upon certification by the State Board of Education, which is normally three years following the contract year. The cumulative adjustments through June 30, 2014, which have not been recorded, are not determinable.

The tuition rate adjustments for the years 2011-2012 have been established and the District has billed/paid the school boards that have adjustments.

K. Inventories

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

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

L. Prepaid Expenses

Prepaid expenses, which benefit future periods, are only recorded in the government-wide financial statements and in the proprietary fund statements. Prepaid expenses in the proprietary fund represent payments made to vendors for services that will benefit periods beyond June 30, 2014. They are recorded as expenditure during the year of purchase.

M. Short-Term Interfund Receivables/Payables

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

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

N. Capital Assets

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

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

Buildings	20-50 Years
Machinery and Equipment	5-10 Years
Improvements	10-20 Years

O. Accrued Salaries and Wages

District employees, who provide services to the District over the ten-month academic year and extended eleven-month calendar, do not have the option to have their salaries disbursed during the entire twelve-month year. Therefore, there is no accrual as of June 30, 2014 for such salaries.

P. Compensated Absences

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

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

Q. Unearned Revenue

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

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

R. Long-Term Obligations

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

S. Fund Balance

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

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

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

T. Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified in 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 acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the 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.

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

U. Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

In March 2012, the GASB issued Statement 66, *Technical Corrections—2012*—an amendment of GASB Statements No. 10 and No. 62. GASB 66 improves accounting and financial reporting for a governmental financial reporting entity 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*. This Statement is effective for periods beginning after December 15, 2012 although the District elected to early implement Statement 62 in fiscal year 2012. The adoption of GASB 66 does not have any impact on the District's financial statements.

In March 2012, the GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities*. GASB 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. This Statement is effective for periods beginning after December 15, 2012. Management has implemented this Statement in the District's financial statements for the year ended June 30, 2014 with a prior period adjustment to beginning net position.

Recently Issued Accounting Pronouncements

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement 27*. GASB 68 improves 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 inter-period equity, and creating additional transparency. This Statement is effective for fiscal years beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this statement on the District's financial statements.

V. Subsequent Events:

Paulsboro Borough Board of Education has evaluated subsequent events occurring after June 30, 2014 through the date of November 01, 2014, which is the date the financial statements were available to be issued.

Note 2. Cash and Cash Equivalents

The District is governed by the deposit limitations of New Jersey state law. The Deposits held at June 30, 2014, and reported at fair value are as follows:

Note 2. Cash and Cash Equivalents (continued):

Type	Carrying Value
Deposits	
Demand Deposits	\$ 1,280,736
Total Deposits	<u>\$ 1,280,736</u>
The District's Cash and Cash Equivalents are Reported as Follows:	
Government Activities	\$ 934,765
Fiduciary Funds	<u>345,971</u>
Total Cash and Cash Equivalents	<u>\$ 1,280,736</u>

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA.

However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity funds or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2014, the District’s bank balance of \$2,680,491 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$ 250,000
Uninsured and uncollateralized	672,276
Collateralized in the District’s Name Under GUDPA	<u>1,758,215</u>
Total	<u>\$2,680,491</u>

Note 3. Capital Reserve Account

A capital reserve account was established by the Paulsboro Borough Board of Education by inclusion of \$1 on October 19, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Note 3. Capital Reserve Account (continued):

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

The activity of the capital reserve for the June 30, 2013 to June 30, 2014 fiscal year is as follows:

Beginning Balance, July 1, 2013	\$ 100,000
Budget Withdrawals for Capital Expenditures	<u>(100,000)</u>
Ending Balance, June 30, 2014	<u><u>\$ -</u></u>

The June 30, 2014 LRFP balance of local support costs of uncompleted capital projects at June 30, 2014 The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District’s Long Range Facilities Plan.

Note 4. Accounts Receivable

Accounts receivable at June 30, 2014 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District’s individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Funds	Total
State Aid	\$ 71,484	\$ 17,667	\$ 469,686	\$ 631	\$ 559,468
Federal Aid	-	151,304	-	47,866	199,170
Other	362,850	9,788	-	-	372,638
Total	<u>\$ 434,334</u>	<u>\$ 178,759</u>	<u>\$ 469,686</u>	<u>\$ 48,497</u>	<u>\$ 1,131,276</u>

Note 5. Capital Assets

Governmental Activities:

	June 30, 2013	Additions	Deletions	Adjustments	June 30, 2014
Land and Land Improvements	\$ 2,030,446	\$ -	\$ -	\$ -	\$ 2,030,446
Buildings	9,833,272	86,250	-	-	9,919,522
Machinery & Equipment	2,703,180	110,696	-	(92,282)	2,721,594
Subtotal	14,566,898	196,946	-	(92,282)	14,671,562
Accumulated Depreciation	(8,803,187)	(342,411)	-	-	(9,145,598)
Total	\$ 5,763,711	\$ (145,465)	\$ -	\$ (92,282)	\$ 5,525,964

Business-Type Activities:

	June 30, 2013	Additions	Deletions	June 30, 2014
Machinery & Equipment	\$ 96,682	\$ -	\$ -	\$ 96,682
Subtotal	96,682	-	-	96,682
Accumulated Depreciation	(80,727)	(8,491)	-	(89,218)
Total	\$ 15,955	\$ (8,491)	\$ -	\$ 7,464

Note 6. Long-Term Obligations

A. Long-Term Obligation Activity

During the fiscal year ended June 30, 2014 the following changes occurred in liabilities reported in the long-term debt:

	June 30, 2013	Accrued/ Increases	Retired/ Decreases	June 30, 2014	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 992,103	\$ -	\$ (86,990)	\$ 905,113	\$ -
Loans Payable	30,370	-	(30,370)	-	-
General Obligation Bonds	480,000	-	(245,000)	235,000	\$ 235,000
Total	\$ 581,064	\$ -	\$ (362,360)	\$ 1,140,113	\$ 235,000
Business Type Activities:					
Compensated Absences	\$ 20,184	\$ 516	\$ -	\$ 20,700	\$ -
Total	\$ 13,752	\$ 516	\$ -	\$ 20,700	\$ -

Note 6. Long-Term Obligations (continued):

B. Bonds Payable

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

Purpose	Maturities	Interest Rate	Balance
2002-Refunding Bond Issue	9/1/2014	4.00%	<u>\$235,000</u>
Total			<u>\$235,000</u>

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

Year-ending June 30,	Principal	Interest	Total
2015	\$ 235,000	\$ 4,700	\$ 239,700
Total	<u>\$ 235,000</u>	<u>\$ 4,700</u>	<u>\$ 239,700</u>

C. Bonds Authorized But Not Issued

As of June 30, 2014, the District had no authorized but not issued bonds.

D. Capital Leases

As of June 30, 2014, the District had no capital leases.

E. Operating Leases

At June 30, 2014, the Paulsboro Board of Education (Lessee) had operating lease agreements in effect for various printers within the district with Municipal Capital (Lessor). Total operating lease payments made during the year ended June 30, 2014 were \$21,960. The remaining future minimum lease payments under these operating leases at June 30, 2014 were \$69,540.

F. Compensated Absences

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

Note 7. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2014:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 528,484	\$ -
Special Revenue Fund	-	44,289
Capital Projects Fund	-	441,109
Food Service Fund	-	34,390
Payroll Trust Fund	-	8,696
Total	<u>\$ 528,484</u>	<u>\$ 528,484</u>

The purpose of interfunds are for short-term borrowings.

Note 8. Inventory

Inventory recorded at June 30, 2014 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	\$ 8,735
Supplies	<u>2,648</u>
Total	<u>\$ 11,383</u>

Note 9. Pension Plans

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

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

Note 9. Pension Plans (continued):

teachers or members of the professional staff certified by the State Board of Examiners and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

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

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

Chapter 78, P.L. 2011 changed this for employees enrolled after June 28, 2011. See Significant Legislation below.

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

New Legislation signed by the Acting Governor (Chapter 133, Public Laws 2001) changed the formula for calculating retirement benefits for all current and future non-veteran retirees from N/60 to N/55 (a 9.09% increase). This legislation, signed June 29, 2001, provides that all members of the TPAF and the

Note 9. Pension Plans (continued):

PERS will have their pensions calculated on the basis of years of credit divided by 55. It also provides that all current retirees will have their original pension recalculated under the N/55 formula. Starting February 1, 2002, pension cost of living adjustments will be based on the new original pension.

Effective June 28, 2011, Chapter 78, P.L. 2011 reformed various pension and health benefits provisions. Employees hired after June 28, 2011 and enrolled in PERS will be enrolled in a new tier, Tier 5. Full retirement for Tier 5 PERS members will be age 65 and 30 years of service.

All cost of living adjustments are frozen until the pension fund reaches a “target funded ratio”.

Chapter 78 also requires all covered employees to contribute a prescribed percentage towards their health costs.

Contribution Requirements – The contribution policy is set by *N.J.S.A.43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A.18:66*, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5%, effective October 1, 2011, of employees’ annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a noncontributing employer of the TPAF.

Three-Year Trend Information for PERS

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2014	\$ 230,110	100%	-
6/30/2013	210,333	100%	-
6/30/2012	219,439	100%	-

**Three-Year Trend Information for TPAF & Post Retirement Medical Contributions
(Paid on behalf of the District)**

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2014	\$ 1,053,887	100%	-
6/30/2013	1,320,501	100%	-
6/30/2012	910,707	100%	-

Note 9. Pension Plans (continued):

During the year ended June 30, 2014 the State of New Jersey contributed \$1,053,887 to the TPAF for normal post-retirement benefits on behalf of the District. Also in accordance with *N.J.S.A.18A:66-66* the State of New Jersey reimbursed the District \$661,760 for the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

Note 10. Post-Retirement Benefits

P.L. 1987, c. 384 and 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 post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 100,134 retirees receiving post-retirement medical benefits, and the state contributed \$1.07 billion on their behalf.. 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 benefits 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 employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2014.

Note 11. Risk Management

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

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

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

Joint Insurance Pool – The Borough of Paulsboro School District is a member of New Jersey School Boards Association Insurance Group. The Fund provides its members with the following coverage's:

Property – Blanket Building & Grounds Excess Liability

Note 10. Post-Retirement Benefits (continued):

General and Automobile Liability
School Board Legal Liability

Workers' Compensation
Comprehensive Crime Coverage

Note 12. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2014 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Note 13. Economic Dependency

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

Note 14. Deferred Compensation

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

Lincoln Investment Planning
Syracusa Benefits Program

Thomas Seely Agency, Inc.
Equitable

Note 15. Compensated Absences

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

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

Note 15. Compensated Absences (continued):

The liability for vested compensated absences of the governmental fund types is recorded in the statement of Net Position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2014 is \$905,113.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2014 the amount is 20,700.

Note 16. Fund Balance Disclosure

General Fund – of the \$1,511,731 General Fund fund balance at June 30, 2014, \$73,066 is restricted for excess surplus designated for subsequent years expenditures; \$103,443 is restricted current year excess surplus; \$1,335,222 is assigned to designated by the Board of Education for subsequent year’s expenditures and \$0 is assigned to other purposes.

Capital Projects Fund – The fund balance of \$28,577 has been restricted for future Capital Projects.

Debt Service Fund – of the \$2 of the Debt Service Fund fund balance at June 30, 2014, \$2 is reserved in accordance with N.J.S.A 7F-41c(2).

Note 17. Calculation of Excess Surplus

In accordance with *N.J.S.A.18A:7F-7*, as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years’ budget. The excess fund balance at June 30, 2014 is \$103,443.

Note 18. Deficit Fund Balance

The District has a deficit fund balance of \$11,685 in the Special Revenue Fund as of June 30, 2014 as reported in the fund statements (modified accrual basis). *N.J.S.A. 18A:22-44.2* provides that in the event a state school aid payment not made until the following school budget year, 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. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one governmental recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Note 18. Deficit Fund Balance (continued):

Pursuant to N.J.S.A 18A:22-44.2 any negative unassigned special revenue fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$11,685 is equal to the last state aid payment.

Note 19. Deficit in Net Position

Restricted Net Position – The School District had a deficit in restricted net position for Debt Service in the amount of \$3,131 at June 30, 2014. The deficit is caused by the accrual of bond interest in the government-wide financial statements.

Unrestricted Net Position – The School District had a deficit in unrestricted net position of Business-Type Activities in the amount of \$2,390 at June 30, 2014. The deficit is caused by the loss of \$107,666 in 2013-14 in the Food Service Fund maintained by the District.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**PAULSBORO BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

ACCOUNT NUMBERS	JUNE 30, 2014			JUNE 30, 2013			VARIANCE FINAL TO ACTUAL (UNFAVORABLE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Revenues:							
Local Sources:							
Local Tax Levy	\$ 5,376,765	\$ 5,376,765	\$ 5,376,765	\$ 5,135,064	\$ 5,135,064	\$ 5,135,064	\$ -
Tuition	1,375,156	1,375,156	1,566,297	1,470,782	1,470,782	1,613,147	142,365
Transportation Fees	-	-	-	-	-	3,330	3,330
Miscellaneous	388,790	388,790	91,465	314,597	314,597	56,941	(257,656)
Total Local Sources	7,140,711	7,140,711	7,034,527	6,920,443	6,920,443	6,808,482	(111,961)
State Sources:							
Extraordinary Aid	84,267	84,267	39,631	100,000	100,000	72,441	(27,559)
School Choice Aid	18,340	18,340	18,340	21,510	21,510	21,510	-
Categorical Special Education Aid	615,970	615,970	615,970	607,236	607,236	607,236	-
Equalization Aid	11,357,502	11,357,502	11,357,502	11,197,699	11,197,699	11,197,699	-
Transportation Aid	25,418	25,418	25,418	23,075	23,075	23,075	-
Security Aid	74,739	74,739	74,739	67,857	67,857	67,857	-
Nonbudgeted:							
On-Bhalf TPAF:							
Post-Retirement Medical Contributions	-	-	654,630	-	-	700,765	700,765
Normal Pension Contributions	-	-	399,257	-	-	619,736	619,736
Reimbursed TPAF Social Contributions	-	-	661,760	-	-	678,223	678,223
Total State Sources	12,176,236	12,176,236	13,847,247	12,017,377	12,017,377	13,988,542	1,971,165
Federal Sources:							
Special Education - Medicaid Initiative	80,000	80,000	96,627	80,000	80,000	91,654	11,654
Education Jobs Fund	-	-	-	-	-	12,991	12,991
Total Federal Sources	80,000	80,000	96,627	80,000	80,000	104,645	11,654
Total Revenues	19,396,947	19,396,947	20,978,401	19,017,820	19,030,811	20,901,669	1,870,858
Expenditures:							
Current Expense:							
Instruction - Regular Programs:							
Salaries of Teachers:							
Local Contribution -							
Transfer to Special Revenue	213,348	266,880	263,456	190,411	190,411	179,213	11,198
Kindergarten	248,779	235,473	233,961	274,404	274,404	271,130	3,274
Grades 1 - 5	1,268,733	1,539,314	1,519,040	1,385,303	1,333,282	1,243,987	89,295
Grades 6 - 8	1,279,663	1,086,502	1,053,396	1,142,407	1,093,215	1,073,073	20,142
Grades 9 - 12	2,036,374	1,773,007	1,721,142	1,787,335	1,757,771	1,734,606	23,165
Home Instruction:							
Salaries of Teachers	32,900	32,900	23,459	32,900	32,900	19,864	13,036
Purchased Professional - Educational Services	52,100	52,100	14,673	52,100	52,100	19,890	32,210
Regular Programs - Undistributed Instruction:							
Other Salaries for Instruction	75,201	75,448	4,921	56,542	56,304	33,500	22,804
Purchased Professional - Educational Service:	207,555	207,555	142,852	201,000	186,000	168,892	17,108
Purchased Technical Services	-	-	-	1,527	1,527	-	1,527
Other Purchased Services	203,214	162,204	107,918	47,294	54,624	54,013	611

**PAULSBORO BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

ACCOUNT NUMBERS	JUNE 30, 2014			JUNE 30, 2013			VARIANCE FINAL TO ACTUAL (UNFAVORABLE)	VARIANCE FINAL TO ACTUAL (UNFAVORABLE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET ACTUAL		
General Supplies	244,549	43,584	288,133	234,362	4,243	238,605	217,969	20,636
Textbooks	38,190	(538)	37,652	37,894	2,749	40,643	17,429	23,214
Other Objects	1,695	-	1,695	1,710	-	1,710	820	890
Total Regular Programs - Instruction	5,902,301	(143,438)	5,758,863	5,445,189	(131,693)	5,313,496	5,034,386	279,110
Learning and/or Language Disabilities:								
Salaries of Teachers	465,595	142,523	608,117	533,037	(75,367)	457,670	452,399	5,271
Other Salaries for Instruction	79,923	35,921	115,844	72,286	24,394	96,680	96,527	153
General Supplies	12,633	3,396	16,029	12,659	(162)	12,497	12,258	239
Textbooks	-	-	-	1,500	-	1,500	-	1,500
Total Learning and/or Language Disabilities	558,151	181,840	739,991	619,482	(51,135)	568,347	561,184	7,163
Behavioral Disabilities:								
Salaries of Teachers	266,924	(94,070)	172,854	185,113	76,572	261,685	259,094	2,591
Other Salaries for Instruction	104,859	(19,018)	85,841	114,177	8,793	122,970	118,930	4,040
General Supplies	-	824	824	3,000	740	3,740	2,000	1,740
Textbooks	878	-	878	1,500	-	1,500	1,219	281
Other Objects	9,750	-	9,750	9,750	(6,209)	3,541	51	3,490
Total Behavioral Disabilities	382,411	(112,264)	270,147	313,540	79,896	393,436	381,294	12,142
Multiple Disabilities:								
Salaries of Teachers	338,726	(120,815)	217,911	332,083	(3)	332,080	328,792	3,288
Other Salaries for Instruction	103,986	(41,287)	62,699	77,150	25,226	102,376	101,242	1,134
General Supplies	4,885	1	4,886	5,008	778	5,786	5,785	1
Total Multiple Disabilities	447,597	(162,101)	285,496	414,241	26,001	440,242	435,819	4,423
Resource Room/Resource Center:								
Salaries of Teachers	222,951	(44,020)	178,931	218,579	1,210	219,789	217,612	2,177
Other Salaries for Instruction	42,761	59,988	102,749	35,863	(458)	35,405	35,054	351
General Supplies	435	(5)	430	-	-	-	-	-
Total Resource Room/Resource Center	266,147	15,963	282,110	254,442	752	255,194	252,666	2,528
Preschool Disabilities - Part-Time:								
Salaries of Teachers	77,044	49,060	126,104	75,560	(1,400)	74,160	73,425	735
Other Salaries for Instruction	15,455	31,460	46,915	36,780	(13,897)	22,883	21,616	1,267
General Supplies	1,000	96	1,096	198	400	598	598	-
Total Preschool Disabilities - Part-Time	93,499	80,616	174,115	112,538	(14,897)	97,641	95,639	2,002
Total Special Education	1,747,805	4,054	1,751,859	1,714,243	40,617	1,754,860	1,726,602	28,258
Basic Skills/Remedial:								
Salaries of Teachers	288,902	282,948	571,850	620,956	19,004	639,960	562,236	77,724
General Supplies	-	-	-	1,431	-	1,431	72	1,359

**PAULSBORO BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	JUNE 30, 2014			JUNE 30, 2013			VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Total Basic Skills/Remedial	288,902	282,948	571,850	571,849	19,004	641,391	562,308	79,083
Bilingual Education - Instruction:								
Salaries of Teachers	24,500	(11,075)	13,425	6,720	1,825	12,675	12,520	155
General Supplies	345	400	745	745	-	-	-	-
Total Bilingual Education - Instruction	24,845	(10,675)	14,170	7,465	1,825	12,675	12,520	155
School Sponsored Cocurricular Activities:								
Salaries	88,228	-	88,228	81,542	6,686	88,228	84,270	3,958
Purchased Services	6,000	(662)	5,338	2,447	6,000	6,000	1,030	4,970
Supplies and Materials	6,000	662	6,662	6,661	6,000	6,000	342	5,658
Total School Sponsored Cocurricular Activities	100,228	-	100,228	90,650	9,578	100,228	85,642	14,586
School Sponsored Athletics - Instruction:								
Salaries of Teachers	335,237	(2,684)	332,553	275,780	56,773	327,511	272,676	54,835
Purchased Services	118,328	-	118,328	59,490	99,582	108,141	68,685	39,456
Supplies and Materials	57,900	10,000	67,900	44,079	57,900	60,887	44,089	16,798
Other Objects	25,200	-	25,200	15,178	10,022	25,200	9,038	16,162
Total School Sponsored Athletics - Instruction	536,665	7,316	543,981	394,527	149,454	521,739	394,488	127,251
Summer School - Instruction:								
Salaries of Teachers	-	640	640	640	-	-	-	-
Total Summer School - Instruction	-	640	640	640	-	-	-	-
Total Instruction	8,600,746	140,845	8,741,591	8,118,734	622,857	8,403,090	7,815,946	528,443
Undistributed Expenditures:								
Instruction:								
Tuition to Other LEA's - State Regular	124,000	-	124,000	101,028	22,972	120,000	53,625	66,375
Tuition to Other LEA's - State Special	263,743	-	263,743	127,412	136,331	241,346	207,200	34,146
Tuition to County Voc. School District Regular	82,680	-	82,680	81,997	683	91,520	73,320	18,200
Tuition to CSSD & Regular Day Schools	826,687	-	826,687	782,367	44,320	865,997	725,915	45,567
Tuition to Private Schools for the Handicapped - State	388,184	-	388,184	303,988	84,196	400,066	400,065	1
Tuition - State Facilities	165,358	-	165,358	165,358	-	125,281	125,281	-
Total Undistributed Expenditures - Instruction	1,850,652	-	1,850,652	1,562,150	288,502	1,749,695	1,585,406	164,289
Attendance & Social Work Services:								
Salaries of Teachers	48,684	5,282	53,966	47,974	5,992	47,728	44,483	6,102
Purchased Professional & Technical Services	25,902	-	25,902	23,452	2,450	25,020	23,240	1,780

**PAULSBORO BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

ACCOUNT NUMBERS	JUNE 30, 2014			JUNE 30, 2013			VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET			
Total Attendance & Social Work Services	74,586	5,282	79,868	71,426	8,442	72,748	2,857	67,723	7,882
Health Services:									
Salaries	164,254	13,710	177,964	172,831	5,133	157,502	5,400	159,447	3,455
Purchased Professional & Technical Services	20,265	(1,601)	18,664	14,998	3,666	20,265	(9,071)	8,676	2,518
Supplies and Materials	9,359	-	9,359	4,459	4,900	9,947	-	5,212	4,735
Total Health Services	193,878	12,109	205,987	192,288	13,699	187,714	(3,671)	173,335	10,708
Other Support Services - Students - Related Services:									
Salaries of Other Professional Staff	79,857	57,451	137,308	135,558	1,750	79,575	53,713	129,177	4,111
Purchased Educational Services	199,340	-	199,340	175,360	23,980	211,006	(10,732)	199,496	778
Supplies and Materials	661	-	661	581	80	612	(120)	492	-
Total Other Support Services - Students - Related Services	279,858	57,451	337,309	311,499	25,810	291,193	42,861	329,165	4,889
Other Support Services - Students - Regular:									
Salaries of Other Professional Staff	244,515	7,384	251,899	251,333	566	239,823	-	236,664	3,159
Salaries of Secretarial & Clerical Assistants	43,640	668	44,308	44,307	1	42,784	-	42,360	424
Purchased Professional & Educational Services	1,800	(766)	1,034	-	1,034	2,405	-	1,496	909
Other Purchased Services	700	1,069	1,769	1,769	-	10,675	(48)	6,835	3,792
Supplies and Materials	14,985	(1,579)	13,406	7,915	5,491	22,268	48	18,709	3,607
Other Objects	200	(1)	199	150	49	150	-	150	-
Total Other Support Services - Students- Regular	305,840	6,775	312,615	305,474	7,141	318,105	-	306,214	11,891
Other Support Services - Students - Special Services:									
Salaries of Other Professional Staff	436,402	(1,542)	434,860	333,230	101,630	435,918	15,225	408,219	42,924
Salaries of Secretarial & Clerical Assistants	62,000	6,609	68,609	67,442	1,167	62,836	5,220	67,256	800
Purchased Professional - Educational Services	18,600	-	18,600	8,464	10,136	30,848	(15,821)	9,924	5,103
Other Purchased Professional & Technical Services	22,010	-	22,010	1,305	20,705	22,010	(1,656)	550	19,824
Other Purchased Services	7,300	-	7,300	-	7,300	7,300	-	824	6,476
Supplies and Materials	19,960	352	20,312	6,908	13,404	22,840	(4,510)	8,115	10,215
Other Objects	3,750	-	3,750	-	3,750	4,800	-	-	4,800
Total Other Support Services - Students Special Services	570,022	5,419	575,441	417,349	158,092	586,552	(1,522)	494,888	90,142
Improvement of Instruction Services/Other Support Services - Instruction Staff:									
Salaries	7,000	-	7,000	392	6,608	7,000	-	1,728	5,272
Salaries of Other Professional									

**PAULSBORO BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

ACCOUNT NUMBERS	JUNE 30, 2014			ACTUAL	FAVORABLE/ (UNFAVORABLE)	JUNE 30, 2013			ACTUAL	FAVORABLE/ (UNFAVORABLE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET			ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Staff	228,958	1	228,959	228,958	1	220,703	4,010	224,713	224,712	1
Salaries of Secretarial & Clerical Assistants	21,820	334	22,154	22,154	-	21,392	-	21,392	21,180	212
Salaries of Facilitators, Math & Literary Coaches	122,986	2,314	125,300	125,299	1	-	-	-	-	-
Other Purchased Services	6,500	-	6,500	108	6,392	10,000	(3,435)	6,565	1,709	4,856
Supplies and Materials	9,000	(623)	8,377	5,807	2,570	11,000	(2,000)	9,000	3,309	5,691
Other Objects	1,800	-	1,800	1,769	31	1,800	-	1,800	268	1,532
Total Improvement of Instruction Services/Other Support Services Instructional Staff	398,064	2,026	400,090	384,487	15,603	271,895	(1,425)	270,470	252,906	17,564
Educational Media Services/School Library:										
Salaries	154,988	2,195	157,183	157,182	1	151,947	-	151,947	150,441	1,506
Coordinators	142,732	(39,243)	103,489	97,800	5,689	167,419	2,063	169,482	168,792	690
Purchased Professional & Technical Services	61,604	51,056	112,660	73,598	39,062	21,649	-	21,649	624	21,025
Other Purchased Services	25,000	-	25,000	-	25,000	45,745	-	45,745	6,940	38,805
Supplies and Materials	74,041	-	74,041	21,359	52,682	63,150	2,690	65,840	41,669	24,171
Total Educational Media Services/Library	458,365	14,008	472,373	349,939	122,434	449,910	4,753	454,663	368,466	86,197
Instructional Staff Training Services:										
Salaries of Other Professional Staff	13,000	-	13,000	-	13,000	13,000	-	13,000	3,548	9,452
Salaries of Secretarial & Clerical Assistants	21,820	334	22,154	22,154	-	21,392	-	21,392	21,180	212
Purchased Professional Educational Services	14,750	-	14,750	3,950	10,800	6,000	-	6,000	1,596	4,404
Other Purchased Services	20,000	-	20,000	5,946	14,054	15,000	289	15,289	8,228	7,061
Supplies & Materials	3,500	-	3,500	-	3,500	10,000	(6,255)	3,745	2,228	1,517
Total Instructional Staff Training Services	73,070	334	73,404	32,050	41,354	65,392	(5,966)	59,426	36,780	22,646
Support Services General Administration:										
Salaries	199,424	32,953	232,377	231,288	1,089	203,485	(1,181)	202,304	198,242	4,062
Legal Services	30,000	-	30,000	18,593	11,407	30,000	(1,118)	28,882	21,641	7,241
Audit Fees	20,475	-	20,475	18,000	2,475	19,425	-	19,425	19,000	425
Other Purchased Professional Services	4,000	-	4,000	-	4,000	4,000	7,118	11,118	11,118	-
Purchased Technical Services	500	-	500	-	500	500	-	500	-	500
Communications/Telephone	115,000	-	115,000	34,480	80,520	107,767	-	107,767	72,206	35,561
BOE Other Purchased Services	3,330	100	3,430	3,429	1	3,330	163	3,493	3,492	1
Other Purchased Services	124,572	(100)	124,472	55,549	68,923	124,572	(18,281)	106,291	54,646	51,645
Supplies and Materials	9,125	-	9,125	4,062	5,063	9,125	(430)	8,695	8,694	1
BOE In-House Training/Meeting Supplies	2,500	-	2,500	376	2,124	1,600	-	1,600	-	1,600
Miscellaneous Expenditures	-	-	-	-	-	-	-	-	-	-
BOE Membership Dues & Fees	12,282	3,250	15,532	14,771	761	12,282	4,193	16,475	13,224	3,251
Total Support Services General Administration	521,208	36,203	557,411	380,548	176,863	516,086	(9,536)	506,550	402,263	104,287

**PAULSBORO BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

ACCOUNT NUMBERS	JUNE 30, 2014			JUNE 30, 2013			VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Support Services School Administration:							
Salaries of Principals & Assistant Principals	556,229	63,608	619,837	610,922	8,915	619,837	1
Salaries of Other Professional Staff	28,150	2,025	30,175	30,175	-	30,175	950
Salaries of Secretarial & Clerical Assistants	165,023	28,212	193,235	193,232	3	193,235	8,771
Other Purchased Services	14,640	(2,511)	12,129	6,606	5,523	17,653	1
Supplies and Materials	31,818	450	32,268	18,003	14,265	32,268	2
Other Objects	16,150	-	16,150	9,384	6,766	15,940	41
Total Support Services School Administration	812,010	91,784	903,794	868,322	35,472	903,794	9,766
Central Services:							
Salaries	217,762	1,651	219,413	210,612	8,801	219,413	1,117
Purchased Professional & Technical Services	32,217	-	32,217	17,859	14,358	32,217	7,919
Miscellaneous Purchased Services	3,660	-	3,660	366	3,294	3,660	3,335
Supplies and Materials	6,375	-	6,375	2,246	4,129	6,375	1,223
Other Objects	1,490	-	1,490	1,305	185	1,490	104
Total Central Services	261,504	1,651	263,155	232,388	30,767	263,155	13,698
Administrative Information Technology:							
Purchased Technical Services	78,462	(73,662)	4,800	1,500	3,300	4,800	5,001
Purchased Professional Services	-	61,129	61,129	28,906	32,223	61,129	21,811
Other Purchased Services	51,490	(17,533)	33,957	12,784	21,173	33,957	-
Supplies and Materials	20,000	35,066	55,066	55,066	-	55,066	9,577
Total Administrative Information Technology	149,952	5,000	154,952	98,256	56,696	154,952	36,389
Allowable Maintenance for School Facilities:							
Salaries	135,532	(25,196)	110,336	97,941	12,395	110,336	40,044
Cleaning, Repair & Maintenance Services	154,000	(62,633)	91,367	89,944	1,423	91,367	26,991
General Supplies	67,491	988	68,479	34,555	33,924	68,479	17,792
Total Allowable Maintenance for School Facilities	357,023	(86,841)	270,182	222,440	47,742	270,182	84,827
Operation & Maintenance of Plant Services & School Facilities:							
Salaries	410,216	32,315	442,531	406,573	35,958	442,531	40,050
Salaries of Non-Instructional Aides	38,755	5,065	43,820	37,046	6,774	43,820	4,762
Purchased Professional & Technical Services	18,392	-	18,392	2,378	16,014	18,392	20,510
Cleaning, Repair & Maintenance Services	78,123	-	78,123	29,565	48,558	78,123	73,587
Other Purchased Property Services	14,000	-	14,000	-	14,000	14,000	17,500
Insurance	212,776	5,635	218,411	218,411	-	218,411	-

**PAULSBORO BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

ACCOUNT NUMBERS	JUNE 30, 2014			JUNE 30, 2013			VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Miscellaneous Purchased Services	18,517	-	18,517	23,146	-	23,146	4,178
General Supplies	106,038	(193)	105,845	132,547	-	132,547	51,049
Energy (Natural Gas)	200,000	-	200,000	248,850	-	248,850	131,539
Energy (Electricity)	275,000	-	275,000	315,000	-	315,000	222,783
Energy (Oil)	500	-	500	3,150	-	3,150	3,150
Other Objects	300	250	550	300	-	300	-
Total Operation & Maintenance of Plant Services & School Facilities	1,372,617	43,072	1,415,689	1,616,852	(40,618)	1,576,234	1,092,153
Care & Upkeep of Grounds:							
Salaries	122,377	1,623	124,000	88,858	20,555	109,413	108,551
Cleaning, Repair & Maintenance Services	32,500	-	32,500	10,000	(25)	9,975	6,077
Supplies and Materials	27,000	-	27,000	12,950	-	12,950	8,284
Other Objects	3,000	-	3,000	3,000	-	3,000	-
Total Care & Upkeep of Grounds	184,877	1,623	186,500	114,808	20,530	135,338	122,912
Security:							
Salaries	5,000	1,702	6,702	-	5,788	5,788	5,704
Cleaning, Repair & Maintenance Services	-	-	-	40,000	(7,213)	32,787	967
Total Security	5,000	1,702	6,702	40,000	(1,425)	38,575	6,671
Student Transportation Services:							
Salaries of Non-Instructional Aides	8,874	11,224	20,098	-	24,886	24,886	22,555
Salaries for Pupil Transportation (Between Home & School) - Regular	20,121	37,382	57,503	-	68,803	68,803	65,592
Salaries for Pupil Transportation (Between Home & School) - Special	42,959	(19,687)	23,272	-	41,585	41,585	31,130
Salaries for Pupil Transportation (Other Than Between Home & School)	-	45,966	45,966	-	63,559	63,559	38,146
Cleaning, Repair & Maintenance Services	40,000	(22,967)	17,033	-	40,000	40,000	17,067
Contracted Services (Between Home & School) - Vendors	18,000	(15,464)	2,536	162,652	(160,302)	2,350	2,350
Contracted Services (Other Than Between Home & School) - Vendors	25,000	(12,971)	12,029	25,000	(6,860)	18,140	17,190
Contracted Services (Between Home & School) - Joint Agreement	-	25,424	25,424	-	-	-	-
Contracted Services (Special Education Students)	285,500	66,231	351,731	273,000	41,456	314,456	314,455
Contracted Services (Aid in Lieu of Payments) - (Choice Schools)	22,542	776	23,318	18,034	(3,575)	14,459	14,458
Miscellaneous Purchased							
Services							
General Supplies							
Energy (Natural Gas)							
Energy (Electricity)							
Energy (Oil)							
Other Objects							
Total Operation & Maintenance of Plant Services & School Facilities	1,372,617	43,072	1,415,689	1,616,852	(40,618)	1,576,234	1,092,153
Care & Upkeep of Grounds:							
Salaries	122,377	1,623	124,000	88,858	20,555	109,413	108,551
Cleaning, Repair & Maintenance Services	32,500	-	32,500	10,000	(25)	9,975	6,077
Supplies and Materials	27,000	-	27,000	12,950	-	12,950	8,284
Other Objects	3,000	-	3,000	3,000	-	3,000	-
Total Care & Upkeep of Grounds	184,877	1,623	186,500	114,808	20,530	135,338	122,912
Security:							
Salaries	5,000	1,702	6,702	-	5,788	5,788	5,704
Cleaning, Repair & Maintenance Services	-	-	-	40,000	(7,213)	32,787	967
Total Security	5,000	1,702	6,702	40,000	(1,425)	38,575	6,671
Student Transportation Services:							
Salaries of Non-Instructional Aides	8,874	11,224	20,098	-	24,886	24,886	22,555
Salaries for Pupil Transportation (Between Home & School) - Regular	20,121	37,382	57,503	-	68,803	68,803	65,592
Salaries for Pupil Transportation (Between Home & School) - Special	42,959	(19,687)	23,272	-	41,585	41,585	31,130
Salaries for Pupil Transportation (Other Than Between Home & School)	-	45,966	45,966	-	63,559	63,559	38,146
Cleaning, Repair & Maintenance Services	40,000	(22,967)	17,033	-	40,000	40,000	17,067
Contracted Services (Between Home & School) - Vendors	18,000	(15,464)	2,536	162,652	(160,302)	2,350	2,350
Contracted Services (Other Than Between Home & School) - Vendors	25,000	(12,971)	12,029	25,000	(6,860)	18,140	17,190
Contracted Services (Between Home & School) - Joint Agreement	-	25,424	25,424	-	-	-	-
Contracted Services (Special Education Students)	285,500	66,231	351,731	273,000	41,456	314,456	314,455
Contracted Services (Aid in Lieu of Payments) - (Choice Schools)	22,542	776	23,318	18,034	(3,575)	14,459	14,458
Miscellaneous Purchased							
Services							
General Supplies							
Energy (Natural Gas)							
Energy (Electricity)							
Energy (Oil)							
Other Objects							
Total Operation & Maintenance of Plant Services & School Facilities	1,372,617	43,072	1,415,689	1,616,852	(40,618)	1,576,234	1,092,153

**PAULSBORO BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

ACCOUNT NUMBERS	JUNE 30, 2014			JUNE 30, 2013			VARIANCE FINAL TO ACTUAL (UNFAVORABLE)	VARIANCE FINAL TO ACTUAL (UNFAVORABLE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Services - Transportation	40,037	(1,473)	38,564	-	33,364	33,364	33,364	-
General Supplies	1,197	(257)	940	1	484	484	483	1
Transportation Supplies	2,000	(1,663)	337	337	(83)	417	417	-
Miscellaneous Expenditures	1,000	(598)	402	-	-	-	-	-
Total Student Transportation Services	507,230	111,923	619,153	16,664	143,317	622,503	557,207	65,296
Unallocated Benefits - Employee Benefits:								
Social Security Contributions -								
Other	197,303	23,940	221,243	5,384	84,662	206,159	200,478	5,681
Other Retirement Contributions	259,974	(18,556)	241,418	11,308	(18,258)	210,742	210,333	409
Unemployment Compensation	52,994	-	52,994	5,377	(1,178)	46,822	46,821	1
Workmen's Compensation	226,326	(5,635)	220,691	24,995	(23,205)	188,605	188,605	-
Health Benefits	3,261,839	(277,148)	2,984,691	87,925	(164,070)	3,345,844	3,125,314	220,530
Tuition Reimbursements	35,100	-	35,100	24,782	-	35,100	18,858	16,242
Other Employee Benefits	79,438	-	79,438	2,287	45,491	83,803	68,931	14,872
Total Unallocated Benefits - Employee Benefits	4,112,974	(277,399)	3,835,575	162,058	(76,558)	4,117,075	3,859,340	257,735
Nonbudgeted:								
Post-Retirement Medical Contributions	-	-	-	(654,630)	-	-	700,765	(700,765)
Normal Pension Contributions	-	-	-	(399,257)	-	-	619,736	(619,736)
Reimbursed TPAF Social Security Contributions	-	-	-	(661,760)	-	-	678,223	(678,223)
Total Undistributed Expenditures	12,488,730	32,122	12,520,852	(124,724)	114,820	12,666,241	13,148,348	(482,107)
Total Expenditures - Current Expense	21,089,476	172,967	21,262,443	498,133	56,119	21,010,630	20,964,294	46,336
Capital Outlay:								
Equipment:								
Grades 1-5	-	925	925	1	-	-	-	-
Grades 6-8	-	1,387	1,387	1	-	-	-	-
Grades 9-12	-	2,311	2,311	-	-	-	-	-
Admin. Technology	-	164,246	164,246	1	(46,272)	152,020	34,095	117,925
Required Maintenance for School Facilities	-	17,742	17,742	-	47,222	47,222	45,288	1,934
Custodial Services	-	8,456	8,456	-	8,457	8,457	-	8,457
Security	-	-	-	-	32,000	32,000	13,024	18,976
Special Schools	-	9,315	9,315	-	5,815	9,315	-	9,315
Total Equipment	-	204,382	204,382	3	47,222	249,014	92,407	156,607
Facilities Acquisition & Construction Services								
Assessment for Debt Service on SDA Funding	7,471	-	7,471	-	-	4,845	4,845	-
Total Facilities Acquisition & Construction Services	7,471	-	7,471	-	-	4,845	4,845	-
Operating Transfer Out - Capital Projects Fund	100,000	-	100,000	100,000	-	47,060	-	47,060
Total Capital Outlay	107,471	204,382	311,853	100,003	47,222	300,919	97,252	203,667

PAULSBORO BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

ACCOUNT NUMBERS	JUNE 30, 2014		JUNE 30, 2013		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
	ORIGINAL BUDGET	FINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET					
Total Expenditures	21,196,947	21,574,296	20,976,160	598,136	21,208,208	103,341	21,311,549	21,061,546	250,003
Excess/(Deficiency) of Revenues Over/(Under) Expenditures Before Other Financing Sources/(Uses)	(1,800,000)	(2,177,349)	2,241	2,179,590	(2,190,388)	(90,350)	(2,280,738)	(159,877)	2,120,861
Other Financing Sources/(Uses):									
Transfer of Fund to Charter Schools	-	-	-	-	(18,365)	-	(18,365)	(18,365)	-
Operating Transfer Out - Enterprise Fund	-	-	-	-	(70,000)	-	(70,000)	(70,000)	-
Insurance Recovery Related to Impaired Capital Asset	-	92,282	92,282	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	92,282	92,282	-	(88,365)	-	(88,365)	(88,365)	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures After Other Financing Sources/(Uses)	(1,800,000)	(2,085,067)	94,523	2,179,590	(2,278,753)	(90,350)	(2,369,103)	(248,242)	2,120,861
Fund Balances, July 1	2,539,390	2,539,390	2,539,390	-	2,787,632	-	2,787,632	2,787,632	-
Fund Balances, June 30	\$ 739,390	\$ 454,323	\$ 2,633,913	\$ 2,179,590	\$ 508,879	\$ (90,350)	\$ 418,529	\$ 2,539,390	\$ 2,120,861

RECAPITULATION OF BUDGET TRANSFERS:

Prior Year Reserve for Encumbrances	\$ 285,067
Total Budget Transfers	<u>\$ 285,067</u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Excess Surplus	\$ 103,443
Excess Surplus - Designated for Subsequent Year's Expenditures	73,066
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	2,072,193
Unassigned Fund Balance	<u>385,211</u>
Subtotal	<u>2,633,913</u>
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payments Not Recognized on GAAP Basis	<u>(1,122,182)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 1,511,731</u>

**PAULSBORO BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	JUNE 30, 2014			JUNE 30, 2013			VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Total Facilities Acquisition & Construction Services:	13,255	(13,255)	-	3,500	157,251	160,751	152,838
Total Expenditures	1,170,201	1,028,952	2,199,153	1,250,449	1,072,222	2,322,671	1,775,043
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
							7,913

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**PAULSBORO BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2014**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 20,978,401	\$ 1,746,366
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	1,112,060	15,180
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	<u>(1,122,182)</u>	<u>(11,685)</u>
 Total Revenue as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	 <u>\$ 20,968,279</u>	 <u>\$ 1,749,861</u>
 Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	 <u>20,976,160</u>	 <u>1,746,366</u>
 Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	 <u>\$ 20,976,160</u>	 <u>\$ 1,746,366</u>

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**PAULSBORO BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2014
(With Comparative Totals for June 30, 2013)**

	TITLE I	TITLE II	I.D.E.A. PART B REGULAR	I.D.E.A. PART B PRESCHOOL	RACE TO THE TOP
Revenues:					
State Sources					
Federal Sources	\$ 826,305	\$ 97,382	\$ 279,269	\$ 32,039	\$ 3,173
Local Sources	-	-	-	-	-
Total Revenues	\$ 826,305	\$ 97,382	\$ 279,269	\$ 32,039	\$ 3,173
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 334,389	\$ 77,743	\$ 10,176	\$ 1,552	\$ -
Other Salaries for Instruction	158,910	-	4,500	1,152	-
Purchased Professional - Educational Services	31,377	-	15,750	-	-
Tuition	-	-	196,604	16,703	-
Other Purchased Services	1,229	-	-	-	-
Supplies	164,944	1,612	213	10,007	-
Textbooks	-	-	-	-	-
Miscellaneous	982	-	-	-	-
Total Instruction	691,831	79,355	227,243	29,414	-
Support Services:					
Salaries of Teachers	47,339	1,400	42,754	2,246	-
Salaries of Secretarial & Clerical Assistants	1,680	-	-	-	-
Salaries of Other Professional Staff	-	-	-	-	-
Personal Services-Employee Benefits	82,490	14,394	9,272	379	-
Purchased Professional - Educational Services	-	-	-	-	503
Other Purchased Services	-	1,000	-	-	-
Supplies	2,965	1,233	-	-	2,670
Total Support Services	134,474	18,027	52,026	2,625	3,173
Facilities Acquisition & Construction Services:					
Instructional Equipment	-	-	-	-	-
Total Facilities Acquisition & Construction Services:	-	-	-	-	-
Total Expenditures	\$ 826,305	\$ 97,382	\$ 279,269	\$ 32,039	\$ 3,173

SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2014
(With Comparative Totals for June 30, 2013)

	NONPUBLIC										
	IMPROVING LITERACY ACHIEVEMENT	SUPPLEMENTAL INSTRUCTION	HOME INSTRUCTION	EXAM CLASSIFICATION	NONPUBLIC COMPENSATORY SPEECH	EDUCATION	TEXTBOOK	TRANSPORT	TECHNOLOGY	NURSING	
Revenues:											
State Sources	\$ 14,461	\$ 9,159	\$ 3,207	\$ 16,404	\$ 11,953	\$ 30,043	\$ 5,869	\$ 9,339	\$ 2,140	\$ 8,260	
Federal Sources	-	-	-	-	-	-	-	-	-	-	
Local Sources	-	-	-	-	-	-	-	-	-	-	
Total Revenues	\$ 14,461	\$ 9,159	\$ 3,207	\$ 16,404	\$ 11,953	\$ 30,043	\$ 5,869	\$ 9,339	\$ 2,140	\$ 8,260	
Expenditures:											
Instruction:											
Salaries of Teachers											
Other Salaries for Instruction											
Purchased Professional - Educational Services	\$ -	\$ 9,159	\$ 3,207	\$ 16,404	\$ 11,953	\$ 30,043	\$ 5,869	\$ 9,339	\$ 2,140	\$ 8,260	
Tuition	14,461	-	-	-	-	-	-	-	-	-	
Supplies											
Textbooks											
Miscellaneous											
Total Instruction	14,461	9,159	3,207	16,404	11,953	30,043	5,869	9,339	2,140	8,260	
Total Expenditures	\$ 14,461	\$ 9,159	\$ 3,207	\$ 16,404	\$ 11,953	\$ 30,043	\$ 5,869	\$ 9,339	\$ 2,140	\$ 8,260	

SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2014
(With Comparative Totals for June 30, 2013)

	PRESCHOOL EDUCATION PROGRAM AID	UNIFORM DONATIONS	EARN TO LEARN	WALL OF HEROES	2014	2013
Revenues:						
State Sources	\$ 116,849	\$ -	\$ -	\$ -	\$ 227,684	\$ 235,509
Federal Sources	-	-	-	-	1,238,168	1,340,359
Local Sources	263,456	825	15,232	1,001	280,514	199,175
Total Revenues	\$ 380,305	\$ 825	\$ 15,232	\$ 1,001	\$ 1,746,366	\$ 1,775,043
Expenditures:						
Instruction:						
Salaries of Teachers	\$ 236,656	\$ -	\$ 9,792	\$ -	\$ 670,308	\$ 622,555
Other Salaries for Instruction	46,537	-	-	-	211,099	198,407
Purchase Professional - Educational Services	-	-	-	-	143,501	104,489
Tuition	-	-	1,570	-	214,877	169,161
Other Purchased Services	-	-	-	-	1,229	-
Supplies	3,501	-	1,150	-	195,888	47,153
Textbooks	-	-	-	-	-	-
Miscellaneous	-	-	-	-	982	-
Total Instruction	286,694	-	12,512	-	1,437,884	1,141,765
Support Services:						
Salaries of Teachers	-	-	-	-	93,739	47,394
Salaries of Secretarial & Clerical Assistants	-	-	-	-	1,680	-
Salaries of Other Professional Staff	-	-	1,552	-	1,552	175,404
Personal Services - Employee Benefits	93,611	-	868	-	201,014	231,248
Purchased Professional - Educational Services	-	-	-	-	503	17,223
Other Purchased Services	-	-	300	-	1,300	-
Supplies	-	825	-	1,001	8,694	9,171
Total Support Services	93,611	825	2,720	1,001	308,482	480,440
Facilities Acquisition & Construction Services:						
Instructional Equipment	-	-	-	-	-	152,838
Total Facilities Acquisition & Construction Services:	-	-	-	-	-	152,838
Total Expenditures	\$ 380,305	\$ 825	\$ 15,232	\$ 1,001	\$ 1,746,366	\$ 1,775,043

**SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2014**

	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 236,656	\$ 236,656	\$ -
Other Salaries for Instruction	46,537	46,537	-
Supplies	3,501	3,501	-
	<hr/>	<hr/>	<hr/>
Total Instruction	286,694	286,694	-
	<hr/>	<hr/>	<hr/>
Support Services:			
Personal Services - Employee Benefits	93,611	93,611	-
	<hr/>	<hr/>	<hr/>
Total Support Services	93,611	93,611	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>\$ 380,305</u>	<u>\$ 380,305</u>	<u>\$ -</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2013-2014 Preschool Education Aid Allocation	\$ 116,850
Add: Local Contribution - General Fund	263,455
Add: Actual ECPA Carryover (June 30, 2013)	<hr/> -
Total Preschool Education Aid Funds Available for 2013-2014 Budget	380,305
Less: 2013-2014 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<hr/> (380,305)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2014	-
Add: June 30, 2014 Unexpended Preschool Education Aid Funds	<hr/> -
2013-2014 Actual Carryover - Preschool Education Aid Funds	<u>\$ -</u>
2013-2014 Preschool Education Aid Funds Carryover Budgeted in 2014-2015	<u>\$ -</u>

F. Capital Projects Fund

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**PAULSBORO BOARD OF EDUCATION
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR FISCAL YEAR ENDED JUNE 30, 2014**

NUMBER	PROJECT TITLE	APPROPRIATIONS	EXPENDITURES TO DATE		(OVER)/UNDER EXPENDED BALANCE
			PRIOR YEAR	CURRENT YEAR	
2010	Renovation of High School Gym	\$ 340,185	\$ 316,993	\$ -	\$ 23,192
2011	Paulsboro High School HVAC Replacement	313,000	307,615	-	5,385
Total		<u>\$ 653,185</u>	<u>\$ 624,608</u>	<u>\$ -</u>	<u>\$ 28,577</u>

**PAULSBORO BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS TO HIGH SCHOOL GYMNASIUM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014**

Fund Balance - Beginning	<u>\$ 28,577</u>
Fund Balance - Ending	<u><u>\$ 28,577</u></u>

**PAULSBORO BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS TO HIGH SCHOOL GYMNASIUM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ 241,686	\$ -	\$ 241,686	\$ 241,686
Transfers	98,499	-	98,499	98,499
Total Revenues	340,185	-	340,185	340,185
Expenditures & Other Financing Uses:				
Construction Services	316,993	-	316,993	340,185
Total Expenditures	316,993	-	316,993	340,185
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 23,192	\$ -	\$ 23,192	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	4020-050-09-1001
Grant Date	6/30/2011
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$420,000
Additional Authorized Cost	(\$79,815)
Revised Authorized Cost	\$340,185
Percentage Increase/(Decrease) Over Original Authorized Cost	-
Percentage Completion	93.18%
Original Target Completion Date	12/31/2011
Revised Target Completion Date	6/30/2012

**PAULSBORO BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
PAULSBORO HIGH SCHOOL HVAC
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ 228,000	\$ -	\$ 228,000	\$ 228,000
Transfers	85,000	-	85,000	85,000
Total Revenues	313,000	-	313,000	313,000
Expenditures & Other Financing Uses:				
Construction Services	307,615	-	307,615	313,000
Total Expenditures	307,615	-	307,615	313,000
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 5,385	\$ -	\$ 5,385	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	4020-050-10-1001
Grant Date	6/30/2012
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$385,000
Additional Authorized Cost	(\$72,000)
Revised Authorized Cost	\$313,000
Percentage Increase/(Decrease) Over Original Authorized Cost	-
Percentage Completion	98.28%
Original Target Completion Date	12/31/2012
Revised Target Completion Date	-

G. Proprietary Funds

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Enterprise Funds

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**PAULSBORO BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2014
(With Comparative Totals for June 30, 2013)**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	FOOD SERVICE	2014	2013
Current Assets:			
Cash & Cash Equivalents	\$ -	\$ -	\$ 1,693
Accounts Receivable:			
State	631	631	1,391
Federal	47,866	47,866	98,343
Inventories	11,383	11,383	19,172
Total Current Assets	59,880	59,880	120,599
Noncurrent assets:			
Furniture, Machinery & Equipment	96,682	96,682	96,682
Less: Accumulated Depreciation	(89,218)	(89,218)	(80,727)
Total Noncurrent Assets	7,464	7,464	15,955
Total Assets	67,344	67,344	136,554
LIABILITIES			
Accounts Payable	7,180	7,180	3,630
Deferred Revenue	-	-	-
Interfund Payable	34,390	34,390	-
Compensated Absences Payable	20,700	20,700	20,184
Total Liabilities	62,270	62,270	23,814
NET POSITION			
Investments in Capital Assets -			
Net of Related Debt	7,464	7,464	15,955
Unrestricted	(2,390)	(2,390)	96,785
Total Net Position	\$ 5,074	\$ 5,074	\$ 112,740

**PAULSBORO BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2014
(With Comparative Totals for June 30, 2013)**

	BUSINESS-TYPE ACTIVITIES -		
	FOOD SERVICE	2014	2013
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 28,557	\$ 28,557	\$ 37,833
Daily Sales - Nonreimbursable Programs	33,771	33,771	34,140
	<hr/>		
Total Operating Revenues	62,328	62,328	71,973
	<hr/>		
Operating Expenses:			
Cost of Sales	331,896	331,896	291,663
Salaries	238,704	238,704	221,337
Employee Benefits	97,159	97,159	94,434
Supplies & Materials	22,674	22,674	22,512
Management Fee	38,022	38,022	33,618
Other Miscellaneous	17,746	17,746	6,808
Depreciation	8,491	8,491	8,350
	<hr/>		
Total Operating Expenses	754,692	754,692	678,722
	<hr/>		
Operating Income/(loss)	(692,364)	(692,364)	(606,749)
	<hr/>		
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	7,655	7,655	7,120
Federal Sources:			
National School Lunch Program	349,151	349,151	330,422
National Summer Lunch Program	24,415	24,415	18,486
Healthy Hunger-Free Kids Act	8,156	8,156	7,388
School Breakfast Program	160,507	160,507	139,192
After School Snacks	-	-	709
Food Distribution Program	34,814	34,814	32,074
	<hr/>		
Total Nonoperating Revenues/(Expenses)	584,698	584,698	535,391
	<hr/>		
Income/(Loss) Before Contributions & Transfers	(107,666)	(107,666)	(71,358)
	<hr/>		
Operating Transfers in:			
Board Contribution	-	-	70,000
	<hr/>		
Change in Net Position	(107,666)	(107,666)	(1,358)
Total Net Position - Beginning	112,740	112,740	114,098
	<hr/>		
Total Net Position - Ending	\$ 5,074	\$ 5,074	\$ 112,740
	<hr/> <hr/>		

**PAULSBORO BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2014
(With Comparative Totals for June 30, 2013)**

	BUSINESS-TYPE ACTIVITIES -		
	FOOD		
	SERVICE	2014	2013
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 62,328	\$ 62,328	\$ 70,314
Payments to Employees	(335,347)	(335,347)	(316,475)
Payments to Suppliers	(329,795)	(329,795)	(327,555)
Net Cash Provided/(Used) by Operating Activities	(602,814)	(602,814)	(573,716)
Cash Flows From Noncapital Financing Activities:			
Cash Received from Federal & State Reimbursements	601,121	601,121	425,130
Operating Transfers in	-	-	70,000
Net Cash Provided/(Used) by Noncapital Financing Activities	601,121	601,121	495,130
Cash Flows From Investing Activities:			
Purchase of Equipment	-	-	6,790
Net Cash Provided/(Used) by Investing Activities	-	-	6,790
Net Increase/(Decrease) in Cash & Cash Equivalents	(1,693)	(1,693)	(85,376)
Balances - Beginning of Year	1,693	1,693	87,069
Balances - End of Year	\$ -	\$ -	\$ 1,693

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

Operating Income/(Loss)	\$ (692,364)	\$ (692,364)	\$ (606,749)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Depreciation & Net Amortization	8,491	8,491	8,350
Food Distribution Program	34,814	34,814	32,074
Changes in Assets & Liabilities:			
(Increase)/Decrease in Inventory	7,789	7,789	(7,128)
Increase/(Decrease) in Accounts Payable	3,550	3,550	2,100
Increase/(Decrease) in Interfund Payable	34,390	34,390	-
Increase/(Decrease) in Deferred Revenue	-	-	(1,659)
Increase/(Decrease) in Compensated Absences Payable	516	516	(704)
Total Adjustments	89,550	89,550	33,033
Net Cash Provided/(Used) by Operating Activities	\$ (602,814)	\$ (602,814)	\$ (573,716)

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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PAULSBORO BOARD OF EDUCATION
FIDUCIARY FUNDS
COMPARATIVE COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2014
(With Comparative Totals for June 30, 2013)

ASSETS	PRIVATE	AGENCY		2014	2013
	PURPOSE	STUDENT	PAYROLL		
	SCHOLARSHIP	ACTIVITY			
Cash & Cash Equivalents	\$ 137,852	\$ 91,661	\$ 116,458	\$ 345,971	\$ 349,749
Total Assets	137,852	91,661	116,458	345,971	349,749
LIABILITIES					
Payroll Deductions & Withholdings	-	-	107,762	107,762	135,833
Due to Student Groups	-	91,661	-	91,661	87,359
Interfund Payable	-	-	8,696	8,696	8,696
Total Liabilities	-	91,661	116,458	208,119	231,888
NET POSITION					
Reserved for Scholarships	137,852	-	-	137,852	117,861
Total Net Position	\$ 137,852	\$ -	\$ -	\$ 137,852	\$ 117,861

**PAULSBORO BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014
(With Comparative Totals for June 30, 2013)**

ADDITIONS	<u>PRIVATE PURPOSE SCHOLARSHIP FUND</u>	2014	2013
Contributions:			
Other	\$ 49,275	\$ 49,275	\$ 69,405
Total Contributions	<u>49,275</u>	<u>49,275</u>	<u>69,405</u>
Investment Earnings:			
Interest	<u>106</u>	<u>106</u>	<u>254</u>
Net Investment Earnings	<u>106</u>	<u>106</u>	<u>254</u>
Total Additions	<u>49,381</u>	<u>49,381</u>	<u>69,659</u>
 DEDUCTIONS			
Scholarship Payments	<u>29,390</u>	<u>29,390</u>	<u>45,700</u>
Total Deductions	<u>29,390</u>	<u>29,390</u>	<u>45,700</u>
Change in Net Position	19,991	19,991	23,959
Net Position - Beginning of the Year	<u>117,861</u>	<u>117,861</u>	<u>93,902</u>
Net Position - End of the Year	<u>\$ 137,852</u>	<u>\$ 137,852</u>	<u>\$ 117,861</u>

**PAULSBORO BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2014**

	BALANCE JULY 1, 2013	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2014
Elementary Schools:				
Billingsport	\$ 8,342	\$ 971	\$ 817	\$ 8,496
Loudenslager	375	817	145	1,047
Total Elementary Schools	<u>8,717</u>	<u>1,788</u>	<u>962</u>	<u>9,543</u>
Paulsboro High School	<u>78,642</u>	<u>180,044</u>	<u>176,568</u>	<u>82,118</u>
Total Student Activity	<u>\$ 87,359</u>	<u>\$ 181,832</u>	<u>\$ 177,530</u>	<u>\$ 91,661</u>

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

ASSETS	BALANCE JULY 1, 2013	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2014
Cash & Cash Equivalents	\$ 144,529	\$ 16,777,150	\$ 16,805,221	\$ 116,458
Total Assets	<u>\$ 144,529</u>	<u>\$ 16,777,150</u>	<u>\$ 16,805,221</u>	<u>\$ 116,458</u>
LIABILITIES				
Payroll Deductions & Withholding	\$ 135,833	\$ 16,777,150	\$ 16,805,221	\$ 107,762
Interfund Payable	8,696	-	-	8,696
Total Liabilities	<u>\$ 144,529</u>	<u>\$ 16,777,150</u>	<u>\$ 16,805,221</u>	<u>\$ 116,458</u>

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I. Long-Term Debt

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**PAULSBORO BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2014**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	ANNUAL MATURITIES AMOUNT	INTEREST RATE	BALANCE JULY 1, 2013	ISSUED	RETIRED	BALANCE JUNE 30, 2014
Refunding - Additions & Renovations to Buildings & Grounds	09/01/2002	\$2,560,000	09/01/2014	235,000	4.00%	\$ 480,000	\$ -	\$ 245,000	\$ 235,000
					Total	\$ 480,000	\$ -	\$ 245,000	\$ 235,000

**SCHEDULE OF LOANS PAYABLE
JUNE 30, 2014**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	ANNUAL MATURITIES AMOUNT	INTEREST RATE	BALANCE JULY 1, 2013	ISSUED	RETIRED	BALANCE JUNE 30, 2014
New Jersey Public School Facilities	8/18/1993	\$577,034				\$ 30,370	\$ -	\$ 30,370	\$ -

**PAULSBORO BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

ACCOUNT NUMBERS	JUNE 30, 2014		JUNE 30, 2013		VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ORIGINAL BUDGET TRANSFERS BUDGET ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ORIGINAL BUDGET TRANSFERS BUDGET ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET		
Revenues:						
Local Sources:						
Local Tax Levy	\$ 143,066	\$ 143,066	\$ 143,066	\$ 150,644	\$ 150,644	\$ -
State Sources:						
Debt Service Aid - Type II	146,832	146,832	146,832	154,610	154,610	-
Total Revenues	289,898	289,898	289,898	305,254	305,254	-
Expenditures:						
Regular Debt Service:						
Interest	14,528	14,528	14,528	24,884	24,884	-
Principal	275,371	275,371	275,370	280,371	280,370	1
Total Expenditures	289,899	289,899	289,898	305,255	305,254	1
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1)	(1)	-	(1)	(1)	1
Fund Balance, July 1	2	2	2	2	2	-
Fund Balance, June 30	1	1	1	1	1	1

STATISTICAL SECTION (Unaudited)

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

	FISCAL YEAR ENDING JUNE 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities:										
Invested in Capital Assets,										
Net of Related Debt	\$ 5,290,964	\$ 5,253,341	\$ 5,695,960	\$ 5,522,026	\$ 5,233,039	\$ 5,255,074	\$ 5,449,923	\$ 5,140,860	\$ 5,289,657	\$ 5,512,362
Restricted	201,955	195,093	89,965	32,235	2,329,313	1,409,742	1,557,504	3,877,201	5,953,775	7,574,926
Unrestricted	418,424	246,981	634,785	815,668	(1,698,969)	(1,629,233)	(1,079,068)	(985,433)	(879,733)	(900,271)
Total Governmental Activities	\$ 5,911,343	\$ 5,695,415	\$ 6,420,710	\$ 6,369,929	\$ 5,863,383	\$ 5,035,583	\$ 5,928,359	\$ 8,032,628	\$ 10,363,699	\$ 12,187,017
Business-Type Activities:										
Invested in Capital Assets,										
Net of Related Debt	\$ 7,464	\$ 15,955	\$ 17,515	\$ 25,441	\$ 33,936	\$ 9,624	\$ 12,933	\$ 14,216	\$ 19,134	\$ 11,817
Unrestricted	(2,390)	96,785	96,583	143,129	72,562	(89,968)	(239,028)	(121,206)	18,798	116,331
Total Business-Type Activities	\$ 5,074	\$ 112,740	\$ 114,098	\$ 168,570	\$ 106,498	\$ (80,344)	\$ (226,095)	\$ (106,990)	\$ 37,932	\$ 128,148
District-Wide:										
Invested in Capital Assets,										
Net of Related Debt	\$ 5,298,428	\$ 5,269,296	\$ 5,713,475	\$ 5,547,467	\$ 5,266,975	\$ 5,264,698	\$ 5,462,856	\$ 5,155,076	\$ 5,308,791	\$ 5,524,179
Restricted	201,955	195,093	89,965	32,235	2,329,313	1,409,742	1,557,504	3,877,201	5,953,775	7,574,926
Unrestricted	416,034	343,766	731,368	958,797	(1,626,407)	(1,719,201)	(1,318,096)	(1,106,639)	(860,935)	(783,940)
Total District Net Position	\$ 5,916,417	\$ 5,808,155	\$ 6,534,808	\$ 6,538,499	\$ 5,969,881	\$ 4,955,239	\$ 5,702,264	\$ 7,925,638	\$ 10,401,631	\$ 12,315,165

**PAULSBORO BOARD OF EDUCATION
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST NINE FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 5,348,121	\$ 5,034,386	\$ 5,205,071	\$ 4,763,317	\$ 5,268,425	\$ 7,217,984	\$ 6,718,833	\$ 6,942,947	\$ 6,381,987	\$ 6,172,956
Special Education	3,143,366	2,868,367	3,063,340	3,111,445	3,627,921	1,457,620	1,494,270	1,295,817	1,372,273	1,159,509
Other Special Instruction	579,314	574,828	583,035	575,042	243,456	249,942	352,029	240,703	255,430	230,311
Other Instruction	485,817	480,130	454,721	457,148	478,573	424,739	436,374	499,599	513,278	399,637
Support Services & Undistributed Costs:										
Instruction	1,669,618	1,834,598	1,727,154	1,664,571	1,427,257	1,732,517	2,036,724	1,646,116	1,382,874	825,354
Attendance & Social Work Services	71,426	67,723								
Health Services	192,288	173,335	7,486,822	6,914,061	7,107,983	6,804,807	6,648,721	6,307,383	5,261,132	4,801,163
Other Support Services	1,034,322	1,130,267	888,305	901,402	867,692	932,919	1,036,648	1,003,093	973,114	649,501
Improvement of Instructional Services	384,487	252,906								
Educational Media Services	349,939	368,466	721,692	722,951	662,666	694,277	790,737	767,210	679,420	513,600
Instructional Staff Training Services	32,050	36,780	1,506,238	1,443,238	1,467,734	1,570,277	1,755,357	1,658,804	1,524,302	1,312,171
General Administration	380,548	402,263	568,229	514,984	541,498	524,958	653,828	589,733	512,692	442,889
School Administration	868,322	864,657	16,382	-	-	-	-	-	-	-
Central Services	232,388	239,882								950
Administrative Information Technology	105,689	96,763	31,854	42,310	52,798	62,871	72,177	80,050	86,776	99,878
Plant Operations & Maintenance	1,447,747	1,519,474	430,263	410,167	395,963	694,070	350,000	562,085	480,805	205,971
Pupil Transportation	602,489	557,207	-	-	-	-	-	-	-	-
Transfer to Charter Schools	-	18,365	-	-	-	-	-	-	-	-
Unallocated Benefits	5,590,178	6,089,312	-	-	-	-	-	-	-	-
Interest on Long-Term Debt	18,580	21,399	-	-	-	-	-	-	-	-
Unallocated Adjustment to										
Compensated Absences	(86,990)	16,334	-	-	-	-	-	-	-	-
Unallocated Depreciation	342,411	974,617	-	-	-	-	-	-	-	-
Adjustment to Capital Assets	92,282	(6,383)	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	22,884,392	23,615,676	22,683,106	21,520,636	22,141,966	22,366,981	22,345,698	21,593,540	19,424,083	16,813,890
Business-Type Activities:										
Food Service	754,692	678,722	653,091	626,024	609,213	685,131	805,196	767,184	680,989	629,172
Total Business-Type Activities Expense	754,692	678,722	653,091	626,024	609,213	685,131	805,196	767,184	680,989	629,172
Total District Expenses	\$ 23,639,084	\$ 24,294,398	\$ 23,336,197	\$ 22,146,660	\$ 22,751,179	\$ 23,052,112	\$ 23,150,894	\$ 22,360,724	\$ 20,105,072	\$ 17,443,062
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 3,490,926	\$ 3,637,019	\$ 1,817,188	\$ 1,958,327	\$ 2,528,338	\$ 2,452,753	\$ 3,923,997	\$ 3,749,370	\$ 3,416,857	\$ 3,079,187
Total Governmental Activities Program Revenues	3,490,926	3,637,019	1,817,188	1,958,327	2,528,338	2,452,753	3,923,997	3,749,370	3,416,857	3,079,187

**PAULSBORO BOARD OF EDUCATION
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST NINE FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Business-Type Activities:										
Charges for Services:										
Food Service	62,328	71,973	71,266	83,878	86,321	115,495	123,064	138,633	124,993	122,850
Operating Grants & Contributions	584,698	555,391	527,353	454,218	507,734	513,387	482,966	473,629	449,652	437,265
Total Business Type Activities	647,026	607,364	598,619	538,096	594,055	628,882	606,030	612,262	574,645	560,115
Program Revenues										
Total District Program Revenues	\$ 4,137,952	\$ 4,244,383	\$ 2,415,807	\$ 2,496,423	\$ 3,122,393	\$ 3,081,635	\$ 4,530,027	\$ 4,361,632	\$ 3,991,502	\$ 3,639,302
Net (Expense)/Revenue:										
Governmental Activities										
Business-Type Activities	\$ (19,393,466)	\$ (19,978,657)	\$ (20,865,918)	\$ (19,562,309)	\$ (19,613,628)	\$ (19,914,228)	\$ (18,421,701)	\$ (17,844,170)	\$ (16,007,226)	\$ (13,734,703)
Total District-Wide Net Expense	\$ (19,501,132)	\$ (20,050,015)	\$ (20,920,390)	\$ (19,650,237)	\$ (19,628,786)	\$ (19,970,477)	\$ (18,620,867)	\$ (17,999,092)	\$ (16,113,570)	\$ (13,803,760)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 5,376,765	\$ 5,135,064	\$ 4,801,099	\$ 4,706,960	\$ 4,858,863	\$ 4,671,984	\$ 4,492,292	\$ 4,491,320	\$ 3,637,228	\$ 3,896,693
Taxes Levied for Debt Service	143,066	150,644	155,803	160,965	138,099	140,089	145,608	146,580	151,336	147,083
Unrestricted Grants & Contributions	12,059,005	12,165,061	14,186,496	13,524,139	14,342,786	13,062,177	10,338,984	9,586,254	9,023,052	8,940,418
Tuition	1,566,297	1,613,147	1,762,911	1,710,901	1,330,571	1,262,204	1,240,186	1,035,186	1,223,301	2,022,288
Miscellaneous Income	371,979	259,446	103,918	126,291	39,548	54,455	217,839	400,011	392,169	311,978
Transfers	-	(70,000)	-	(150,000)	(202,000)	(202,000)	(90,237)	(10,000)	(16,128)	-
Unallocated Adjustment to Compensated Absences	-	-	58,287	(10,401)	(66,439)	57,543	(27,066)	(135,652)	110,063	9,303
Loss on Revaluation of Assets	-	-	-	-	-	-	-	(100,600)	(237,113)	-
Cancellation of Account Receivable	-	-	(151,815)	-	-	-	-	-	-	-
Insurance Recovery Related to Impaired Capital Asset	92,282	-	-	-	-	-	-	-	-	-
Total Governmental Activities	19,609,394	19,253,362	20,916,699	20,068,855	20,441,428	19,021,452	16,317,432	15,413,099	14,283,908	15,327,763
Business-Type Activities:										
Transfers	-	70,000	-	150,000	202,000	202,000	80,061	10,000	16,128	-
Total Business-Type Activities	-	70,000	-	150,000	202,000	202,000	80,061	10,000	16,128	-
Total District-Wide	\$ 19,609,394	\$ 19,323,362	\$ 20,916,699	\$ 20,218,855	\$ 20,643,428	\$ 19,223,452	\$ 16,397,493	\$ 15,423,099	\$ 14,300,036	\$ 15,327,763
Change in Net Position:										
Governmental Activities	\$ 215,928	\$ (725,295)	\$ 50,781	\$ 506,546	\$ 827,800	\$ (892,776)	\$ (2,104,269)	\$ (2,431,071)	\$ (1,723,318)	\$ 1,593,060
Business-Type Activities	(107,666)	(1,358)	(54,472)	62,072	186,842	145,751	(119,105)	(144,922)	(90,216)	(69,057)
Total District	\$ 108,262	\$ (726,653)	\$ (3,691)	\$ 568,618	\$ 1,014,642	\$ (747,025)	\$ (2,223,374)	\$ (2,575,993)	\$ (1,813,534)	\$ 1,524,003

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

	FISCAL YEAR ENDING JUNE 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund:										
Restricted	\$ 176,509	\$ 173,066	\$ 100,000	\$ 45,754	\$ 2,346,318	\$ 1,430,301	\$ 1,581,473	\$ 3,903,929	\$ 5,989,578	\$ 7,672,415
Assigned/Committed	1,335,222	1,239,083	1,590,172	1,463,127	-	-	-	-	-	-
Unassigned	-	15,181	-	-	(1,033,970)	(672,017)	(4,957)	2,260	(27,693)	61,833
Total General Fund	\$ 1,511,731	\$ 1,427,330	\$ 1,690,172	\$ 1,508,881	\$ 1,312,348	\$ 758,284	\$ 1,576,516	\$ 3,906,189	\$ 5,961,885	\$ 7,734,248
All Other Governmental Funds:										
Committed	\$ -	\$ -	\$ 2	\$ 206,205	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted, Reported in:										
Special Revenue Fund	(11,685)	(15,180)	(8,195)	-	-	-	(59,352)	-	-	(59,353)
Capital Projects Fund	28,577	28,577	28,575	180,392	358,656	-	-	-	-	-
Debt Service Fund	2	2	-	3	2	-	-	-	(6,782)	(6,782)
Total All Other Governmental Funds	\$ 16,894	\$ 13,399	\$ 20,382	\$ 386,600	\$ 358,658	\$ -	\$ (59,352)	\$ -	\$ (6,782)	\$ (66,135)

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues:										
Tax Levy	\$ 5,519,831	\$ 5,285,708	\$ 4,956,902	\$ 4,867,925	\$ 4,996,962	\$ 4,812,073	\$ 4,637,900	\$ 4,637,900	\$ 3,788,564	\$ 4,043,776
Tuition Charges	1,566,297	1,613,147	1,762,911	1,710,901	1,330,571	1,237,204	1,240,012	1,035,186	1,223,301	2,022,288
Transportation Fees	-	3,330	-	-	-	-	-	-	-	-
Miscellaneous	371,979	256,116	349,509	141,419	64,764	291,839	453,537	441,837	410,255	311,978
State Sources	14,215,136	14,357,076	13,873,198	13,757,771	12,607,611	13,438,865	12,315,098	11,347,947	10,559,647	10,709,616
Federal Sources	1,334,795	1,445,004	1,884,895	1,709,567	4,238,297	1,838,681	1,712,185	1,945,851	1,862,176	1,309,989
Total Revenue	23,008,038	22,960,381	22,827,415	22,187,583	23,238,205	21,618,662	20,358,732	19,408,721	17,843,943	18,397,647
Expenditures:										
Instruction:										
Regular Instruction	5,348,121	5,034,386	5,205,071	4,763,317	5,268,425	7,217,984	6,718,833	6,942,947	6,381,987	6,172,956
Special Education Instruction	3,143,366	2,868,367	3,063,340	3,111,445	3,627,921	1,457,620	1,494,270	1,295,817	1,372,273	1,159,509
Other Special Instruction	579,314	574,828	583,035	575,042	243,456	249,942	352,029	240,703	255,430	230,311
Other Instruction	485,817	480,130	454,721	457,148	478,573	424,739	436,374	499,599	513,278	399,637
Support Services:										
Instruction	1,669,618	1,834,598	1,727,154	1,664,571	1,427,257	1,732,517	2,036,724	1,646,116	1,382,874	825,354
Attendance & Social Work Services	71,426	67,723	7,486,822	6,914,061	7,107,983	6,804,807	6,648,721	6,307,383	5,261,132	4,803,154
Health Services	192,288	173,335	888,305	901,402	867,692	932,919	1,036,648	1,003,093	973,114	649,501
Other Support Services	1,034,322	1,130,267	-	-	-	-	-	-	-	-
Improvement of Instructional Services	384,487	252,906	721,692	722,951	662,666	694,277	790,737	767,210	679,420	511,609
Educational Media Services	349,939	368,466	1,523,894	1,437,167	1,467,734	1,564,256	1,755,357	1,658,804	1,524,302	1,312,171
Instructional Staff Training Services:	32,050	36,780	568,229	514,984	541,498	524,958	653,828	589,733	512,692	442,889
General Administration	380,548	402,263	-	-	-	-	-	-	-	950
School Administration	868,322	864,657	-	-	-	-	-	-	-	-
Central Services	232,388	239,882	-	-	-	-	-	-	-	-
Administrative Information Technology	105,689	96,763	-	-	-	-	-	-	-	-
Plant Operations & Maintenance	1,447,747	1,514,629	-	-	-	-	-	-	-	-
Pupil Transportation	602,489	557,207	-	-	-	-	-	-	-	-
Unallocated Benefits	5,590,178	6,089,312	-	-	-	-	-	-	-	-
Capital Outlay	204,417	250,090	306,171	424,855	88,558	224,872	373,693	133,518	309,843	94,996
Debt Service:										
Principal	275,370	280,370	280,370	280,370	285,370	280,370	285,370	280,370	285,370	275,370
Interest & Other Charges	14,528	24,884	35,339	45,795	56,350	66,281	74,936	82,342	89,110	105,370
Total Expenditures	23,012,424	23,141,843	22,844,143	21,813,108	22,123,483	22,175,542	22,657,520	21,447,635	19,540,825	16,983,777
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(4,386)	(181,462)	(16,728)	374,475	1,114,722	(556,880)	(2,298,788)	(2,038,914)	(1,696,882)	1,413,870
Other Financing Sources/(Uses):										
Transfers to Charter Schools	-	(18,365)	(16,382)	-	-	-	-	-	-	-
Cancellation of Prior Year Receivable	-	-	(151,815)	-	-	-	-	-	-	-
Transfers Out	-	(70,000)	-	(150,000)	(202,000)	(202,000)	(90,237)	(10,000)	(16,128)	-
Insurance Recovery Related to Impaired Capital Asset	92,282	-	-	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	92,282	(88,365)	(168,197)	(150,000)	(202,000)	(202,000)	(90,237)	(10,000)	(16,128)	-
Net Change in Fund Balances	87,896	(269,827)	(184,925)	224,475	912,722	(758,880)	(2,389,025)	(2,048,914)	(1,713,010)	1,413,870
Debt Service as a Percentage of Noncapital Expenditures	1.3%	1.3%	1.4%	1.5%	1.6%	1.6%	1.6%	1.7%	2.0%	2.3%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay

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

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	REFUNDS	STUDENT ACTIVITY FEES	TRANSPORTATION FEES	TUITION	MISCELLANEOUS	OTHER	TOTAL
2014	\$ 9,441	\$ 34,864	\$ 15,267	\$ -	\$ 1,566,297	\$ 31,893	\$ -	\$ 1,657,762
2013	13,538	12,756	28,058	3,330	1,613,147	2,589	-	1,673,418
2012	30,262	-	-	-	1,710,901	111,157	-	1,852,320
2011	28,425	-	-	-	1,330,571	36,339	-	1,395,335
2010	31,981	-	-	-	1,237,204	259,858	-	1,529,043
2009	141,717	-	-	-	1,240,012	311,820	-	1,693,549
2008	302,494	-	-	-	1,035,186	139,343	-	1,477,023
2007	345,398	-	-	-	1,223,301	64,857	-	1,633,556
2006	158,986	-	-	-	2,022,288	152,992	-	2,334,266
2005	48,534	-	-	-	2,215,888	190,249	-	2,454,671

Source: District records

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

FISCAL YEAR ENDED DECEMBER 31,	VACANT LAND	RESIDENTIAL	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
*2013	4,774,900	225,189,900	18,800	31,971,100	128,484,600	8,453,500	398,892,800	1,622,710	400,515,510	1.31	446,122,607
2012	3,183,800	141,684,900	19,000	49,472,600	47,463,800	5,894,500	247,718,600	1,140,017	248,858,617	2.12	450,989,485
2011	3,301,000	141,909,600	19,000	49,918,600	48,309,232	5,894,500	249,351,932	1,063,294	250,415,226	1.96	495,092,817
2010	3,555,500	141,840,200	19,000	35,368,100	50,723,400	6,867,500	238,373,700	1,114,797	239,488,497	2.06	467,139,776
2009	3,630,000	141,247,200	19,000	30,963,100	64,690,355	6,767,500	247,317,155	1,161,376	248,478,531	1.97	452,372,213
2008	2,953,400	141,034,600	19,000	58,006,000	39,098,600	6,867,500	247,979,100	1,323,857	249,302,957	1.90	446,699,489
2007	2,803,100	140,390,700	19,000	58,333,600	61,126,500	6,867,500	269,540,400	1,577,825	271,118,225	1.71	399,552,499
2006	2,844,400	139,477,800	19,000	58,471,300	61,126,500	6,867,500	268,806,500	1,842,734	270,649,234	1.56	331,152,576

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

Reassessment occurs when ordered by the County Board of Taxation

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

b. Tax rates are per \$100

* Reassessment

Source: Tax Duplicate, Borough of Paulsboro & Abstract of Ratables

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

FISCAL YEAR ENDED DECEMBER 31,	SCHOOL DISTRICT DIRECT RATE		OVERLAPPING RATES					TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	TOTAL DIRECT	PAULSBORO BOROUGH	LOCAL LIBRARY	GLOUCESTER COUNTY	COUNTY OPEN SPACE		
*2013	1.310	1.310	1.272	0.037	0.628	0.046	3.293	
2012	2.120	2.120	1.970	-	0.920	0.070	5.080	
2011	1.960	1.960	2.035	-	1.016	0.082	5.093	
2010	2.060	2.060	2.010	-	0.980	0.080	5.130	
2009	1.970	1.970	2.240	-	0.570	0.060	4.840	
2008	1.900	1.900	1.860	-	0.920	0.070	4.750	
2007	1.711	1.711	1.522	-	0.753	0.059	4.045	
2006	1.557	1.557	1.453	-	0.674	0.050	3.734	
2005	1.430	1.430	1.340	-	0.690	0.050	3.510	
2004	1.430	1.430	1.260	-	0.650	0.020	3.360	

* Reassessment

Source: Municipal Tax Collector

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

TAXPAYER	2014		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
NuStar Asphalt Refining LLC	\$ 48,035,100	1	11.99%
Plains Products Terminal	39,967,600	2	9.98%
Mobil Oil Corporation	30,624,600	3	7.65%
C/O PD Mgt AV Paulsboro LLC	4,556,700	4	1.14%
Paulsboro Gardens & Reilly Mtg Grp	4,500,000	5	1.12%
Paulsboro Acquisition Group	2,597,600	6	0.65%
C/O WAWA Senior Book - Corp Acct	2,007,700	7	0.50%
Sunoco, Inc. Tax Dept	1,600,000	8	0.40%
Paulsboro Equities LLC C/O CVS	1,932,000	9	0.48%
Rite Aid #10457-01	1,793,200	10	0.45%
Total	<u>\$ 135,821,300</u>		<u>33.91%</u>

2005		
TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE

NOT AVAILABLE

Source: Municipal Tax Assessor

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

FISCAL YEAR ENDED DECEMBER 31,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2014	\$ 5,519,831	\$ 5,519,831	100.00%	-
2013	5,285,708	5,285,708	100.00%	-
2012	4,956,904	4,956,904	100.00%	-
2011	4,867,925	4,867,925	100.00%	-
2010	4,996,968	4,996,968	100.00%	-
2009	4,812,073	4,812,073	100.00%	-
2008	4,637,900	4,637,900	100.00%	-
2007	4,637,900	4,637,900	100.00%	-
2006	3,788,564	3,788,564	100.00%	-
2005	4,043,776	4,043,776	100.00%	-

Source: Municipal Records.

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

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES				BUSINESS- TYPE ACTIVITIES	TOTAL DISTRICT
	GENERAL OBLIGATION BONDS	LOANS PAYABLE	CAPITAL LEASES	ANTICIPATION NOTES (BANs)		
2014	\$ 235,000	-	-	-	-	\$ 235,000
2013	480,000	30,370	-	-	-	510,370
2012	790,740	-	-	-	-	790,740
2011	1,071,110	-	-	-	-	1,071,110
2010	1,351,480	-	-	-	-	1,351,480
2009	1,636,850	-	-	-	-	1,636,850
2008	1,917,220	-	-	-	-	1,917,220
2007	2,202,590	-	-	-	-	2,202,590
2006	2,482,959	-	-	-	-	2,482,959
2005	2,768,330	-	-	-	-	2,768,330

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

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS			
2014	235,000	-	235,000	0.09%	N/A
2013	480,000	-	480,000	0.19%	N/A
2012	790,740	-	790,740	0.33%	130.90
2011	1,071,110	-	1,071,110	0.43%	175.22
2010	1,351,480	-	1,351,480	0.54%	221.45
2009	1,636,850	-	1,636,850	0.60%	268.82
2008	1,917,220	-	1,917,220	0.71%	314.76
2007	2,202,590	-	2,202,590	0.81%	361.44
2006	2,482,959	-	2,482,959	0.92%	409.32
2005	2,768,330	-	2,768,330	0.91%	455.84

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2014**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Borough of Paulsboro	\$ 10,798,169	100.000%	\$ 10,798,169
County of Gloucester General Obligation Debt	275,210,645	1.540%	4,238,244
Subtotal, Overlapping Debt			15,036,413
Paulsboro School District Direct Debt			<u>235,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 15,271,413</u></u>

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

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debt Limit	\$ 17,282,194	\$ 18,083,203	\$ 18,377,158	\$ 18,842,344	\$ 17,695,688	\$ 15,560,458	\$ 13,740,872	\$ 12,349,412	\$ 11,730,641	\$ 11,346,698
Total Net Debt Applicable to Limit	235,000	480,000	790,740	1,071,110	1,351,480	1,636,850	1,917,220	2,202,590	2,482,959	2,768,330
Legal Debt Margin	\$ 17,047,194	\$ 17,603,203	\$ 17,586,418	\$ 17,771,234	\$ 16,344,208	\$ 13,923,608	\$ 11,823,652	\$ 10,146,822	\$ 9,247,682	\$ 8,578,368
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	1.36%	2.65%	4.30%	5.68%	7.64%	10.52%	13.95%	17.84%	21.17%	24.40%

Legal Debt Margin Calculation for Fiscal Year 2013

Equalized Valuation Basis	
2013	\$ 407,782,458
2012	440,310,345
2011	448,071,756
	<u>\$ 1,296,164,559</u>
Average Equalized Valuation of Taxable Property	<u>\$ 432,054,853</u>
Debt Limit (4 % of Average Equalization Value)	\$ 17,282,194
Net Bonded School Debt	<u>235,000</u>
Legal Debt Margin	<u>\$ 17,047,194</u>

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

a Limit set by NJSIA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

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

YEAR	POPULATION (a)	PERSONAL INCOME (b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2014	N/A	N/A	N/A	N/A
2013	6,023	N/A	N/A	15.5%
2012	6,041	271,047,588	44,868	23.0%
2011	6,113	266,881,354	43,658	22.5%
2010	6,103	254,269,289	41,663	23.1%
2009	6,089	250,087,408	41,072	15.5%
2008	6,091	249,109,718	40,898	15.5%
2007	6,094	237,982,888	39,052	11.1%
2006	6,066	228,263,580	37,630	12.2%
2005	6,073	216,769,662	35,694	13.5%

Source:

(a) Population information provided by US Bureau of the Census; Population Division

(b) Personal income calculated using population and per capita personal income

(c) Per Capita personal income provided by the NJ Dept of Labor and Workforce Development

(d) Unemployment data provided by the NJ Dept of Labor and Workforce Development

N/A - Information not available.

EXHIBIT J-15 NOT AVAILABLE

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

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Instruction:										
Regular *	144.0	144.0	138.0	138.0	145.0	126.0	113.0	112.9	120.0	93.0
Support Services:										
Student & Instruction Related										
Services	16.0	16.0	14.0	14.0	14.0	18.0	16.0	18.8	23.0	16.8
School Administrative Services	14.0	17.0	18.0	18.0	18.0	13.0	10.5	11.3	11.0	9.0
General & Business Administrative	3.0					2.0	2.0	2.0	3.0	2.0
Plant Operations & Maintenance	20.0	28.0	29.0	29.0	29.0	30.0	24.0	23.2	22.0	23.0
Pupil Transportation	5.0	5.0	6.0	6.0	6.0	6.0	6.5	5.5	5.0	2.2
Business & Other Support Services	3.0	3.0	3.0	3.0	3.0	3.0	3.3	3.3	4.0	4.8
Special Schools	10.0	10.0	10.0	10.0	10.0	40.0	33.0	42.6	40.0	40.0
Food Service						9.0	9.0	6.4	-	1.0
Total	215.0	223.0	218.0	218.0	225.0	247.0	217.3	226.0	228.0	191.8

Source: School District Budget Statements.

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

PAULSBORO BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO			AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY SCHOOL	MIDDLE SCHOOL	SENIOR HIGH SCHOOL				
2014	1,166	\$20,764,310	17,808	-1.63%	116	12	15	8	1,028	954	-11.53%	92.80%
2013	1,158	20,964,294	18,104	7.93%	116	12	15	8	1,162	1,072	-3.49%	92.25%
2012	1,216	20,396,880	16,774	8.35%	116	12	15	8	1,204	1,162	-1.55%	96.51%
2011	1,234	19,103,761	15,481	5.94%	119	12	15	7	1,223	1,104	-5.41%	90.27%
2010	1,301	19,011,291	14,613	2.16%	125	11.0	12.0	9.0	1,293	1,174	-3.72%	90.80%
2009	1,343	19,210,618	14,304	11.55%	115	14.1	13.3	10.5	1,343	1,297	-2.61%	96.57%
2008	1,399	17,940,172	12,824	6.68%	119	13.4	12.5	11.2	1,379	1,251	-3.63%	90.72%
2007	1,431	17,202,035	12,021	10.21%	120	13.3	12.9	10.9	1,431	1,309	-0.91%	91.47%
2006	1,421	15,498,998	10,907	14.12%	120	13.2	12.7	10.8	1,444	1,327	-1.64%	91.90%
2005	1,408	13,457,512	9,558	3.95%	93	13.0	12.0	11.6	1,468	1,346	-0.26%	91.66%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

DISTRICT BUILDINGS	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Elementary Schools:										
Billingsport (1923):										
Square Feet	39,863	39,863	39,863	39,863	39,863	39,863	39,863	39,863	39,863	39,863
Capacity (Students)	390	390	390	390	390	390	390	390	390	390
Enrollment	333	334	347	358	353	367	367	387	384	378
Loudenslager (1926):										
Square Feet	39,244	39,244	39,244	39,244	39,244	39,244	39,244	39,244	39,244	39,244
Capacity (Students)	367	367	367	367	367	367	367	367	367	367
Enrollment (a)	315	315	322	302	327	331	331	349	349	348
High School:										
Paulsboro H. S. (1916):										
Square Feet	140,863	140,863	140,863	140,863	140,863	140,863	140,863	140,863	140,863	140,863
Capacity (Students)	717	717	717	717	717	717	717	717	717	717
Enrollment	510	509	547	574	621	701	701	695	693	733
Other Buildings:										
Central Administration (1920):										
Square Feet	7,551	7,551	7,551	7,551	7,551	7,551	7,551	7,551	7,551	7,551

Number of Buildings at June 30, 2013:

Elementary = 2

High School = 1

Other = 1

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

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

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

	*	PAULSBORO HIGH SCHOOL	BILLINGSPO RT ELEMENTARY SCHOOL	LOUDENSLAGER ELEMENTARY SCHOOL	TOTAL
2014		145,462	36,712	40,266	222,440
2013		143,733	87,883	61,277	292,893
2012		193,144	50,610	55,626	299,380
2011		163,381	57,730	44,156	265,267
2010		156,620	45,886	42,603	245,109
2009		149,364	86,586	80,489	316,439
2008		173,221	47,078	96,140	316,439
2007		226,377	58,012	65,486	349,875
2006		138,849	31,928	18,755	189,532
2005		78,362	16,120	13,606	108,088

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

Source: District records

**PAULSBORO BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2014**

	COVERAGE	DEDUCTIBLE
School Package Policy (1):		
Building & Contents (All Locations)	\$ 49,255,516	\$ 1,000
Boiler & Machinery	100,000,000	1,000
General Liability	5,000,000	1,000
Automobile Liability	5,000,000	-
School Board Legal Liability	5,000,000	5,000
Workers' Compensation Including Supplemental	5,000,000	-
Excess Liability	15,000,000	-
Student Accident Insurance (2)	1,000,000	-
 Surety Bonds (3)		
Treasurer	215,000	N/A
Board Secretary	215,000	N/A

(1) School Alliance Insurance Fund (SAIF).

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

(3) Selective Insurance Company of America

Source: District records

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SINGLE AUDIT SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Paulsboro Board of Education, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Paulsboro Board of Education’s basic financial statements, and have issued our report thereon dated November 01, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Paulsboro Board of Education'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 Paulsboro Board of Education’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Paulsboro Board of Education’s internal control.

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 District’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Paulsboro Board of Education'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We also noted certain administrative findings that we reported to management of the Paulsboro Board of Education, as described in a separate auditor's management report dated November 01, 2014.

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 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 Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey
November 01, 2014

EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-
133 AND NEW JERSEY OMB CIRCULAR 04-04.**

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

Report on Compliance for Each Major Federal and State Program

We have audited the Paulsboro Board of Education’s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District’s major federal and state programs for the year ended June 30, 2014. The Paulsboro Board of Education’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 Paulsboro Board of Education’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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; the *New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB’s Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Paulsboro Board of Education’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 Paulsboro Board of Education's compliance with those requirements.

Opinion on Each Major Federal and State Program

In our opinion, the Paulsboro Board of Education 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 year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the Paulsboro Board of Education 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 Paulsboro Board of Education'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 New Jersey OMB's Circular 04-04, 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 Paulsboro Board of Education'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 New Jersey OMB's Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey
November 01, 2014

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PAULSBORO BOARD OF EDUCATION
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2014

FEDERAL GRANTOR PASS-THROUGH GRANTOR GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2013	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2014	DEFERRED REVENUE AT JUNE 30, 2014
U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:										
Enterprise Fund:										
National School Lunch Program	10.555		349,151	7/1/13-6/30/14	\$ -	\$ 317,811	\$ (349,151)	\$ -	\$ (31,340)	\$ -
National School Lunch Program	10.555		330,422	7/1/12-6/30/13	(67,189)	67,189	-	-	-	-
National Summer Lunch Program	10.559		24,415	7/1/13-6/30/14	-	24,415	(24,415)	-	-	-
Healthy Hunger-Free Kids Act	10.551		8,156	7/1/13-6/30/14	-	7,448	(8,156)	-	(708)	-
Healthy Hunger-Free Kids Act	10.551		7,388	7/1/12-6/30/13	(1,563)	1,563	-	-	-	-
School Breakfast Program	10.553		160,507	7/1/13-6/30/14	-	144,689	(160,507)	-	(15,818)	-
School Breakfast Program	10.553		139,192	7/1/12-6/30/13	(29,591)	29,591	-	-	-	-
Food Distribution Program	10.550		34,814	7/1/13-6/30/14	-	34,814	(34,814)	-	-	-
After School Snack Program	10.550		-	7/1/13-6/30/14	-	-	-	-	-	-
Total Enterprise Fund					(98,343)	627,520	(577,043)	-	(47,866)	-

U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:										
General Fund:										
Medical Assistance Program	93.778		96,627	7/1/13-6/30/14	-	96,627	(96,627)	-	-	-
Education Jobs Fund	84.410		426,392	9/1/11-8/31/12	(1,062)	1,062	-	-	-	-
Total General Fund					(1,062)	97,689	(96,627)	-	-	-

Special Revenue Fund:										
Title I	84.010	NCLB402014	792,868	9/1/13-8/31/14	-	740,053	(763,896)	-	(23,843)	-
Title I	84.010	NCLB402013	872,917	9/1/12-8/31/13	(129,555)	191,964	(62,409)	-	-	-
Title I	84.010	NCLB402012	764,775	9/1/11-8/31/12	(30,806)	-	-	-	(30,806)	-
Title II - Part A	84.281A	NCLB402012	114,432	9/1/13-8/31/14	-	71,299	(97,382)	-	(26,083)	-
Title II - Part A	84.281A	NCLB402013	116,903	9/1/12-8/31/13	(14,877)	14,877	-	-	-	-
Title III	93.052	NCLB402013	-	9/1/13-8/31/14	-	-	-	-	-	-
I.D.E.A. B -Basic	84.027	IDEA405013	383,007	9/1/13-8/31/14	-	186,563	(250,729)	-	(64,166)	-
I.D.E.A. B -Basic	84.027	IDEA405013	362,675	9/1/12-8/31/13	(61,394)	89,934	(28,540)	-	-	-
I.D.E.A. Preschool	84.173	IDEA405013	18,656	9/1/13-8/31/14	-	25,633	(32,039)	-	(6,406)	-
Race To The Top	84.416	N/A	14,362	9/1/12-8/31/13	(14,362)	17,535	(3,173)	-	-	-
Local Capacity Grant	84.027A	N/A	254,000	10/1/04-9/30/05	3,275	-	-	-	-	3,275
Technology/Technology	84.048	PERK4020-04	22,789	7/1/03-6/30/04	1,050	-	-	-	-	1,050
Total Special Revenue Fund					(246,669)	1,337,858	(1,238,168)	-	(151,304)	4,325

Total Federal Financial Assistance					\$ (346,074)	\$ 2,063,067	\$ (1,911,838)	\$ -	\$ (199,170)	\$ 4,325
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PAULSBORO BOARD OF EDUCATION
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2014

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2013	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2014	DUE TO GRANTOR JUNE 30, 2014	MEMO	
										BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education											
General Fund:											
Current Expense:											
Extraordinary Aid	495-034-5120-473	39,631	7/1/13-6/30/14	\$ -	\$ -	(39,631)	\$ -	\$ (39,631)	\$ -	\$ -	\$ 39,631
Extraordinary Aid	495-034-5120-473	72,441	7/1/12-6/30/13	(72,441)	72,441	-	-	-	-	-	-
School Choice Aid	495-034-5120-068	18,340	7/1/13-6/30/14	-	18,340	(18,340)	-	-	-	(1,702)	18,340
Categorical-Special Education Aid	495-034-5120-089	615,970	7/1/13-6/30/14	-	615,970	(615,970)	-	-	-	(57,164)	615,970
Equalization Aid	495-034-5120-078	11,357,502	7/1/13-6/30/14	-	11,357,502	(11,357,502)	-	-	-	(1,054,021)	11,357,502
Transportation Aid	495-034-5120-014	25,418	7/1/13-6/30/14	-	25,418	(25,418)	-	-	-	(2,359)	25,418
Security Aid	495-034-5120-084	74,739	7/1/13-6/30/14	-	74,739	(74,739)	-	-	-	(6,936)	74,739
On Behalf TPAF Post-Retirement Medical (Non-Budgeted)	100-034-5095-001	654,630	7/1/13-6/30/14	-	654,630	(654,630)	-	-	-	-	654,630
On Behalf TPAF Pension Contributions (Non-Budgeted)	100-034-5095-001	399,257	7/1/13-6/30/14	-	399,257	(399,257)	-	-	-	-	399,257
T.P.A.F. Social Security Aid	100-034-5095-002	661,760	7/1/13-6/30/14	-	629,908	(661,760)	-	(31,852)	-	-	661,760
T.P.A.F. Social Security Aid	100-034-5095-002	678,223	7/1/12-6/30/13	(33,000)	33,000	-	-	-	-	-	-
Total General Fund				(105,441)	13,881,205	(13,847,247)	-	(71,483)	-	(1,122,182)	13,847,247
Special Revenue Fund:											
Preschool Education Aid	495-034-5120-085	116,850	7/1/13-6/30/14	-	116,850	(116,850)	-	-	-	(11,685)	116,850
Improving Literacy Achievement	N/A	20,000	7/1/13-6/30/14	-	-	(14,461)	-	(14,461)	-	-	14,461
Non-Public Compensatory Education	100-034-5120-066	30,644	7/1/13-6/30/14	3	30,644	(30,043)	(3)	-	601	-	30,043
Non-Public Supplemental Instruction	100-034-5120-066	9,575	7/1/13-6/30/14	3,608	9,575	(9,159)	(3,608)	-	416	-	9,159
Non-Public Home Instruction	N/A	-	7/1/13-6/30/14	-	-	(3,207)	-	(3,207)	-	-	3,207
Non-Public Exam Classification	100-034-5120-065	16,723	7/1/13-6/30/14	11,785	16,723	(16,404)	(11,785)	-	319	-	16,404
Non-Public Speech	100-034-5120-066	12,499	7/1/13-6/30/14	1,641	12,499	(11,953)	(1,641)	-	546	-	11,953
Non-Public Nursing	100-034-5120-070	8,260	7/1/13-6/30/14	-	8,260	(8,260)	-	-	-	-	8,260
Non-Public Transportation	100-034-5120-066	9,344	7/1/13-6/30/14	-	9,344	(9,339)	-	-	5	-	9,339
Non-Public Textbook	100-034-5120-064	5,869	7/1/13-6/30/14	2	5,869	(5,869)	(2)	-	-	-	5,869
Non-Public Technology	100-034-5120-373	2,140	7/1/13-6/30/14	-	2,140	(2,140)	-	-	-	-	2,140
Total Special Revenue Fund				17,039	211,904	(227,685)	(17,039)	(17,668)	1,887	(11,685)	227,685
Capital Projects Fund:											
SDA Grant	4020-050-09-1001	321,501	7/1/10-6/30/12	(241,686)	-	-	-	(241,686)	-	-	-
SDA Grant	4020-050-10-1001	300,000	7/1/10-6/30/12	(228,000)	-	-	-	(228,000)	-	-	-
Total Capital Projects Fund				(469,686)	-	-	-	(469,686)	-	-	-
Debt Service Fund:											
Debt Service Aid Type II	495-034-5120-017	146,832	7/1/13-6/30/14	-	146,832	(146,832)	-	-	-	-	146,832
Total Debt Service Fund				-	146,832	(146,832)	-	-	-	-	146,832

PAULSBORO BOARD OF EDUCATION
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2014

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2013	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2014	DUE TO GRANTOR JUNE 30, 2014	MEMO	
										BUDGETARY EXPENDITURES	BUDGETARY RECEIVABLE
Enterprise Fund:											
National School Lunch Program - (State Share)	100-010-3360-067	7,655	7/1/13-6/30/14	-	7,024	(7,655)	-	(631)	-	-	7,655
National School Lunch Program - (State Share)	100-010-3360-067	7,120	7/1/12-6/30/13	(1,391)	1,391	-	-	-	-	-	-
Total Enterprise Fund				(1,391)	8,415	(7,655)	-	(631)	-	-	7,655
Total State Financial Assistance				\$ (559,479)	\$ 14,248,356	\$ (14,229,419)	\$ (17,039)	\$ (559,468)	\$ 1,887	\$ (1,133,867)	\$ 14,229,419
Less: Grants Not Subject to New Jersey OMB Circular 04-04:											
On Behalf TPAF Post-Retirement Medical (Non-Budgeted)	100-034-5095-001	(654,630)	7/1/13-6/30/14			654,630					
On Behalf TPAF Pension Contributions (Non-Budgeted)	100-034-5095-001	(399,257)	7/1/13-6/30/14			399,257					
Total State Financial Assistance subject to New Jersey OMB Circular 04-04						\$ (13,175,532)					

1. General

The accompanying schedules of expenditures of federal awards and state financial assistance include federal awards and state financial assistance programs of the Paulsboro Board of Education. The Board of Education is defined in Note 1 to the 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 is included on the schedule of expenditures of federal awards and state financial assistance.

2. Basis of Accounting

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

3. Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$10,122) for the general fund and (\$3,495) for the special revenue fund. See Note A of 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. Awards and financial assistance revenues are reported in the District's basic financial statements on a GAAP basis as presented as follows:

3. Relationship to Basic Financial Statements (continued):

	State	Federal	Total
General Fund	\$ 13,837,125	\$ 96,627	\$ 13,933,752
Special Revenue Fund	231,179	1,238,168	1,469,347
Debt Service Fund	146,832	-	146,832
Food Service Fund	7,655	577,043	584,698
	<hr/>		
Total Financial Assistance	<u>\$ 14,222,791</u>	<u>\$ 1,911,838</u>	<u>\$ 16,134,629</u>

4. Relationship to Federal and State Financial Reports

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

5. Other

Revenues and expenditures reported under the Food Distribution Program represents current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2014 TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2014.

Note 6. Federal and State Loans Outstanding

The Paulsboro Board of Education had no loan balance outstanding at June 30, 2014.

**PAULSBORO BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2014**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial Statements noted?	None Reported

Federal Awards

Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance With Section .510(a) of Circular A-133?	None Reported

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies

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

**PAULSBORO BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):
For the Fiscal Year Ended June 30, 2014**

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

State Financial Assistance

Dollar threshold used to distinguish between type A and type B programs:	\$395,266
Auditee qualified as low-risk auditee?	Yes
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04	None Reported

Identification of major programs:

GMIS Number(s)	Name of State Program
495-034-5120-068	<i>State Aid Public Cluster:</i> School Choice Aid
495-034-5120-089	Special Education Aid
495-034-5120-078	Equalization Aid
495-034-5120-084	Security Aid

**PAULSBORO BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):
For the Fiscal Year Ended June 30, 2014**

Section II – Financial Statement Findings

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

No Current Year Findings

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

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

No Current Year Findings

**PAULSBORO BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2014**

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

No Prior Year Findings