

GIBBSBORO BOARD OF EDUCATION

Gibbsboro, New Jersey
County of Camden

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

GIBBSBORO BOARD OF EDUCATION

GIBBSBORO, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Prepared by

**Gibbsboro Borough Board of Education
Finance Department**

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INTRODUCTORY SECTION

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GIBBSBORO ELEMENTARY SCHOOL DISTRICT

Grades PS through 8

Mr. Jack Marcellus
Superintendent/Principal
jmarcellus@gibbsoroschool.org

Frank Domin, Jr.
Business Administrator
fdomin@gibbsoroschool.org

September 29, 2016

Honorable President and Members
of the Board of Education
Borough of Gibbsboro
Camden County, New Jersey, 08026

Dear Board Members:

The comprehensive annual financial report of the Gibbsboro Board of Education for the fiscal year ended June 30, 2016 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 1996 and the U.S. Office of Management and Budget's Uniform Guidance, "Audits of State, Local Governments and Nonprofits Organizations", and New Jersey OMB's Circular 15-08, "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.

1) **REPORTING ENTITY AND ITS SERVICES:** The Gibbsboro Board of Education is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Gibbsboro Board of Education and its school constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels PS through 8. These include regular, as well as special education for handicapped youngsters. In addition to the classroom teachers, several professional and non-professional support staff are employed to meet the growing needs of the pupils we serve. The District completed the 2015-2016 fiscal year with an enrollment of 255 students.

The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2015-16	255.0	-6.59%
2014-15	273.0	-1.80%
2013-14	278.0	.007%
2012-13	273.0	10.08%
2011-12	248.0	0.00%
2010-11	248.0	-1.98%
2009-10	253.0	-.004%
2008-09	254.0	-5.30%
2007-08	268.0	-6.70%
2006-07	286.0	3.60%

2) MAJOR INITIATIVES:

CURRICULUM

- ELA Curriculum
 - Purchase of new ELA materials grades K to 3
 - Professional development for staff in benchmark assessment system
 - Implementation of Foundations in grade 3 which will reduce amount of student referrals in primary grades
- Moving forward into fifth year of Professional Learning Communities
 - New Schedule was created to facilitate Re-enforcement and Enrichment
 - Meetings will be content based with teacher leaders facilitating the meetings
- Embedding technology in the classroom - everyday
 - Grades 6-8 utilizing iPads
 - Provide students with digital resources
 - Wireless educational environment
- Safety
 - Upgrade security system with additional security cameras
 - New Phone System with “All Call” capabilities throughout the building
- PARCC
 - Increase bandwidth both internally as well as externally(up/down), new switches and servers.
 - Refresh with new computers for students, 15 more, to be PARCC compliant
 - All computers that are PARCC ready have dedicated Ethernet line
- Continuation of Measuring for Academic Progress(MAP) assessment program
- Library resources expanded through implementation of Lexile system
- Expansion of communication to all stakeholders via website, Instant Alert , Parent Portal and Remind101
- Development of Character Education program
 - Awarded National School of Character
 - Service Learning
 - Performance Character
- Improve on ACHIEVENJ, teacher evaluation mandate
 - Subscribe to OnCourse to link lesson plans and evaluation programs
 - Provide teachers with professional development in teacher practice rubrics

TECHNOLOGY - Each year the district continues its' five year computer upgrade and replacement program and is committed to integrating technology throughout the curriculum as our students learn the skills needed to be successful as twenty-first century learners. A fully equipped computer lab supports technology instruction and every classroom is equipped with state of the art SMART board technology. Mini dell computer stations are in each kindergarten through fifth grade classrooms. The district began its 1:1 iPad initiative last school year and will expand to 2 more grade levels in the 2016-2017 school year.

3) **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

(1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2016.

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

6) **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 general fund, special revenue fund and debt service fund revenues for the fiscal year ended June 30, 2016:

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2015</u>	<u>Percent Increase/ (Decrease)</u>
Local Sources	\$ 3,131,446	61.37%	\$ 134,197	4.48%
State Sources	1,858,240	36.42%	71,419	4.00%
Federal Sources	<u>112,889</u>	<u>2.21%</u>	<u>14,781</u>	15.07%
Total	<u>\$ 5,102,575</u>	<u>100.00%</u>	<u>\$ 220,397</u>	4.51%

The following schedule presents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2016:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2015</u>	<u>Percent Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$ 2,183,751	43.30%	\$ 95,745	4.59%
Undistributed Expenses	2,599,748	51.55%	16,180	0.63%
Capital Outlay	30,593	.61%	-0-	0.00%
Debt Service	<u>228,775</u>	<u>4.54%</u>	<u>2,150</u>	0.95%
Total	<u>\$ 5,042,867</u>	<u>100.00%</u>	<u>\$114,075</u>	2.31%

7) **DEBT ADMINISTRATION:** As of June 30, 2016, the District had \$2,310,000 in outstanding debt principal for the 2011 refunding bonds.

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

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


10) **OTHER INFORMATION:**

A) **Independent Audit-** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C. was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Uniform Guidance and New Jersey OMB's Circular 15-08. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.


11) **ACKNOWLEDGMENTS:**

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

Respectfully submitted,



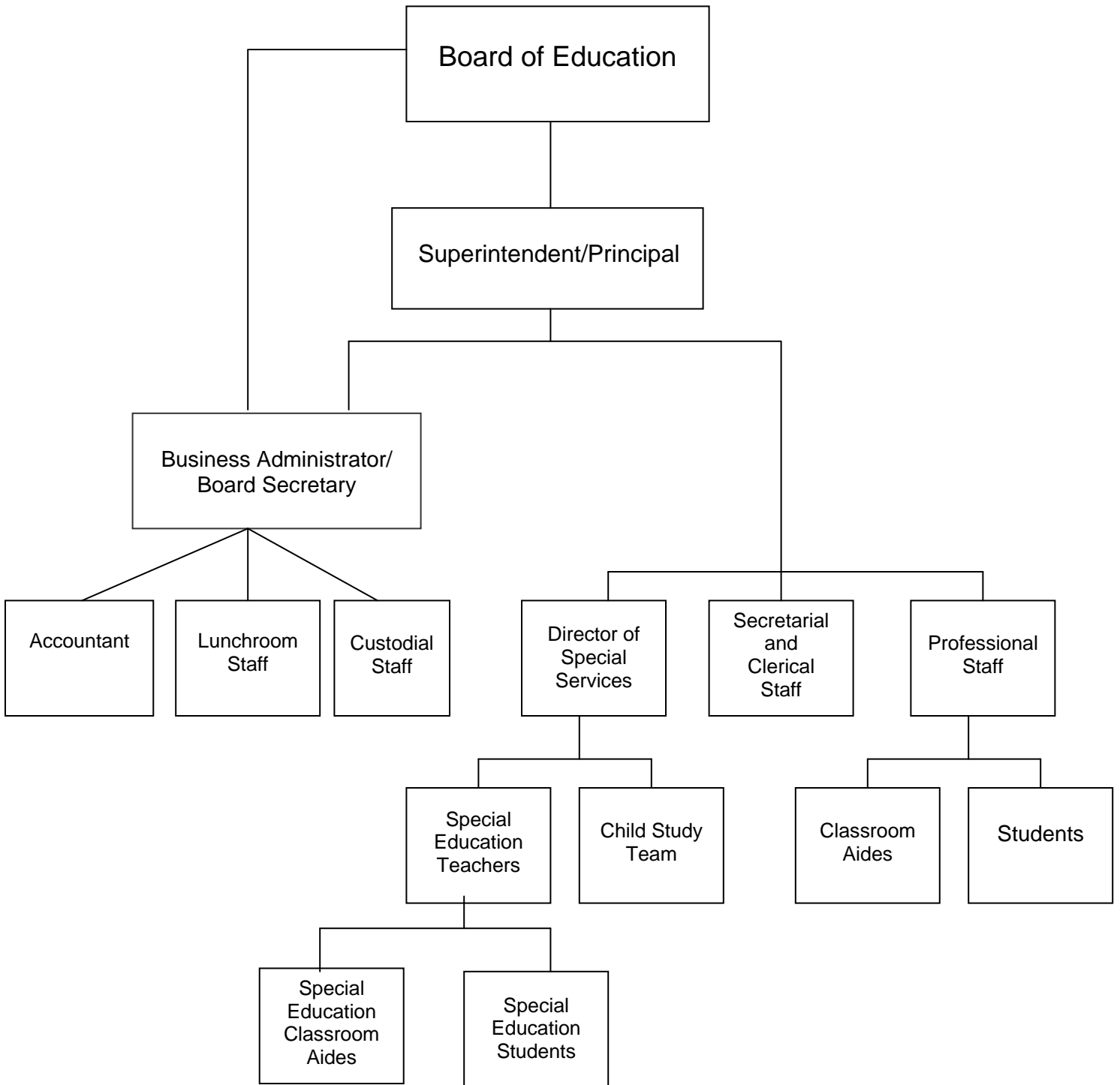
Jack Marcelus
Superintendent of Schools/Principal



Frank Domin, Jr.
Business Administrator

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ORGANIZATION CHART



GIBBSBORO BOARD OF EDUCATION
37 Kirkwood Road
Gibbsboro, New Jersey 08026

ROSTER OF OFFICIALS

JUNE 30, 2016

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Joyce A. Miller, President	2016
Lorraine Balut, Vice President	2017
Geoff Alexander	2017
Maria Carrington	2018
Ellie Falcone	2017
Andrew Parsinitz	2018
Kristi Whyte	2016
Steve Lee	2016
Dorothy Warner	2018

OTHER OFFICIALS

John T. Marcellus, Superintendent/Principal

Frank J. Domin, Jr., Business Administrator

Beth Ann Coleman, Treasurer

Ronald Sahli, Esq., Solicitor

GIBBSBORO BOARD OF EDUCATION

**37 Kirkwood Road
Gibbsboro, New Jersey 08026**

CONSULTANTS AND ADVISORS

INSURANCE BROKER

Leonard O'Neill Insurance Group
Gibbsboro, New Jersey

AUDIT FIRM

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

SOLICITOR

Ronald W. Sahli, Esq.
Hammonton, New Jersey

OFFICIAL DEPOSITORY

Columbia Bank
Voorhees, NJ

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Gibbsboro Board of Education
County of Camden
Gibbsboro, New Jersey 08026

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 Gibbsboro Board of Education, County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2016, 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 Gibbsboro Board of Education, County of Camden, State of New Jersey, as of June 30, 2016, 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, budgetary comparison information, and the schedules related to accounting and reporting for pensions, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gibbsboro Board of Education's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of State Financial Assistance is presented for purposes of additional analysis as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2016 on our consideration of the Gibbsboro 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 Gibbsboro Board of Education's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
September 29, 2016

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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Gibbsboro Board of Education

Management Discussion and Analysis

For the Fiscal Year Ended June 30, 2016

(Unaudited)

The discussion and analysis of Gibbsboro School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2015-16) and the prior year (2014-15) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2015-2016 are as follows:

- The assets of the Gibbsboro School District exceeded its liabilities at the close of the most recent fiscal year by \$1,847,319 (net position).
- Net Position for Governmental Activities and for Business-Type Activities were \$1,845,566 and \$1,753, respectively.
- The General Fund, fund balance as of June 30, 2016 was \$516,701, an increase of \$121,241 when compared with the beginning balance as of July 1, 2015 of \$395,460.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements, Exhibit A-1 and A-2, are government-wide financial statements that provide both long-term and short-term information about the School District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School District's operations in more detail than the government-wide statements.

The governmental fund statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund statements offer short-term and long-term financial information about those types of activities that operate like a business.

Fiduciary fund statements provide information about the financial relationships in which the School District acts as a trustee or agent for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The statements are followed by another section, Part II that contains required supplementary information that further explains and supports the information in the financial statements including budget schedules, reconciliations and individual fund statements.

Table A-1 summarizes the major features of the Gibbsboro School District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities include all assets and liabilities of the School District using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the School District reports governmental and business – type activities.

- *Governmental activities* - Most of the School District's programs and services are reported including, but not limited to, regular and special instruction, support services, operation and maintenance of plant, pupil transportation and administration. Aid from the State of New Jersey and from the Federal government along with local property taxes finances the majority of these activities.
- *Business-type activities* – The District charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Fund is included here.

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

FINANCIAL ANALYSIS OF THE GIBBSBORO SCHOOL DISTRICT AS A WHOLE

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

Table A-2 provides a summary of the School District's net position for 2016.

Table A-2
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$ 516,701	\$ 395,460	\$ 1,753	\$ 1,872	\$ 518,454	\$ 397,332
Capital Assets	4,364,149	4,547,869	-	-	4,364,149	4,547,869
Total Assets	4,880,850	4,943,329	1,753	1,872	5,463,655	4,945,201
Deferred Charges on Debt	90,090	97,445	-	-	90,090	97,445
Deferred Outflows related to Pensions	112,682	68,842	-	-	112,682	68,842
Total Deferred Outflows	202,772	166,287	-	-	202,772	166,287
Total Assets and Deferred Outflows of Resources	5,083,622	5,109,616	1,753	1,872	5,085,375	5,111,488
Long Term Liabilities	3,030,020	3,086,995	-	-	3,030,020	3,086,995
Other Liabilities	176,922	201,227	-	-	176,922	201,227
Total Liabilities	3,206,942	3,288,222	-	-	3,206,942	3,288,222
Deferred Inflows related to Pensions	31,114	37,469	-	-	31,114	37,469
Total Deferred Inflows	31,114	37,469	-	-	31,114	37,469
Total Liabilities and Deferred Inflows of Resources	3,238,056	3,325,691	-	-	3,238,056	3,3325,691
Net Position						
Invested in capital assets, net of debt	2,054,149	2,092,869	-	-	2,054,149	2,092,869
Restricted	375,874	253,666	-	-	375,874	253,666
Unrestricted	(584,457)	(562,610)	1,753	1,872	(582,704)	(560,738)
Total Net Position	\$ 1,845,566	\$ 1,783,925	\$ 1,753	\$ 1,872	\$ 1,847,319	\$ 1,785,797

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

- Programs revenues were \$1,223,330.
 - Operating Grants & Contributions - \$1,088,377.
 - Charges for Services - \$134,953.
- General revenues, Special Items, Extraordinary Items and Transfers amounted to \$4,543,549.
- Total Expenses were \$5,705,357.
- Total District revenues & beginning net position is adjusted by net adjusted expenses resulting in a calculation of net position of \$1,847,319, as of June 30, 2016.
- Revenues \$5,766,879 + Beginning net position \$1,785,797 – Expenses (\$5,705,357) = Net Position of \$1,847,319.

Table A-3 shows a summary of the changes in net assets for fiscal year 2016.

Table A-3
Changes in Net Position
Governmental and Business-Type Activities

	<u>2016</u>	<u>2015</u>
Revenues		
Program Revenues		
Charges for Services	\$ 134,953	\$ 113,426
Operating Grants& Contributions	1,088,377	941,054
General Revenues		
Property Taxes	3,007,718	2,936,002
State & Federal Aid	1,412,099	1,411,573
Other	123,732	61,251
Total Revenues	<u>5,766,879</u>	<u>5,463,306</u>
Expenses		
Governmental Activities:		
Instruction		
Regular	1,809,732	1,711,449
Special Education	374,019	376,557
Support Services:		
Attendance	7,941	7,563
Health	76,856	76,285
Student and Instruction Related Services	409,864	393,437
Educational Media Services/School Library	4,491	6,489
Instructional Staff Training Services	226	1,080
School Administrative Services	51,133	51,260
General and Central Administrative Services	222,983	234,325
Plant Operations & Maintenance	275,220	339,815
Pupil Transportation	54,856	71,156
Unallocated Benefits	2,021,761	1,857,541
Interest on Long-Term Debt	116,275	119,157
Unallocated Depreciation	183,720	191,609
Unallocated Compensated Absences	(644)	(13,820)
Adjustment Due to Appraisal	-	-
Total Expenses Governmental Activities	<u>5,608,433</u>	<u>5,423,903</u>
Business-Type Activities:		
PALS Program	46,087	87,851
Food Service	50,837	-
Total Expenses Business-Type Activities	<u>96,924</u>	<u>87,851</u>
Total Expenses	<u>5,705,357</u>	<u>5,511,754</u>
Net Increase/Decrease in Net Position	61,522	(48,448)
Net Position Beginning July 1, 2015	1,785,797	1,834,245
Net Position Ending June 30, 2016	<u>\$ 1,847,319</u>	<u>\$ 1,785,797</u>

Total revenues for the District were \$5,766,879. Government funding was the source of 43.36% of the District's revenues. This includes Federal Sources and the State of New Jersey.

Property taxes of \$3,007,718 provided the District with 52.16% of the District's total revenue.

The District's expenses for government activities are predominately related to instruction and support services. Instruction together with tuition total \$2,183,751, or 38.94%, of total expenditures for the District. (See Table A-4)

Table A-4
Net Cost of Governmental Activities

	Source	2016		2015	
		Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Governmental Activities:					
Instruction	A-2	2,183,751	2,082,736	2,088,006	2,002,381
Support Services:					
Attendance	A-2	7,941	7,941	7,563	7,563
Health	A-2	76,856	76,856	76,285	76,285
Student and Instruction Related Services	A-2	409,864	397,990	393,437	380,954
Educational Media Services/School Library	A-2	4,491	4,491	6,489	6,489
Instructional Staff Training Services	A-2	226	226	1,080	1,080
School Administrative Services	A-2	51,133	51,133	51,260	51,260
General and Business Administrative Services	A-2	222,983	222,983	234,325	234,325
Administration Information Technology	A-2	-	-	-	-
Plant Operations and Maintenance	A-2	275,220	275,220	339,815	339,815
Pupil Transportation	A-2	54,856	54,856	71,156	71,156
Unallocated Benefits	A-2	2,021,761	1,069,654	1,857,541	1,035,443
Interest on Long-Term Debt	A-2	113,397	113,397	116,284	116,284
Unallocated Compensated Absences	A-2	(640)	(640)	(13,820)	(13,820)
Amortized Loss on Debt Issuance	A-2	2,874	2,874	2,873	2,873
Unallocated Depreciation	A-2	183,720	183,720	191,609	191,609
Total Governmental Activities		5,608,433	4,543,437	5,423,903	4,503,697

Activity Descriptions

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

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

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

School administrative and general and business administrative services include expenses associated with establishing and administering policy for the District including financial supervision.

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

Pupil transportation includes activities involved with the conveyance of students to and from school activities.

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT’S FUNDS

The financial performance of the Gibbsboro Board of Education as a whole is reflected in the governmental funds, which are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$5,102,575, expenditures of \$5,042,867, and other financing sources of \$61,533. As the District completed the year, its governmental funds reported a combined fund balance of \$516,701.

GENERAL FUND BUDGETING HIGHLIGHTS

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

The final budgetary basis revenue estimate was \$4,302,691. The original budgeted estimate was \$4,302,691. The final budgetary basis expenditure appropriation estimate was \$4,440,022 compared to the original estimate of \$4,440,022.

The following schedule (Table A-5) presents a summary of General Fund Revenues.

**Table A-5
Summary of General Fund Revenues
For the Year Ended**

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Revenues		
Local Sources:		
Local tax levy	\$ 2,778,943	\$ 2,709,377
Tuition	115,063	57,085
Miscellaneous	8,665	4,162
Total - Local Sources	2,902,671	2,770,624
State Sources	1,858,240	1,786,821
Total - Government Sources	1,858,240	1,786,821
Total Revenues	\$ 4,760,911	\$ 4,557,445

The primary source of funding for the District is received from local property taxes that accounted for 58.37% of total revenues. State aid accounted for 39.03% of total revenues.

The following schedule (Table A-6) presents a summary of General Fund expenditures.

Table A-6
Summary of General Fund Expenditures
For the Year Ended

	<u>June 30, 2015</u>	<u>June 30, 2015</u>
Current		
Instruction		
Regular	\$ 1,627,202	\$ 1,545,363
Special Education	374,019	376,557
Other	81,515	80,461
Support Services and Undistributed Costs:		
Services	487,504	472,371
School Administrative Services	51,133	51,260
General and Business Administrative	222,983	234,325
Services		
Plant Operations and Maintenance	275,220	339,815
Pupil Transportation	54,856	71,156
Capital Outlay	30,593	30,593
Unallocated Benefits	<u>1,496,178</u>	<u>1,402,158</u>
 Total Expenditures	 <u>\$ 4,701,203</u>	 <u>\$ 4,604,059</u>

Total General Fund expenditures increased \$97,144 or 2.11% from the previous year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

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

At the end of the fiscal year 2016, the School District had \$4,364,149 invested in land buildings, furniture and equipment, net of depreciation for governmental activities.

Table A-7 shows a summary of the fiscal 2016 & 2015 balances.

Table A-7
Capital Assets

	June 30, 2015 Governmental Activities	June 30, 2015 Governmental Activities
Building & Building Improvements	\$ 6,620,517	\$ 6,620,517
Land Improvements	233,460	233,460
Equipment	248,430	248,430
Total Capital Assets	<u>7,102,407</u>	<u>7,102,407</u>
 Less: Accumulated Depreciation	 <u>2,738,258</u>	 <u>2,554,538</u>
 Net Capital Assets	 <u>\$ 4,364,149</u>	 <u>\$ 4,547,869</u>

DEBT SERVICE FUND

The Current year obligations for payment of debt service principal and interest amounted to \$228,775. Funding was provided by the local tax levy.

FOOD SERVICE FUND

The Food Service Fund had a net position of \$1,753 as of June 30, 2016. This reflects a decrease of \$119 from June 30, 2015.

LONG-TERM OBLIGATIONS

As of June 30, 2016 the District had \$2,310,000 in general obligation bonds outstanding, a decrease of \$145,000 from last year as shown in Table A-8.

The District also had a \$88,240 liability for compensated absences. This liability represents the District's contractual obligation to compensate employees for accumulated unused sick leave entitlements and accumulated unused vacation days upon retirement.

The District also had a \$726,367 net pension liability. This liability represents the District's actuarially calculated portion of net pension liability for PERS employees.

Table A-8 shows the District's long-term obligations.

Table A-8
Long Term Obligations

	Balance at <u>June 30,</u> <u>2016</u>	Balance at <u>June 30,</u> <u>2015</u>	Increase/ <u>Decrease</u>
General Obligation Bonds Payable	\$ 2,310,000	\$ 2,455,000	\$(145,000)
Net Pension Liability	726,367	628,735	97,632
Unamortized Bond Premium	54,894	59,376	(4,482)
Compensated Absences	88,240	88,884	(640)
TOTAL	\$ 3,179,501	\$ 3,378,209	\$(146,214)

CURRENT FINANCIAL ISSUES AND CONCERNS

The future financing of public schools in the State of New Jersey is becoming very unpredictable. In 2016, the State increased state aid provided to the District by \$71,419. The State has withheld the last two state aid payments until after the close of the fiscal year for 2016.

The School District remains fiscally responsible due to the administration, faculty, and the Board of Education, who are committed to the fiscal responsibilities of the District.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

These financial reports are designed to provide our citizens, taxpayers and creditors with a general overview of the School District's finances and to show the accountability for money received from the state and local government. If you have questions about this report or need additional information, contact Mr. Frank J. Domin, Jr., Business Administrator at: Gibbsboro School District, 37 Kirkwood Road, Gibbsboro, New Jersey 08026.

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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GIBBSBORO BOROUGH BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2016

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
Cash & Cash Equivalents	\$ 505,686	\$ 1	\$ 505,687
Receivables, Net	11,015	1,752	12,767
Capital Assets, Net (Note 5)	4,364,149	-	4,364,149
Total Assets	4,880,850	1,753	4,882,603
DEFERED OUTFLOW OF RESOURCES			
Deferred Charges on Refunding of Debt	90,090	-	90,090
Deferred Outflows Related to Pensions	112,682	-	112,682
Total Deferred Outflow of Resources	202,772	-	202,772
Total Assets and Deferred Outflow of Resources	5,083,622	1,753	5,085,375
LIABILITIES			
Accrued Interest Payable	27,441	-	27,441
Noncurrent Liabilities (Note 6):			
Due Within One Year	149,481	-	149,481
Due Beyond One Year	3,030,020	-	3,030,020
Total Liabilities	3,206,942	-	3,206,942
DEFERED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions	31,114	-	31,114
Total Deferred Inflows of Resources	31,114	-	31,114
Total Liabilities and Deferred Inflows of Resources	3,238,056	-	3,238,056
NET POSITION			
Net Investment in Capital Assets	2,054,149	-	2,054,149
Restricted For:			
Debt Service	(27,441)	-	(27,441)
Other Purposes	403,315	-	403,315
Unrestricted	(584,457)	1,753	(582,704)
Total Net Position	\$ 1,845,566	\$ 1,753	\$ 1,847,319

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

**GIBBSBORO BOROUGH BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		TOTALS
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 1,728,217	\$ -	\$ 101,015	\$ (1,627,202)	\$ -	\$ (1,627,202)
Special Education Instruction	374,019	-	-	(374,019)	-	(374,019)
Other Instruction	81,515	-	-	(81,515)	-	(81,515)
Support Services & Undistributed Costs:						
Attendance/Social Work	7,941	-	-	(7,941)	-	(7,941)
Health Services	76,856	-	-	(76,856)	-	(76,856)
Student & Instruction Related Services	409,864	-	11,874	(397,990)	-	(397,990)
Educational Media Services/School Library	4,491	-	-	(4,491)	-	(4,491)
Instructional Staff Training	226	-	-	(226)	-	(226)
General Administrative Services	134,095	-	-	(134,095)	-	(134,095)
School Administrative Services	51,133	-	-	(51,133)	-	(51,133)
Central Services	88,888	-	-	(88,888)	-	(88,888)
Plant Operations & Maintenance	275,220	-	-	(275,220)	-	(275,220)
Pupil Transportation	54,856	-	-	(54,856)	-	(54,856)
Unallocated Benefits	2,021,761	-	952,107	(1,069,654)	-	(1,069,654)
Interest and Other Changes on Long-Term Debt	115,631	-	-	(115,631)	-	(115,631)
Unallocated Depreciation	183,720	-	-	(183,720)	-	(183,720)
Total Governmental Activities	\$ 5,608,433	\$ -	\$ 1,064,996	\$ (4,543,437)	\$ -	\$ (4,543,437)

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

**GIBBSBORO BOROUGH BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		TOTALS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
Business-Type Activities:					
PALS Program	46,087	107,620	-	-	61,533
Food Service	50,837	27,333	23,381	-	(123)
Total Business-Type Activities	96,924	134,953	23,381	-	61,410
Total Primary Government	\$ 5,705,357	\$ 134,953	\$ 1,088,377	\$ (4,543,437)	\$ (4,482,027)
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes, Net				2,778,943	-
Taxes Levied for Debt Service				228,775	-
Federal & State Aid Not Restricted				1,412,099	-
Tuition From Individuals				54,108	-
Tuition From Other LEAs Within the State				60,955	-
Miscellaneous Income				8,665	4
Transfers				61,533	(61,533)
Total General Revenues, Special Items, Extraordinary Items & Transfers				4,605,078	(61,529)
Change In Net Position				61,641	(119)
Net Position - Beginning				\$ 1,783,925	\$ 1,872
Net Position - Ending				\$ 1,845,566	\$ 1,753
				\$ 1,847,319	\$ 1,847,319

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

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B. Fund Financial Statements

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Governmental Funds

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**GIBBSBORO BOROUGH BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2016**

	GENERAL FUND	TOTALS
Assets:		
Cash & Cash Equivalents	\$ 402,165	\$ 402,165
Accounts Receivable:		
State Aid	1,392	1,392
Interfund	9,623	9,623
Restricted Cash & Cash Equivalents	103,521	103,521
 Total Assets	 516,701	 516,701
Liabilities & Fund Balances:		
Fund Balances:		
Restricted for:		
Capital Reserve Account	1	1
Maintenance Reserve Account	103,520	103,520
Excess Surplus	157,180	157,180
Excess Surplus Designated for Subsequent Year's Expenditures	141,222	141,222
Assigned to:		
Designated for Subsequent Year's Expenditures	1,392	1,392
Unassigned:		
General Fund	113,386	113,386
 Total Fund Balances	 516,701	 516,701
 Total Liabilities & Fund Balances	 \$ 516,701	

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 \$7,102,407 and the accumulated depreciation is \$2,738,258.	4,364,149
Accrued interest payable is not recorded in the fund financials due to the fact that payables are not due in the current period.	(27,441)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.	81,568
Unamortized bond loss on refunding net of Bond Premium is not recorded in the fund financials but is recorded on the government-wide financials	35,196
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Illustrative Note 6)	(3,124,607)
 Net Position of Governmental Activities	 \$ 1,845,566

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

GIBBSBORO BOROUGH BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2016

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS
Revenues:				
Local Sources:				
Local Tax Levy	\$ 2,778,943	\$ -	\$ 228,775	\$ 3,007,718
Tuition From Individuals	54,108	-	-	54,108
Tuition From Other LEAs Within the State	60,955	-	-	60,955
Miscellaneous	8,665	-	-	8,665
Total Revenues - Local Sources	<u>2,902,671</u>	-	228,775	<u>3,131,446</u>
State Sources	1,858,240	-	-	1,858,240
Federal Sources	-	112,889	-	112,889
Total Revenues	<u>4,760,911</u>	<u>112,889</u>	<u>228,775</u>	<u>5,102,575</u>
Expenditures:				
Current Expense:				
Regular Instruction	1,627,202	101,015	-	1,728,217
Special Education Instruction	374,019	-	-	374,019
Other Instruction	81,515	-	-	81,515
Support Services & Undistributed Costs:				
Attendance/Social Work	7,941	-	-	7,941
Health Services	76,856	-	-	76,856
Student & Instruction Related Services	397,990	11,874	-	409,864
Educational Media Services/School				
Library	4,491	-	-	4,491
Instructional Staff Training	226	-	-	226
General Administrative Services	134,095	-	-	134,095
School Administrative Services	51,133	-	-	51,133
Central Services	88,888	-	-	88,888
Plant Operations & Maintenance	275,220	-	-	275,220
Pupil Transportation	54,856	-	-	54,856
Unallocated Benefits	1,496,178	-	-	1,496,178
Capital Outlay	30,593	-	-	30,593
Debt Service:				
Principal	-	-	145,000	145,000
Interest	-	-	83,775	83,775
Total Expenditures	<u>4,701,203</u>	<u>112,889</u>	<u>228,775</u>	<u>5,042,867</u>
Excess/(Deficiency) of Revenues				
Over/(Under) Expenditures	<u>59,708</u>	-	-	<u>59,708</u>
Other Financing Sources/(Uses):				
Operating Transfer In:				
Transfer From PALS Program Fund	61,533	-	-	61,533
Total Other Financing Sources/(Uses)	<u>61,533</u>	-	-	<u>61,533</u>
Excess/(Deficiency) of Revenues & Other				
Financing Sources Over/(Under) Expenditures				
& Other Financing Uses	121,241	-	-	121,241
Fund Balances, July 1	<u>395,460</u>	-	-	<u>395,460</u>
Fund Balances, June 30	<u>\$ 516,701</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 516,701</u>

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

**GIBBSBORO BOROUGH 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, 2016**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$	121,241
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Amounts reported for governmental activities in the statement of activities (A-2) are different because:

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

Depreciation Expense		(183,720)
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District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

Pension Expense - PERS District Pension Contribution - 2016	\$	27,819	
State Share of Unfunded TPAF Pension Expense		505,966	
Unfunded TPAF Pension Expense		(505,966)	
Pension Expense		(47,436)	(19,617)

Amortization of losses on early extinguishments of debt and premiums from refunded debt issuances are recorded when incurred in the governmental funds but are accrued and expensed over time in the statement of activities.

Current Year		(13,887)	
Prior Year		11,013	(2,874)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		145,000
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Net Difference Accrued interest on bonds and capital leases is not recorded in fund financial statements		967
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Decrease in accrual for compensated absences		644
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Change in Net Position of Governmental Activities	\$	61,641
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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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**GIBBSBORO BOROUGH BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2016**

ASSETS	BUSINESS-TYPE ACTIVITIES- ENTERPRISE FUNDS <u>FOOD</u> SERVICE	TOTALS
Cash & Cash Equivalents	\$ 1	\$ 1
Accounts Receivable:		
State	39	39
Federal	1,373	1,373
Interfund	340	340
Total Assets	1,753	1,753
NET POSITION		
Unrestricted	1,753	1,753
Total Net Position	\$ 1,753	\$ 1,753

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

**GIBBSBORO BOROUGH BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 FOR FISCAL YEAR ENDED JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTALS
	FOOD SERVICE	PALS PROGRAM	
Operating Revenues:			
Local Sources:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ 23,064	\$ -	\$ 23,064
Daily Sales - Non-Reimbursable Programs:			
School Lunch Program	4,269	-	4,269
Tuition	-	107,620	107,620
Total Operating Revenue	27,333	107,620	134,953
Operating Expenses:			
Salaries & Benefits	7,813	37,655	45,468
Cost of Sales	43,024	-	43,024
Transportation	-	2,127	2,127
Supplies & Materials	-	6,305	6,305
Miscellaneous	-	-	-
Total Operating Expenses	50,837	46,087	96,924
Operating Income/(Loss)	(23,504)	61,533	38,029
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	693	-	693
Federal Sources:			
National School Lunch Program	22,688	-	22,688
Interest & Investment Revenue	4	-	4
Total Nonoperating Revenues	23,385	-	23,385
Other Financing Sources:			
Operating Transfer Out	-	(61,533)	(61,533)
Total Other Financing Sources	-	(61,533)	(61,533)
Change in Net Position	(119)	-	(119)
Total Net Position - Beginning	1,872	-	1,872
Total Net Position - Ending	\$ 1,753	\$ -	\$ 1,753

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

**GIBBSBORO BOROUGH BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR FISCAL YEAR ENDED JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTALS
	FOOD SERVICE	PALS PROGRAM	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 27,333	\$ 107,620	\$ 134,953
Payments to Employees & Benefits	(7,813)	(37,655)	(45,468)
Payments to Suppliers	(43,024)	(8,432)	(51,456)
Net Cash Provided/(Used) by Operating Activities	(23,504)	61,533	38,029
Cash Flows From Noncapital Financing Activities:			
Cash Received From Board Contribution	-	(61,533)	(61,533)
Cash Received From State & Federal Reimbursements	23,499	-	23,499
Net Cash Provided by Noncapital Financing Activities	23,499	(61,533)	(38,034)
Cash Flows From Investing Activities:			
Interest & Dividends	4	-	4
Net Cash Provided/(Used) by Investing Activities	4	-	4
Net Increase/(Decrease) in Cash & Cash Equivalents	(1)	-	(1)
Balances - Beginning of Year	2	-	2
Balances - Ending of Year	\$ 1	\$ -	\$ 1
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ (23,504)	\$ 61,533	\$ 38,029
Net Cash Provided/(Used) by Operating Activities	\$ (23,504)	\$ 61,533	\$ 38,029

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

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Fiduciary Fund

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**GIBBSBORO BOROUGH BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016**

ASSETS	AGENCY		TOTALS
	STUDENT ACTIVITY	PAYROLL	
Cash & Cash Equivalents	\$ 16,286	\$ 21,262	\$ 37,548
Total Assets	16,286	21,262	37,548
LIABILITIES			
Interfund Payable	-	9,963	9,963
Payroll Deductions & Withholdings	-	11,299	11,299
Due to Student Groups	16,286	-	16,286
Total Liabilities	16,286	21,262	37,548
Total Net Position	\$ -	\$ -	\$ -

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

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GIBBSBORO BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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GIBBSBORO BOROUGH BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies

The financial statements of the Gibbsboro 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.

Reporting Entity

The Gibbsboro Board of Education is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board consists of appointed officials by the County Freeholders and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. The District provides a full range of educational services appropriate to grade levels K through 8. The Gibbsboro Board of Education has an approximate enrollment at June 30, 2016 of 255 students.

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

- ◆ 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.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14, The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. The District had no component units as of for the year ended June 30, 2016.

Government-Wide Financial Statements

The District’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

GIBBSBORO BOROUGH BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2016

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

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and

GIBBSBORO BOROUGH BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2016

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

decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The District's fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

GIBBSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

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

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund and PALS Program are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the District 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 the District includes budgeted capital outlay in this fund. Generally accepted accounting principles 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 capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. 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

GIBBSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

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

Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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.

The District reports the following major proprietary funds:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

PALS Program – This fund accounts for the revenues and expenses pertaining to the District’s after school and summer school program.

Additionally, the District reports the following major fiduciary funds:

Private Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The district currently does not maintain a private purpose trust fund.

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

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on

GIBBSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

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

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. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as assigned 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 District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue 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.

GIBBSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

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

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 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.

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2016 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

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 District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or

GIBBSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

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

estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

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

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the 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 Government-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

GIBBSBORO BOROUGH BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2016

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fund Balance

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

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2016.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

GIBBSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

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

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.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended June 30, 2016, the District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the District is required to measure certain investments at fair value for financial reporting purposes. In addition, the District is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the District's financial statements.

Recently Issued and Adopted Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing

GIBBSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

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

standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for*

GIBBSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

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

Pensions, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Deferred Loss on Refunding Debt

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

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2016 through the date of September 29, 2016, which is the date the financial statements were available to be issued.

Pensions Section

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GIBBSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 2. Cash and Cash Equivalents

Cash Deposits

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 GUDPA. 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 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, 2016, the District’s bank balance of \$580,319 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$ 250,051
Uninsured and uncollateralized	59,738
Collateralized in the District’s Name Under GUDPA	<u>270,530</u>
Total	<u>\$ 580,319</u>

Investments

New Jersey statutes permit the Board to purchase the following types of securities:

1. Bonds and other obligations of the United State or obligations guaranteed by the United States.
2. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank , which have a maturity date not greater than twelve months from the date of purchase.
3. New Jersey Cash Management Fund, New Jersey Asset and Rebate Management Fund and MBIA CLASS.

Custodial credit risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have custodial credit risk policies for investments.

Interest rate risk - This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

GIBBSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 2. Cash and Cash Equivalents (continued):

Investments (continued):

Concentrations - The District places no limit in the amount the District may invest in any one issuer

The District did not hold any investments at June 30, 2016.

Note 3. Reserve Accounts

A. Capital Reserve

A capital reserve account was established by the Gibbsboro Board of Education for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may

increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriated additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP. The balance of the District's capital reserve account as of June 30, 2016 is \$1. There was no activity in the current year.

The June 30, 2016 LRFP balance of local support costs of uncompleted capital projects at June 30, 2016 is \$1. There were no withdrawals from the capital reserve in the current year.

B. Maintenance Reserve

A maintenance reserve account was established by the District for the accumulation of Funds for use as maintenance expenditures in subsequent fiscal years. The Maintenance Reserve Account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Maintenance Plan (M-1). A district may increase the balance in the maintenance 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.

The activity of the maintenance reserve for the June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$ 3,520
Transfer per June Resolution	<u>100,000</u>
Ending Balance, June 30, 2016	<u><u>\$ 103,520</u></u>

GIBBSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 4. Accounts Receivable

Accounts receivable at June 30, 2016 consisted of 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	Proprietary Funds	Total
State Aid	\$ 1,392	\$ 39	\$ 1,431
Federal Aid	-	1,373	1,373
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 1,392</u>	<u>\$ 1,412</u>	<u>\$ 2,804</u>

Note 5. Capital Assets

The schedule on the following page is a summarization of the capital assets by source for the fiscal year ended June 30, 2016.

	June 30, 2015	Increases	Decreases	June 30, 2016
Governmental Activities:				
Capital assets being depreciated:				
Buildings & Improvements	\$ 6,620,517	\$ -	\$ -	\$ 6,620,517
Land Improvements	233,460	-	-	233,460
Machinery & Equipment	248,430	-	-	248,430
	<hr/>			<hr/>
Total capital assets being depreciated	7,102,407	-	-	7,102,407
Less: accumulated depreciation:	<u>(2,554,538)</u>	<u>(183,720)</u>	-	<u>(2,738,258)</u>
Total capital assets being depreciated, net	<u>4,547,869</u>	<u>(183,720)</u>	-	<u>4,364,149</u>
Governmental activities capital assets, net	<u>\$ 4,547,869</u>	<u>\$ (183,720)</u>	\$ -	<u>\$ 4,364,149</u>

GIBBSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 6. Long-Term Obligations

During the fiscal year ended June 30, 2016 the following changes occurred in liabilities reported in the long-term obligations:

	June 30, 2015	Accrued/ Increases	Retired/ Decreases	June 30, 2016	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 2,455,000	\$ -	\$ (145,000)	\$ 2,310,000	\$ 145,000
Unamortized Bond Premium	59,376	-	(4,482)	54,894	4,481
Compensated Absences	88,884	-	(644)	88,240	-
Net Pension Liability	628,735	97,632	-	726,367	\$ -
Total	\$ 3,231,995	\$ 97,632	\$ (150,126)	\$ 3,179,501	\$ 149,481

A. Bonds Payable:

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

In August 2011, the Gibbsboro Borough Board of Education refunded \$2,634,000 for the 2002 General Obligation School Bonds. Payments are due each March 1st and September 1st commencing March 1, 2012 at an interest rate of 2.00% to 4.00%.

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

Year Ending June 30,	Principal	Interest	Total
2017	\$ 145,000	\$ 80,875	\$ 225,875
2018	150,000	77,737	227,737
2019	155,000	73,725	228,725
2020	160,000	69,000	229,000
2021	160,000	64,100	224,100
2022-2026	910,000	219,600	1,129,600
2027-2029	<u>630,000</u>	<u>38,200</u>	<u>668,200</u>
Total	<u>\$2,310,000</u>	<u>\$623,237</u>	<u>\$2,933,327</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2016, the District had no authorized but not issued bonds.

GIBBSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 7. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2016:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 9,963	\$ 340
Food Service Fund	340	-
Payroll Trust Fund	-	9,963
	<hr/>	<hr/>
Total	<u>\$ 10,303</u>	<u>\$ 10,303</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 28,499	\$ 34,642
Food Service Fund	28,501	28,499
Payroll Trust Fund	6,141	-
	<hr/>	<hr/>
	<u>\$ 63,141</u>	<u>\$ 63,141</u>

The purpose of interfund transfers were for the liquidation of prior year interfund receivables and payables and for payments made on behalf of other funds.

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

GIBBSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

GIBBSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Three-Year Trend Information for PERS

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2016	\$ 27,945	100%	\$ 726,367
6/30/2015	27,808	100%	628,735
6/30/2014	24,311	100%	616,648

Components of Pension Liability - At June 30, 2016, the District reported a liability of \$726,367 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2014, to the measurement date of June 30, 2015. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The District's proportion measured as of June 30, 2015, was 0.00324% percent, which was a decrease of 0.00012% from its proportion measured as of June 30, 2014.

Collective Balances at June 30, 2016 and June 30, 2015

	<u>6/30/2016</u> July 1, 2015	<u>6/30/2015</u> July 1, 2014
Actuarial valuation date		
Deferred Outflows of Resources	\$ 112,682	\$ 68,842
Deferred Inflows of Resources	\$ 31,114	\$ 37,469
Net Pension Liability	\$ 726,367	\$ 628,735
District's portion of the Plan's total net pension Liability	0.00324%	0.00336%

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2016, the District recognized pension expense of \$19,617. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

GIBBSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 78,006	\$ -
Net difference between expected and actual experience	17,329	-
Net difference between projected and actual earnings on pension plan investments	-	11,679
Changes in proportion and differences between District contributions and proportionate share of contributions	17,347	19,435
Total	\$ 112,682	\$ 31,114

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2017	14,941
2018	14,941
2019	14,941
2020	24,309
2021	12,436
Thereafter	-

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

<u>PERS</u>	
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.01%

GIBBSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.21%
Total	100.00%	

GIBBSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability as of June 30, 2015, calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90) or 1-percentage-point higher (5.90%) than the current rate:

	<u>Decrease</u> <u>(3.90%)</u>	<u>Discount</u> <u>(4.90%)</u>	<u>Increase</u> <u>(5.90%)</u>
District's proportionate share of the net pension liability	\$ 902,785	\$ 726,367	\$ 578,459

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. 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.

GIBBSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 8. Pension Obligations (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation - The employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

GIBBSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 8. Pension Obligations (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

**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
6/30/2016	\$ 303,623	100%	-
6/30/2015	233,645	100%	-
6/30/2014	208,564	100%	-

Teachers Pensions and Annuity Fund (TPAF) - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

	<u>TPAF</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

Mortality rates were based on the RP-2000 Health Annuity Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

GIBBSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 8. Pension Obligations (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Market Equities	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of employers' contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-

GIBBSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 8. Pension Obligations (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS & TPAF financial report.

Defined Contribution Retirement Plan (DCRP) – The District contributes to the New Jersey Defined Contribution Retirement Program (DCRP) which is a defined contribution retirement benefit plan, along with life insurance and disability coverage, for its employees who are ineligible for PERS or TPAF.

When enrolled in the DCRP, members contribute 5.5 percent of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3 percent employer contribution. For the year ended June 30, 2016, employee contributions total \$5,258, and the District recognized pension expense of \$2,868.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in District contributions and earnings on District contributions after commencement of their second year of employment, with some exceptions. Nonvested District contributions and earnings are forfeited upon separation from covered employment. Such forfeitures are reverted back to a forfeiture account for the employer and may be used to reduce pension expenses. For the year ended June 30, 2016, the District did not apply forfeitures to reduce the District's pension expense.

Note 9. 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, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the state contributed \$1.25 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

GIBBSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 10. Risk Management

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

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

Note 11. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2016 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 12. Economic Dependency

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

Note 13. 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

AXXA Equitable

Vanguard

Note 14. 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 varying amounts of vacation and sick leave in accordance with the district's school personnel policy. Upon termination, employees are paid for accrued vacation. The district's school's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the district school for the unused sick leave in accordance with district's agreements with various employee unions.

GIBBSBORO BOROUGH BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 14. 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, 2016 is \$88,240.

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, 2016 no liability existed for compensated absences in the proprietary fund types.

Note 15. Fund Balance Disclosure

General Fund (Exhibit B-1) – Of the \$516,701 General Fund fund balance at June 30, 2016, \$141,222 is restricted for subsequent years expenditures; \$1 is restricted to establish the Capital Reserve Account; \$103,520 is restricted to establish the Maintenance Reserve Account; \$157,180 is restricted for excess surplus in accordance with *N.J.S.A.18A:7F-7*; \$1,392 is assigned as designated for subsequent year's expenditures and \$113,386 is unassigned.

Note 16. Calculation of Excess Surplus

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to *N.J.S.A. 18A:7F-7*, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$157,180.

Note 17. Deficit in Net Position

Restricted Net Position – The School District had a deficit in restricted net position for Debt Service in the amount of \$27,441 at June 30, 2016. 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 for the Governmental Activities in the amount of \$584,457 at June 30, 2016. The primary causes of this deficit includes the District not recognizing the receivable for the last two state aid payments and the recording of long-term liabilities for compensated absences and net pension liability. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**GIBBSBORO BOROUGH BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 2,778,943	\$ -	\$ 2,778,943	\$ 2,778,943	\$ -
Tuition From Individuals	10-1310	55,000	-	55,000	54,108	(892)
Tuition From Other LEAs Within the State	10-1320	20,915	-	20,915	60,955	40,040
Miscellaneous	10-1xxx	37,126	-	37,126	8,665	(28,461)
Total Local Sources		2,891,984	-	2,891,984	2,902,671	10,687
State Sources:						
Categorical Transportation Aid	10-3121	20,976	-	20,976	20,976	-
Categorical Special Education Aid	10-3132	134,574	-	134,574	134,574	-
Equalization Aid	10-3176	852,726	-	852,726	852,726	-
Categorical Security Aid	10-3177	19,662	-	19,662	19,662	-
Adjustment Aid	10-3178	377,509	-	377,509	377,509	-
Per Pupil Growth Aid	10-3xxx	2,630	-	2,630	2,630	-
PARCC Readiness Aid	10-3xxx	2,630	-	2,630	2,630	-
Nonpublic Transportation Aid	10-3xxx	-	-	-	1,392	1,392
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	138,595	138,595
On-Behalf TPAF Post Retirement Medical Contribution		-	-	-	165,028	165,028
Reimbursed TPAF Social Security		-	-	-	142,518	142,518
Total State Sources		1,410,707	-	1,410,707	1,858,240	447,533
Total Revenues		4,302,691	-	4,302,691	4,760,911	458,220
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool	11-105-100-101	36,267	-	36,267	36,267	-
Kindergarten	11-110-100-101	156,816	1,513	158,329	158,329	-
Grades 1 - 5	11-120-100-101	744,331	(27,007)	717,324	717,324	-
Grades 6 - 8	11-130-100-101	508,238	6,454	514,692	514,692	-
Home Instruction - Regular	11-150-100-101	1,500	11,115	12,615	12,586	29
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	18,718	603	19,321	19,321	-
Purchased Professional & Educational Services	11-190-100-320	87,239	(5,324)	81,915	81,915	-
Other Purchased Services	11-190-100-500	26,308	1,160	27,468	27,467	1
General Supplies	11-190-100-610	40,235	19,145	59,380	57,672	1,708
Textbooks	11-190-100-640	4,950	(3,293)	1,657	860	797
Other Objects	11-190-100-800	1,500	(731)	769	769	-
Total Regular Programs		1,626,102	3,635	1,629,737	1,627,202	2,535
Special Education:						
Multiple Handicapped:						
Salaries of Teachers	11-212-100-101	138,297	266	138,563	138,461	102
Other Salaries for Instruction	11-212-100-106	10,664	373	11,037	11,037	-
General Supplies	11-212-100-610	600	(390)	210	184	26
Textbooks	11-212-100-640	400	(400)	-	-	-
Total Multiple Handicapped		149,961	(151)	149,810	149,682	128
Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101	67,138	5,759	72,897	72,897	-
Other Salaries for Instruction	11-213-100-106	27,210	1,003	28,213	27,844	369
General Supplies	11-213-100-610	300	(144)	156	156	-
Textbooks	11-213-100-640	200	(200)	-	-	-

**GIBBSBORO BOROUGH BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Total Resource Room/Resource Center		94,848	6,418	101,266	100,897	369
Autism:						
Salaries of Teachers	11-214-100-101	57,484	(500)	56,984	56,938	46
Other Salaries for Instruction	11-214-100-106	36,024	(13,434)	22,590	22,590	-
Purchased Professional - Education Services	11-214-100-320	3,600	(2,175)	1,425	1,425	-
General Supplies	11-214-100-610	3,000	(100)	2,900	2,900	-
Total Autism		100,108	(16,209)	83,899	83,853	46
Preschool Disabilities - Part Time:						
Salaries of Teachers	11-215-100-101	37,267	2,507	39,774	39,291	483
Other Salaries for Instruction	11-215-100-106	600	9,335	9,935	-	9,935
General Supplies	11-215-100-610	1,200	(900)	300	296	4
Total Preschool Disabilities - Part-Time		39,067	10,942	50,009	39,587	10,422
Total Special Education		383,984	1,000	384,984	374,019	10,965
School Sponsored Cocurricular Activities & Athletics:						
Salaries	11-401-100-100	67,974	(354)	67,620	64,904	2,716
Supplies and Materials	11-401-100-600	8,000	354	8,354	8,354	-
Salaries	11-402-100-100	8,000	60	8,060	4,317	3,743
Supplies and Materials	11-402-100-600	4,000	(60)	3,940	3,940	-
Total School Sponsored Cocurricular - Activities & Athletics		87,974	-	87,974	81,515	6,459
Total - Instruction		2,098,060	4,635	2,102,695	2,082,736	19,959
Undistributed Expenditures:						
Instruction:						
Tuition to Private Schools for Disabled Within the State - Special	11-000-100-566	19,000	(1,900)	17,100	210	16,890
Total Instruction		19,000	(1,900)	17,100	210	16,890
Attendance & Social Work Services:						
Salaries	11-000-211-100	7,940	1	7,941	7,941	-
Total Attendance Services		7,940	1	7,941	7,941	-
Health Services:						
Salaries	11-000-213-100	73,833	727	74,560	74,560	-
Purchased Professional & Technical Services	11-000-213-300	1,000	(306)	694	694	-
Supplies and Materials	11-000-213-600	2,000	(398)	1,602	1,602	-
Total Health Services		76,833	23	76,856	76,856	-
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	50,429	19,265	69,694	69,694	-
Supplies and Materials	11-000-216-600	220	71	291	290	1
Total Other Support Services - Students - Regular		50,649	19,336	69,985	69,984	1
Other Support Services - Students - Extra Services:						
Purchased Professional & Educational Services	11-000-217-320	33,061	(24)	33,037	28,237	4,800
Supplies and Materials	11-000-217-600	200	-	200	-	200
Total Other Support Services - Students - Extra Services		33,261	(24)	33,237	28,237	5,000

**GIBBSBORO BOROUGH BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Other Support Services - Students - Related Services:						
Salaries	11-000-218-105	23,820	-	23,820	23,820	-
Purchased Professional & Educational Services	11-000-218-320	8,937	-	8,937	8,353	584
Supplies & Materials	11-000-218-600	2,000	-	2,000	1,773	227
Total Other Support Services-Students-Related Services		34,757	-	34,757	33,946	811
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	156,566	-	156,566	155,715	851
Salaries of Secretarial & Clerical Assistants	11-000-219-105	37,809	-	37,809	37,809	-
Other Purchased Professional & Educational Servi	11-000-219-320	1,900	-	1,900	1,606	294
Other Purchased Professional & Technical Service	11-000-219-390	3,000	-	3,000	1,840	1,160
Supplies and Materials	11-000-219-600	2,200	(71)	2,129	1,150	979
Other Objects	11-000-219-800	820	-	820	820	-
Total Other Support Services-Students-Special Services		202,295	(71)	202,224	198,940	3,284
Improvement of Instruction Services/Other Support Services - Instruction Staff:						
Salaries	11-000-221-102	35,333	-	35,333	30,097	5,236
Salaries of Secretarial & Clerical Assistants	11-000-221-105	20,946	-	20,946	20,946	-
Purchases Professional & Educational Services	11-000-221-320	12,585	(3,890)	8,695	5,125	3,570
Other Purchased Services	11-000-221-500	500	-	500	290	210
Supplies and Materials	11-000-221-600	6,325	3,890	10,215	10,215	-
Total Improvement of Instruction Services/Other Support Services Instructional Staff		75,689	-	75,689	66,673	9,016
Educational Media Services/School Library:						
Salaries	11-000-222-100	-	2,000	2,000	2,000	-
Other Purchased Services	11-000-222-500	1,000	-	1,000	1,000	-
Supplies and Materials	11-000-222-600	2,500	-	2,500	1,491	1,009
Other Objects	11-000-222-800	1,170	-	1,170	-	1,170
Total Educational Media Services/School Library		4,670	2,000	6,670	4,491	2,179
Instructional Staff Training Services:						
Purchased Professional & Educational Services	11-000-223-320	2,000	(2,000)	-	-	-
Other Purchased Services	11-000-223-500	2,200	-	2,200	226	1,974
Total Instructional Staff Training Services		4,200	(2,000)	2,200	226	1,974
Support Services General Administration:						
Salaries	11-000-230-100	25,620	15,375	40,995	40,935	60
Legal Services	11-000-230-331	14,000	-	14,000	-	14,000
Audit Fees	11-000-230-332	14,500	1,550	16,050	16,050	-
Other Purchased Professional Services	11-000-230-339	73,298	(16,925)	56,373	47,865	8,508
Purchased Technical Services	11-000-230-340	2,735	-	2,735	1,243	1,492
Communications/Telephone	11-000-230-530	11,000	(97)	10,903	7,614	3,289
BOE Other Purchased Services	11-000-230-585	200	97	297	297	-
Other Purchased Services	11-000-230-590	14,000	1,138	15,138	15,138	-
General Supplies	11-000-230-610	3,500	(1,138)	2,362	1,510	852
BOE Meeting Supplies	11-000-230-630	200	-	200	-	200
Miscellaneous Expenditures	11-000-230-890	1,700	-	1,700	533	1,167
BOE Membership Dues & Fees	11-000-230-895	4,200	-	4,200	2,910	1,290
Total Support Services General Administration		164,953	-	164,953	134,095	30,858

**GIBBSBORO BOROUGH BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Support Services School Administration:						
Salaries of Principals	11-000-240-103	52,999	-	52,999	50,633	2,366
Supplies and Materials	11-000-240-600	1,000	-	1,000	500	500
Total Support Services School Administration		53,999	-	53,999	51,133	2,866
Central Services:						
Salaries	11-000-251-100	62,065	-	62,065	62,065	-
Purchased Professional Services	11-000-251-330	23,926	1,171	25,097	25,097	-
Supplies and Materials	11-000-251-600	3,000	(1,171)	1,829	1,351	478
Other Objects	11-000-251-890	1,500	-	1,500	375	1,125
Total Central Services		90,491	-	90,491	88,888	1,603
Allowable Maintenance for School Facilities:						
Cleaning, Repair & Maintenance Services	11-000-261-420	25,002	-	25,002	21,296	3,706
General Supplies	11-000-261-610	2,000	-	2,000	1,132	868
Total Allowable Maintenance for School Facilities		27,002	-	27,002	22,428	4,574
Other Operation & Maintenance of Plant:						
Salaries	11-000-262-100	119,738	-	119,738	99,291	20,447
Cleaning, Repair & Maintenance Services	11-000-262-420	25,000	(120)	24,880	23,906	974
Other Purchased Property Services	11-000-262-490	11,964	320	12,284	12,204	80
Insurance	11-000-262-520	18,850	-	18,850	18,802	48
General Supplies	11-000-262-610	22,000	(200)	21,800	17,455	4,345
Energy (Natural Gas)	11-000-262-621	50,000	(18,000)	32,000	16,632	15,368
Energy (Heat & Electricity)	11-000-262-622	75,000	-	75,000	64,502	10,498
Total Other Operation & Maintenance of Plant		322,552	(18,000)	304,552	252,792	51,760
Student Transportation Services:						
Management Fee CCESE	11-000-270-350	2,052	20	2,072	2,072	-
Contracted Services - Aid in Lieu of Payments	11-000-270-503	7,090	-	7,090	7,072	18
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	9,000	2,343	11,343	11,343	-
Contracted Services (Special Education Students) - ESC'S	11-000-270-518	60,000	(7,601)	52,399	34,369	18,030
Total Student Transportation Services		78,142	(5,238)	72,904	54,856	18,048
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	48,000	12,210	60,210	58,492	1,718
Other Retirement Contribution - PERS	11-000-291-241	27,350	469	27,819	27,819	-
Other Contributions - D.C.R.P	11-000-291-249	2,500	1,055	3,555	2,868	687
Unemployment Compensation	11-000-291-250	8,900	3,481	12,381	11,176	1,205
Workmen's Compensation	11-000-291-260	25,000	591	25,591	25,591	-
Health Benefits	11-000-291-270	930,686	(16,568)	914,118	905,574	8,544
Tuition Reimbursement	11-000-291-280	10,000	(750)	9,250	5,267	3,983
Other Employee Benefits	11-000-291-290	12,500	750	13,250	13,250	-
Total Unallocated Benefits		1,064,936	1,238	1,066,174	1,050,037	16,137

**GIBBSBORO BOROUGH BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	138,595	(138,595)
On-Behalf TPAF Post Retirement Medical Contribution		-	-	-	165,028	(165,028)
Reimbursed TPAF Social Security		-	-	-	142,518	(142,518)
Total Undistributed Expenditures		2,311,369	(4,635)	2,306,734	2,587,874	(281,140)
Total Expenditures - Current Expense		4,409,429	-	4,409,429	4,670,610	(261,181)
Facilities Acquisitions & Construction Services:						
Assessment for Debt Service on SDA Funding	12-000-400-896	30,593	-	30,593	30,593	-
Total Facilities Acquisitions & Construction Services Expenditures		30,593	-	30,593	30,593	-
Total Capital Outlay		30,593	-	30,593	30,593	-
Total Expenditures		4,440,022	-	4,440,022	4,701,203	(261,181)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(137,331)	-	(137,331)	59,708	197,039
Other Financing Sources/(Uses):						
Operating Transfer In:						
Transfer from PALS Program Fund	11-000-310-930	-	-	-	61,533	(61,533)
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses		(137,331)	-	(137,331)	121,241	258,572
Fund Balances, July 1		533,466	-	533,466	533,466	-
Fund Balances, June 30		\$ 396,135	\$ -	\$ 396,135	\$ 654,707	\$ 258,572

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:		
Capital Reserve Account		\$ 1
Maintenance Reserve Account		103,520
Excess Surplus		157,180
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures		141,222
Assigned Fund Balance		
Designated for Subsequent Year's Expenditures		1,392
Unassigned Fund Balance		251,392
		654,707
Reconciliation to Governmental Fund Statements (GAAP):		
Last Two State Aid Payments Not Recognized on GAAP Basis		(138,006)
Fund Balance Per Governmental Funds (GAAP)		\$ 516,701

**GIBBSBORO BOROUGH BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
REVENUES					
Federal Sources	\$ 83,392	\$ 29,497	\$ 112,889	\$ 112,889	\$ -
Total Revenues	83,392	29,497	112,889	112,889	-
EXPENDITURES:					
Instruction:					
Salaries of Teachers	9,759	47,012	56,771	56,771	-
Other Salaries for Instruction	-	4,253	4,253	4,253	-
Other Purchased Services	66,960	(29,770)	37,190	37,190	-
General Supplies	-	2,801	2,801	2,801	-
Total Instruction	76,719	24,296	101,015	101,015	-
Support Services:					
Other Salaries	6,673	(430)	6,243	6,243	-
Personal Services - Employee Benefits	-	1,721	1,721	1,721	-
Purchased Professional Services	-	800	800	800	-
Other Purchased Services	-	3,110	3,110	3,110	-
Total Support Services	6,673	5,201	11,874	11,874	-
Total Expenditures	83,392	29,497	112,889	112,889	-
Excess/(Deficiency) of Revenues Over/(Under)					
Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**GIBBSBORO BOROUGH BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2016**

**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)	\$ 4,760,911	\$ 112,889
Difference - Budget to GAAP:		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.		
Current Year	(138,006)	-
Prior Year	138,006	-
	\$ 4,760,911	\$ 112,889
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 4,760,911	\$ 112,889
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 4,701,203	\$ 112,889
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 4,701,203	\$ 112,889

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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GIBBSBORO BOROUGH BOARD OF EDUCATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST THREE FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.00323578%	0.00335814%	0.00322650%
District's proportionate share of the net pension liability (asset)	\$ 726,367	\$ 628,735	\$ 616,648
District's covered-employee payroll	\$ 234,709	\$ 227,583	\$ 220,787
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	309.48%	276.27%	279.30%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	52.08%	48.72%

**GIBBSBORO BOROUGH BOARD OF EDUCATION
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST THREE FISCAL YEARS**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 27,945	\$ 27,684	\$ 24,311
Contributions in relation to the contractually required contribution	<u>27,945</u>	<u>27,684</u>	<u>24,311</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 234,709	\$ 227,583	\$ 220,787
Contributions as a percentage of covered-employee payroll	11.91%	12.16%	11.01%

GIBBSBORO BOROUGH BOARD OF EDUCATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST THREE FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.01670198%	0.01867729%	0.01753408%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 10,556,393	\$ 9,982,402	\$ 8,861,584
District's covered-employee payroll	\$ 1,923,523	\$ 1,806,370	\$ 1,703,633
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**GIBBSBORO BOROUGH BOARD OF EDUCATION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016**

Teachers Pension and Annuity Fund (TPAF)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. 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.

Changes of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

Public Employees' Retirement System (PERS)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

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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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**GIBBSBORO BOROUGH BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	NO CHILD LEFT BEHIND (N.C.L.B.)		I.D.E.A.		I.D.E.A.		
	TITLE II		PART B BASIC		PRESCHOOL		
	PART A	PART A	REGULAR	PROGRAM	PROGRAM	PROGRAM	TOTALS
Revenues:							
Federal Sources	\$ 24,219	\$ 7,743	\$ 76,674	\$ 4,253	\$ 4,253	\$ 4,253	\$ 112,889
Total Revenues	\$ 24,219	\$ 7,743	\$ 76,674	\$ 4,253	\$ 4,253	\$ 4,253	\$ 112,889
Expenditures:							
Instruction:							
Salaries of Teachers	\$ 22,497	\$ -	\$ 34,274	\$ -	\$ -	\$ -	\$ 56,771
Other Salaries for Instruction	-	-	-	-	4,253	-	4,253
Other Purchased Services	-	-	37,190	-	-	-	37,190
General Supplies	1	-	2,800	-	-	-	2,801
Total Instruction	22,498	-	74,264	4,253	4,253	-	101,015
Support Services:							
Other Salaries	-	6,243	-	-	-	-	6,243
Personal Services - Employee Benefits	1,721	-	-	-	-	-	1,721
Purchased Professional Services	-	-	800	-	-	-	800
Other Purchased Services	-	1,500	1,610	-	-	-	3,110
Total Support Services	1,721	7,743	2,410	-	-	-	11,874
Total Expenditures	\$ 24,219	\$ 7,743	\$ 76,674	\$ 4,253	\$ 4,253	\$ 4,253	\$ 112,889

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F. Capital Projects Fund

Not Applicable

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G. Proprietary Funds

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Enterprise Funds

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**GIBBSBORO BOROUGH BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2016**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS <u>FOOD SERVICE</u>	TOTALS
Cash & Cash Equivalents	\$ 1	\$ 1
Accounts Receivable:		
State	39	39
Federal	1,373	1,373
Interfund	340	340
	<hr/>	<hr/>
Total Assets	1,753	1,753
	<hr/>	<hr/>
NET POSITION		
Unrestricted	1,753	1,753
	<hr/>	<hr/>
Total Net Position	\$ 1,753	\$ 1,753
	<hr/> <hr/>	<hr/> <hr/>

**GIBBSBORO BOROUGH BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTALS
	FOOD SERVICE	PALS PROGRAM	
Operating Revenues:			
Local Sources:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ 23,064	\$ -	\$ 23,064
Daily Sales - Non-Reimbursable Programs:			
School Lunch Program	4,269	-	4,269
Tuition	-	107,620	107,620
Total Operating Revenue	27,333	107,620	134,953
Operating Expenses:			
Salaries & Benefits	7,813	37,655	45,468
Cost of Sales	43,024	-	43,024
Transportation	-	2,127	2,127
Supplies & Materials	-	6,305	6,305
Total Operating Expenses	50,837	46,087	96,924
Operating Income/(Loss)	(23,504)	61,533	38,029
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	693	-	693
Federal Sources:			
National School Lunch Program	22,688	-	22,688
Interest & Investment Revenue	4	-	4
Total Nonoperating Revenues	23,385	-	23,385
Other Financing Sources/(Uses):			
Operating Transfer Out	-	(61,533)	(61,533)
Total Other Financing Sources	-	(61,533)	(61,533)
Change in Net Position	(119)	-	(119)
Total Net Position - Beginning	1,872	-	1,872
Total Net Position - Ending	\$ 1,753	\$ -	\$ 1,753

**GIBBSBORO BOROUGH BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	FOOD SERVICE	PALS PROGRAM	TOTALS
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 27,333	\$ 107,620	\$ 134,953
Payments to Employees & Benefits	(7,813)	(37,655)	(45,468)
Payments to Suppliers	(43,024)	(8,432)	(51,456)
	<hr/>	<hr/>	<hr/>
Net Cash Provided/(Used) by Operating Activities	(23,504)	61,533	38,029
Cash Flows From Noncapital Financing Activities:			
Cash Used For Board Contribution	-	(61,533)	(61,533)
Cash Received From State & Federal Reimbursements	23,499	-	23,499
	<hr/>	<hr/>	<hr/>
Net Cash Provided by Noncapital Financing Activities	23,499	(61,533)	(38,034)
Cash Flows From Investing Activities:			
Interest & Dividends	4	-	4
	<hr/>	<hr/>	<hr/>
Net Cash Provided/(Used) by Investing Activities	4	-	4
	<hr/>	<hr/>	<hr/>
Net Increase/(Decrease) in Cash & Cash Equivalents	(1)	-	(1)
Balances - Beginning of Year	2	-	2
	<hr/>	<hr/>	<hr/>
Balances - Ending of Year	\$ 1	\$ -	\$ 1
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

Operating Income/(Loss)	\$ (23,504)	\$ 61,533	\$ 38,029
	<hr/>	<hr/>	<hr/>
Net Cash Provided/(Used) by Operating Activities	\$ (23,504)	\$ 61,533	\$ 38,029
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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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**GIBBSBORO BOROUGH BOARD OF EDUCATION
TRUST AND AGENCY FUND
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016**

ASSETS	AGENCY		TOTALS
	STUDENT ACTIVITY	PAYROLL	
Cash & Cash Equivalents	\$ 16,286	\$ 21,262	\$ 37,548
Total Assets	16,286	21,262	37,548
LIABILITIES			
Interfund Payable	-	9,963	9,963
Payroll Deductions & Withholdings	-	11,299	11,299
Due to Student Groups	16,286	-	16,286
Total Liabilities	16,286	21,262	37,548
Total Net Position	\$ -	\$ -	\$ -

**GIBBSBORO BOROUGH BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF CHANGES OF RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	BALANCE JULY 1, 2015	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2016
ASSETS				
Cash & Cash Equivalents	\$ 17,516	\$ 54,479	\$ 55,709	\$ 16,286
Total Assets	17,516	54,479	55,709	16,286
LIABILITIES				
Due to Student Groups	17,516	54,479	55,709	16,286
Total Liabilities	\$ 17,516	\$ 54,479	\$ 55,709	\$ 16,286

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	BALANCE JULY 1, 2015	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2016
ASSETS				
Cash & Cash Equivalents	\$ 17,923	\$ 3,018,510	\$ 3,015,171	\$ 21,262
Total Assets	17,923	3,018,510	3,015,171	21,262
LIABILITIES				
Payroll Deductions & Withholdings	14,102	3,011,533	3,014,336	11,299
Interfunds Payable	3,821	6,977	835	9,963
Total Liabilities	\$ 17,923	\$ 3,018,510	\$ 3,015,171	\$ 21,262

I. Long-Term Debt

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**GIBBSBORO BOROUGH BOARD OF EDUCATION
LONG-TERM DEBT ACCOUNT GROUP
SCHEDULE OF SERIAL BONDS
JUNE 30, 2016**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2015	BALANCE JUNE 30, 2016
			DATE	AMOUNT			
Refunding Bonds, Series 2011	8/25/11	2,755,000	9/1/16	145,000	2.000%	\$ 2,455,000	\$ 2,310,000
			9/1/17	150,000	2.250%		
			9/1/18	155,000	3.000%		
			9/1/19	160,000	3.000%		
			9/1/20	160,000	3.125%		
			9/1/21	170,000	4.000%		
			9/1/22	175,000	4.000%		
			9/1/23	180,000	4.000%		
			9/1/24	190,000	4.000%		
			9/1/25	195,000	4.000%		
			9/1/26	205,000	4.000%		
			9/1/27	210,000	4.000%		
			9/1/28	215,000	4.000%		
Total						\$ 2,455,000	\$ 2,310,000

**GIBBSBORO BOROUGH BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Local Sources:					
Local Tax Levy	\$ 228,775	\$ -	\$ 228,775	\$ 228,775	\$ -
Total Revenues	228,775	-	228,775	228,775	-
Expenditures:					
Regular Debt Service:					
Interest	88,775	(5,000)	83,775	83,775	-
Redemption of Principal	140,000	5,000	145,000	145,000	-
Total Regular Debt Service	228,775	-	228,775	228,775	-
Excess/(Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**GIBBSBORO BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF COMPENSATED ABSENCES
JUNE 30, 2016**

	OUTSTANDING BALANCE JUNE 30, 2015	DECREASE	OUTSTANDING BALANCE JUNE 30, 2016
Compensated Absences	\$ 88,884	\$ 644	\$ 88,240

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STATISTICAL SECTION (Unaudited)

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

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 2,054,149	2,092,869	2,144,478	2,015,731	2,053,644	2,235,281	2,289,489	2,354,068	2,428,357	2,538,736
Restricted	375,874	253,666	251,701	295,944	803,798	318,690	404,637	492,351	400,182	328,488
Unrestricted	(584,457)	(562,610)	51,941	1,47,054	(295,416)	25,500	(32,830)	28,401	77,254	72,784
Total Governmental Activities	1,845,566	1,783,925	2,448,120	2,458,729	2,562,026	2,579,471	2,661,296	2,874,820	2,905,793	2,940,008
Business-Type Activities:										
Unrestricted	\$ 1,753	1,872	2,773	3,703	35,196	34,471	35,632	35,637	37,585	40,011
Total Business-Type Activities	1,753	1,872	2,773	3,703	35,196	34,471	35,632	35,637	37,585	40,011
District-Wide:										
Invested in Capital Assets,										
Net of Related Debt	\$ 2,054,149	2,092,869	2,144,478	2,015,731	2,053,644	2,235,281	2,289,489	2,354,068	2,428,357	2,538,736
Restricted	375,874	253,666	251,701	295,944	803,798	318,690	404,637	492,351	400,182	328,488
Unrestricted	(582,704)	(560,738)	54,714	150,757	(260,220)	59,971	2,802	64,038	114,839	112,795
Total District Net Position	\$ 1,847,319	1,785,797	2,450,893	2,462,432	2,597,222	2,613,942	2,696,928	2,910,457	2,943,378	2,980,019

**GIBBSBORO BOROUGH BOARD OF EDUCATION
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
FISCAL YEAR ENDING JUNE 30.										
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 1,728,217	1,630,988	1,627,882	1,489,039	1,582,455	1,428,015	1,635,384	1,603,946	1,656,605	1,440,443
Special Education	374,019	376,557	310,257	349,707	335,939	372,793	461,860	410,513	411,735	412,289
Other Instruction	81,515	80,461	81,287	83,563	82,117	75,009	96,889	92,730	75,061	85,247
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Attendance/Social Work	7,941	7,563	7,370	7,212	7,036	6,763	6,506	6,202	5,912	10,008
Health Services	76,856	76,285	73,597	71,917	68,901	67,029	67,902	61,960	58,499	56,233
Student & Instruction Related Services	409,864	393,437	403,823	378,830	357,287	358,105	321,810	306,012	302,175	302,608
Educational Media/Library	4,491	6,489	1,112	36,572	42,019	42,280	40,378	41,711	52,969	31,948
Instructional Staff Training	226	1,080	273	5,107	4,330	7,240	5,215	3,049	4,300	3,484
General & Administrative Services	134,095	144,522	129,304	133,874	145,386	159,820	140,354	126,133	133,190	149,727
School Administrative Services	51,133	51,260	60,886	59,906	58,270	54,912	32,844	40,867	63,505	59,675
Central Services	88,888	89,803	84,146	80,694	79,656	77,088	62,772	59,764	63,457	57,223
Administrative Information Technology	-	-	1,489	1,453	1,410	2,280	2,568	6,450	3,218	-
Plant Operations & Maintenance	275,220	339,815	301,285	314,006	298,107	416,842	334,881	452,919	388,438	339,379
Pupil Transportation	54,856	71,156	101,858	78,900	70,373	72,022	86,553	68,926	67,416	52,669
Unallocated Benefits	2,021,761	1,857,541	1,318,515	1,289,024	1,158,627	1,080,363	1,049,724	988,168	1,085,650	1,026,722
Interest on Long-Term Debt	115,631	105,337	119,068	119,484	96,656	138,241	130,612	146,751	150,546	152,747
Amortized Bond Issuance Costs	-	-	2,873	7,084	5,902	-	-	-	-	-
Unallocated Debt Absences	-	-	19,002	(35,142)	17,496	(34,912)	8,933	25,791	(8,030)	4,627
Adjustment Due to Appraisal	-	-	(192,986)	-	-	-	-	-	-	-
Unallocated Depreciation	183,720	191,609	199,239	167,913	167,326	166,619	169,485	167,189	167,124	167,965
Total Governmental Activities Expense:	5,608,433	5,423,903	4,650,280	4,639,143	4,579,293	4,490,509	4,654,670	4,609,081	4,681,770	4,352,994
Business-Type Activities:										
Food Service	50,837	53,557	55,946	52,111	60,029	75,138	86,957	89,903	94,507	83,254
PALS Program	46,087	34,294	13,633	-	-	-	-	-	-	-
Internal Service Fund	-	-	-	-	15,050	100,782	80,040	-	-	-

**GIBBSBORO BOROUGH BOARD OF EDUCATION
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Business-Type Activities Expense	96,924	87,851	69,579	52,111	60,029	90,188	90,188	187,739	169,943	94,507
Total District Expenses	\$ 5,705,357	5,511,754	4,719,859	4,691,254	4,639,322	4,580,697	4,744,858	4,796,820	4,851,713	4,447,501
Program Revenues:										
Governmental Activities										
Charges for Services:										
Operating Grants & Contributions	\$ 1,064,996	920,206	92,482	91,440	109,200	109,279	140,987	102,089	129,586	154,096
Total Governmental Activities Program Revenues	1,064,996	920,206	92,482	91,440	109,200	109,279	140,987	102,089	129,586	154,096
Business-Type Activities:										
Charges for Services:										
Food Service	50,714	52,652	55,012	51,256	54,789	60,799	55,290	56,572	51,435	59,526
PALS	107,620	81,622	28,904	-	-	-	-	-	-	-
Internal Service Fund	-	-	-	-	-	15,050	100,782	80,040	-	-
Total Business Type Activities Program Revenues	158,334	134,274	83,916	51,256	54,789	75,849	156,072	136,612	51,435	59,526
Total District Program Revenues	\$ 1,223,330	1,054,480	176,398	142,696	163,989	185,128	297,059	238,701	181,021	213,622
Net (Expense)/Revenue:										
Governmental Activities	\$ (4,543,437)	(4,503,697)	(4,557,798)	(4,547,703)	(4,470,093)	(4,381,230)	(4,513,683)	(4,506,992)	(4,552,184)	(4,198,898)
Business-Type Activities	61,410	46,423	14,337	(855)	(5,240)	(14,339)	65,884	(51,127)	(118,508)	(34,981)
Total District-Wide Net Expense	\$ (4,482,027)	(4,457,274)	(4,543,461)	(4,548,558)	(4,475,333)	(4,395,569)	(4,447,799)	(4,558,119)	(4,670,692)	(4,233,879)

**GIBBSBORO BOROUGH BOARD OF EDUCATION
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
FISCAL YEAR ENDING JUNE 30.										
General Revenues & Other Changes in Net Assets:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 2,778,943	2,709,377	2,580,359	2,529,761	2,480,161	2,480,161	2,480,161	2,480,161	2,384,770	2,255,735
Taxes Levied for Debt Service	228,775	226,625	224,374	195,540	234,791	239,391	238,876	238,131	196,236	216,910
Unrestricted Grants & Contributions	1,412,099	1,411,573	1,738,414	1,686,735	1,723,547	1,582,248	1,529,464	1,690,016	1,871,366	1,806,269
Tuition From Individuals	54,108	57,085	50,563	-	-	-	-	-	-	-
Tuition From Other LEAs Within the State	60,955	-	-	-	-	-	-	-	-	-
Miscellaneous Income	8,665	4,162	2,407	1,723	20,105	10,768	83,284	99,041	106,083	84,698
Cancellation of Grants	-	-	-	-	-	-	-	-	-	(223)
Transfers	61,533	47,328	15,271	(3,754)	(5,956)	(13,163)	(31,626)	(31,330)	(40,486)	(25,752)
Total Governmental Activities	\$ 4,605,078	4,456,150	4,611,388	4,410,005	4,452,648	4,299,405	4,300,159	4,476,019	4,517,969	4,337,637
Business-Type Activities:										
Investment Earnings	\$ 4	4	4	9	9	15	36	53	160	223
Transfers	(61,533)	(47,328)	(15,271)	3,754	5,956	13,163	31,626	31,330	40,486	25,752
Total Business-Type Activities	(61,529)	(47,324)	(15,267)	3,763	5,965	13,178	31,662	31,383	40,646	25,975
Total District-Wide	\$ 4,543,549	4,408,826	4,596,121	4,413,768	4,458,613	4,312,583	4,331,821	4,507,402	4,558,615	4,363,612
Change in Net Position:										
Governmental Activities	\$ 61,641	(47,547)	53,590	(137,698)	(17,445)	(81,825)	(213,524)	(30,973)	(34,215)	138,739
Business-Type Activities	(119)	(901)	(930)	2,908	725	(1,161)	97,546	(19,744)	(77,862)	(9,006)
Total District	\$ 61,522	(48,448)	52,660	(134,790)	(16,720)	(82,986)	(115,978)	(50,717)	(112,077)	129,733

**GIBBSBORO BOROUGH BOARD OF EDUCATION
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TENNINE FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund										
Restricted	\$ 401,923	280,891	279,825	324,619	389,516	352,962	440,059	591,037	450,248	379,244
Assigned	1,392	1,183	1,218	1,566	1,740	-	-	-	-	-
Unrestricted	113,386	113,386	113,703	122,742	117,009	126,848	103,430	105,728	178,790	182,350
Total General Fund	\$ 516,701	395,460	394,746	448,927	508,265	479,810	543,489	696,765	629,038	561,594
All Other Governmental Funds										
Assigned	\$ -	-	-	1	27,903	1	-	-	-	-
Unrestricted, Reported in:										
Capital Projects Fund	-	-	-	-	-	-	-	-	-	8,992
Debt Service Fund	-	-	-	-	-	-	1	1	1	1
Total All Other Governmental Funds	\$ -	-	-	1	27,903	1	1	1	1	8,993

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues:										
Tax Levy	\$3,007,718	2,936,002	2,804,733	2,725,301	2,714,952	2,719,552	2,719,037	2,718,292	2,581,006	2,472,645
Tuition From Individuals	54,108	57,085	50,563	-	-	-	23,346	39,580	46,980	28,895
Tuition From Other LEAs Within the Sta	60,955	-	-	-	-	-	-	-	-	-
Miscellaneous	8,665	4,162	2,407	1,723	20,105	10,768	59,938	59,461	59,103	55,803
State Sources	1,858,240	1,786,821	1,738,414	1,686,735	1,686,859	1,577,619	1,361,921	1,690,016	1,879,162	1,838,945
Federal Sources	112,889	98,108	92,482	91,440	145,888	113,908	308,530	102,089	121,790	121,420
Total Revenue	5,102,575	4,882,178	4,688,599	4,505,199	4,567,804	4,421,847	4,472,772	4,609,438	4,688,041	4,517,708
Expenditures:										
Instruction:										
Regular Instruction	1,728,217	1,630,988	1,627,882	1,489,039	1,582,455	1,428,015	1,635,384	1,603,946	1,656,605	1,440,443
Special Education Instruction	374,019	376,557	310,257	349,707	335,939	372,793	461,860	410,513	411,735	412,289
Other Instruction	81,515	80,461	81,287	83,563	82,117	75,009	96,889	92,730	75,061	85,247
Support Services:										
Attendance/Social Work	7,941	7,563	7,370	7,212	7,036	6,763	6,506	6,202	5,912	10,008
Health Services	76,856	76,285	73,597	71,917	68,901	67,029	67,902	61,960	58,499	56,233
Student & Instruction Related Services	409,864	393,437	403,823	378,830	357,287	358,105	321,810	306,012	302,175	302,608
Educational Media/Library	4,491	6,489	1,112	36,572	42,019	42,280	40,378	41,711	52,969	31,948
Instructional Staff Training	226	1,080	273	5,107	4,330	7,240	5,215	3,049	4,300	3,484
General & Administration Services	134,095	144,522	129,304	133,874	130,929	132,210	140,354	126,133	133,190	149,727
School Administrative Services	51,133	51,260	60,886	59,906	58,270	54,912	32,844	40,867	63,505	59,675
Central Services	88,888	89,803	84,146	80,694	79,656	77,088	62,772	59,764	63,457	57,223
Administrative Information Technology	-	-	1,489	1,453	1,410	2,280	2,568	6,450	3,218	-
Plant Operations & Maintenance	275,220	339,815	301,285	314,006	298,107	416,842	334,881	452,919	388,438	339,379
Pupil Transportation	54,856	71,156	101,858	78,900	70,373	72,022	86,553	68,926	67,416	52,669
Unallocated Benefits	1,496,178	1,402,158	1,318,515	1,289,024	1,158,627	1,080,363	1,049,724	988,168	1,085,650	1,026,722
Capital Outlay	30,593	30,593	30,593	19,840	21,146	40,021	9,906	2,900	20,737	3,011
Debt Service:										
Principal	145,000	140,000	135,000	130,000	100,000	100,000	95,000	90,000	45,000	80,000
Interest & Other Charges	83,775	86,625	89,375	93,442	106,889	139,391	143,876	148,131	151,236	154,211
Total Expenditures	5,042,867	4,928,792	4,758,052	4,623,086	4,505,491	4,472,363	4,594,422	4,510,381	4,589,103	4,264,877
Excess (Deficiency) of Revenues Over/(Under) Expenditures	59,708	(46,614)	(69,453)	(117,887)	62,313	(50,516)	(121,650)	99,057	98,938	252,831
Other Financing Sources/(Uses):										
Transfers In/(Out)	61,533	47,328	15,271	(3,754)	(5,956)	(13,163)	(31,626)	(31,330)	(40,486)	(25,752)
Cancellation of EDA Grant	-	-	-	-	-	-	-	-	-	(223)
Total Other Financing Sources/(Uses)	61,533	47,328	15,271	(3,754)	(5,956)	(13,163)	(31,626)	(31,330)	(40,486)	(25,752)
Net Change in Fund Balances	\$ 121,241	714	(54,182)	(121,641)	56,357	(63,679)	(153,276)	67,727	226,856	227,079
Debt Service as a Percentage of Noncapital Expenditures	4.8%	4.8%	5.0%	5.1%	4.8%	5.7%	5.5%	5.6%	4.5%	5.8%

Source: District records

GIBBSBORO BOROUGH 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	MISCELLANEOUS	TOTAL
2016	\$ 911	7,754	\$ 8,665
2015	867	3,295	4,162
2014	865	1,542	2,407
2013	1,723	-	1,723
2012	2,588	3,308	5,896
2011	3,501	7,267	10,768
2010	12,431	47,507	59,938
2009	16,612	42,849	59,461
2008	35,396	23,707	59,103
2007	41,803	14,000	55,803

Source: District records

**GIBBSBORO BOROUGH BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUN 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2016	\$5,823,900	124,776,500	-	16,600	27,686,400	4,848,800	192,700	163,344,900	-	163,344,900	2.630	N/A
2015	5,817,700	126,048,100	-	16,600	26,530,100	5,088,700	192,700	163,693,900	-	163,693,900	2.508	N/A
2014	5,467,400	126,125,000	-	16,600	26,847,000	9,172,000	192,700	167,820,700	-	167,820,700	2.403	N/A
2013	5,658,700	126,312,000	-	16,600	27,171,200	9,172,000	192,700	168,523,200	414,838	168,938,038	2.311	N/A
2012	5,627,800	128,261,300	187,000	21,600	26,635,900	9,172,000	192,700	170,098,300	465,822	170,564,122	2.328	240,468,239
2011	5,703,800	130,345,800	169,400	22,700	27,451,000	11,193,700	192,700	175,079,100	530,041	175,609,141	2.330	272,399,384
2010	5,809,600	129,622,000	169,400	24,700	28,742,300	11,193,700	225,000	175,786,700	530,041	176,316,741	2.274	272,933,036
2009	7,201,100	129,842,200	169,400	24,700	29,680,200	12,251,300	225,000	179,393,900	530,140	179,924,040	2.274	N/A
2008	8,599,900	129,686,100	169,400	24,700	28,951,900	12,284,600	225,000	179,941,600	493,640	180,435,240	2.289	280,645,283
2007	8,384,100	128,116,700	169,400	24,700	30,713,900	12,284,600	225,000	179,918,400	495,054	180,413,454	2.177	N/A

Source: Local Tax Assessor and County Board of Taxation

N/A - Not Available

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

FISCAL YEAR ENDED JUN 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES		TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	TOWNSHIP OF GIBBSBORO	ALL CAMDEN COUNTY	
2016	1.857	0.767	2.624	1.197	1.211	5.032
2015	1.816	0.706	2.522	1.165	1.180	4.867
2014	1.711	0.692	2.403	1.121	1.199	4.723
2013	1.646	0.665	2.311	1.074	1.110	4.495
2012	1.583	0.745	2.328	1.027	1.094	4.449
2011	1.547	0.783	2.330	0.973	1.097	4.400
2010	1.543	0.762	2.305	0.928	1.016	4.049
2009	1.511	0.763	2.274	0.809	0.966	4.099
2008	1.481	0.808	2.289	0.796	1.014	3.900
2007	1.395	0.782	2.177	0.666	1.057	3.665

Source: Municipal Tax Collector

**GIBBSBORO BOROUGH BOARD OF EDUCATION
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2016		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
Brandywine/Operat Part	\$ 9,488,700	1	5.80%
Tahmed, LLC	2,100,000	2	1.28%
4 S. Lakeview Dr., LLC	1,877,600	3	1.15%
Eureka Stone Quarry Inc	1,426,800	4	0.87%
DG Gibbs, LLC	1,250,000	5	0.76%
Square Circle Sportsmen	1,168,500	6	0.71%
Tri Borough Sand & Stone	1,145,600	7	0.70%
Parisi Enterprises LLC	1,140,000	8	0.70%
Clementon LLC	875,000	9	0.53%
59-63 N. Lakeview R. LLC	860,000	10	0.53%
Total	\$ 21,332,200		13.03%

TAXPAYER	2007		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
Brandywine Realty	\$ 13,415,400	1	7.44%
Eureka Stone Quarry	2,418,700	2	1.34%
CIT Lending	2,100,000	3	1.16%
J&W Paint Works	2,000,000	4	1.11%
Chophouse	1,700,000	5	0.94%
Parisis/Feinberg	1,375,000	6	0.76%
Square Circle	1,152,500	7	0.64%
Silver Lake/Advanta Corp	800,000	8	0.44%
MCAP Gibbsboro	751,600	9	0.42%
Tax Payer #1	748,300	10	0.41%
Total	\$ 26,461,500		14.66%

Source: Municipal Tax Assessor

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2016	\$ 3,007,718	\$ 3,007,718	100.00%	-
2015	2,936,002	2,936,002	100.00%	-
2014	2,936,002	2,936,002	100.00%	-
2013	2,725,301	2,725,301	100.00%	-
2012	2,714,952	2,714,952	100.00%	-
2011	2,719,552	2,719,552	100.00%	-
2010	N/A	N/A	N/A	N/A
2009	N/A	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A
2007	N/A	N/A	N/A	N/A

Source: Municipal audit report

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

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	BOND ANTICIPATION NOTES (BANs)			
2016	\$ 2,310,000	-	\$ 2,310,000	N/A	N/A
2015	2,455,000	-	2,455,000	N/A	1,094
2014	2,595,000	-	2,595,000	2.47%	1,156
2013	2,730,000	-	2,730,000	2.69%	1,212
2012	2,860,000	-	2,860,000	2.82%	1,264
2011	2,839,000	-	2,839,000	2.84%	1,253
2010	2,939,000	-	2,939,000	3.08%	1,295
2009	3,034,000	-	3,034,000	3.00%	1,248
2008	3,124,000	-	3,124,000	3.10%	1,281
2007	3,169,000	-	3,169,000	3.24%	1,296

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2016	\$ 2,310,000	-	\$ 2,310,000	1.41%	N/A
2015	2,455,000	-	2,455,000	1.50%	1,094
2014	2,595,000	-	2,595,000	1.55%	1,156
2013	2,730,000	-	2,730,000	1.62%	1,212
2012	2,860,000	-	2,860,000	1.68%	1,264
2011	2,839,000	-	2,839,000	1.62%	1,253
2010	2,939,000	-	3,034,000	1.72%	1,295
2009	3,034,000	-	3,124,000	1.74%	1,248
2008	3,124,000	-	3,169,000	1.76%	1,281
2007	3,169,000	-	3,249,000	1.80%	1,296

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2016**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Gibbsboro Borough	\$ 4,509,110	100.00%	\$ 4,509,110
Eastern Regional School District	2,655,000	5.08%	134,812
Local School District	2,310,000	100.00%	2,310,000
Camden County	342,450,381	0.62%	2,116,533
Total Overlapping Debt			<u>\$ 9,070,454</u>

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

**GIBBSBORO BOROUGH BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	\$ 6,838,383	6,866,255	7,073,772	7,418,523	7,941,387	8,270,055	8,473,754	8,413,162	7,955,579	7,142,057
Total Net Debt Applicable to Limit	2,310,000	2,455,000	2,595,000	2,730,000	2,860,000	2,839,000	2,939,000	3,034,000	3,124,000	3,169,000
Legal Debt Margin	4,528,383	4,551,255	4,478,772	4,688,523	5,081,387	5,431,055	5,534,754	5,379,162	4,831,579	3,973,057
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	33.78%	35.75%	36.68%	36.80%	36.01%	34.33%	34.68%	36.06%	39.27%	44.37%

Legal Debt Margin Calculation for Fiscal Year 2015

	Equalized Valuation Basis
	2015 \$ 223,076,996
	2014 226,082,042
	2013 234,679,293
	<u>\$683,838,331</u>
Average Equalized Valuation of Taxable Property	\$ 227,946,110
Debt Limit (3 % of Average Equalization Value) Net Bonded School Debt	6,838,383 <u>2,310,000</u>
Legal Debt Margin	<u>\$ 4,528,383</u>

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

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

YEAR	POPULATION (a)	PERSONAL INCOME(b)	PER CAPITA		UNEMPLOYMENT RATE (d)
			PERSONAL INCOME (c)		
2015	2,244	N/A	N/A		5.8%
2014	2,245	105,259,070	46,886		7.4%
2013	2,252	101,513,404	45,077		5.3%
2012	2,263	101,251,146	44,742		8.1%
2011	2,265	99,920,475	44,115		8.0%
2010	2,269	95,288,924	41,996		10.0%
2009	2,432	101,270,912	41,641		8.2%
2008	2,438	100,867,374	41,373		4.9%
2007	2,445	97,814,670	40,006		3.7%
2006	2,450	94,565,100	38,598		4.0%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income is estimated - population times estimated per capita personal income.

^c Per Capita Per County from US Bureau of Economic Analysis

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

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

NOT AVAILABLE

**GIBBSBORO BOROUGH BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction:										
Regular	22.9	24.2	21.5	20.0	20.0	19.0	22.0	22.0	20.0	22.0
Special Education	4.5	5.2	4.3	5.0	5.0	5.0	7.0	7.0	7.0	7.0
Other Special Education	8.2	7.6	8.0	6.0	6.0	6.0	6.0	6.0	2.0	1.5
Support Services:										
Student & Instruction Related Services	2.2	4.0	4.0	2.0	2.0	2.0	2.0	2.0	1.0	0.5
School Administrative Services	2.8	1.5	1.4	1.5	1.5	1.5	1.0	1.0	1.0	1.0
General & Business Administrative Services	4.0	4.3	4.3	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Plant Operations & Maintenance	2.2	3.9	3.9	3.0	3.0	3.0	3.0	3.0	3.0	2.5
Total	46.8	50.7	47.4	40.0	40.0	39.0	36.5	37.0	34.5	34.5

Source: District Personnel Records

**GIBBSBORO BOROUGH 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
						TEACHING STAFF (b)	ELEMENTARY				
2016	255	\$ 4,783,499	18,759	10.22%	33	7.727	256.4	244.9	-6.05%	95.51%	
2015	273	4,646,493	17,020	5.07%	31	8.806	272.9	260.9	-1.48%	95.60%	
2014	278	4,503,084	16,198	0.97%	32	8.688	277.0	266.0	3.75%	96.03%	
2013	273	4,379,804	16,043	-2.37%	28	8.537	267.0	255.0	7.66%	95.51%	
2012	248	4,075,506	16,433	-2.80%	30	8.857	248.0	241.0	-0.88%	97.18%	
2011	248	4,192,951	16,907	1.56%	34	8.267	250.2	237.3	-0.24%	94.84%	
2010	253	4,211,820	16,648	2.16%	38	7.441	250.8	240.2	-2.49%	95.77%	
2009	262	4,269,350	16,295	-0.49%	37	7.280	257.2	246.4	-2.58%	95.80%	
2008	267	4,372,130	16,375	8.18%	37	7.320	264.0	253.0	-8.65%	95.83%	
2007	288	4,359,428	15,137	10.09%	37	7.730	289.0	278.0	4.90%	96.19%	

Sources: District records

- 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).

**GIBBSBORO BOROUGH BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Elementary Schools:										
Elementary School:										
Square Feet	52,777	52,777	52,777	52,777	52,777	52,777	52,777	52,777	52,777	52,777
Capacity (Students)	301	301	301	301	301	301	301	301	301	301
Enrollment	255	273	278	273	248	253	253	260	267	289

Number of Schools at June 30, 2016:
Elementary = 1

Source: District Facilities Office

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

**GIBBSBORO BOROUGH BOARD OF EDUCATION
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

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

	ELEMENTARY SCHOOL
2016	\$ 22,428
2015	73,828
2014	23,242
2013	24,999
2012	29,606
2011	72,152
2010	60,580
2009	101,710
2008	97,349
2007	51,248

Source: District records

INSURANCE SCHEDULE

	COVERAGE	DEDUCTIBLE
School Package Policy - School Boards:		
Property - Blank Building & Contents	\$10,588,031	1,000
Comprehensive General Liability	2,000,000	1,000
Comprehensive Automobile Liability	1,000,000	
Umbrella Liability - School Boards:		
Umbrella Policy	10,000,000	
School Board Legal Liability:		
Directors and Officers Policy	1,000,000	1,000
NJ School Board:		
Worker's Compensation - Professional	2,252,097	
- Nonprofessional	92,142	

Source: District records.

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SINGLE AUDIT SECTION

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EXHIBIT K-1

**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
Gibbsboro Board of Education
County of Camden
Gibbsboro, New Jersey 08026

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 Gibbsboro Board of Education, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Gibbsboro Board of Education's basic financial statements, and have issued our report thereon dated September 29, 2016.

Internal Control Over Financial Reporting

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

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.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
September 29, 2016



EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY NEW JERSEY OMB
CIRCULAR 15-08**

Honorable President and Members
of the Board of Education
Gibbsboro Board of Education
County of Camden
Gibbsboro, New Jersey 08026

Report on Compliance for Each Major State Program

We have audited Gibbsboro Board of Education’s compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District’s major state programs for the year ended June 30, 2016. Gibbsboro Board of Education’s major 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 state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of Gibbsboro Board of Education’s major 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; the audit requirements of 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 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, and the New Jersey OMB’s Circular 15-08 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 state program occurred. An audit includes examining, on a test basis, evidence about Gibbsboro 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 state program. However, our audit does not provide a legal determination of Gibbsboro Board of Education’s compliance.

Opinion on Each Major State Program

In our opinion, Gibbsboro 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 state programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of Gibbsboro 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 Gibbsboro Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 state program and to test and report on internal control over compliance in accordance with the New Jersey OMB's Circular 15-08, 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 Gibbsboro 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 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 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 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 the New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
September 29, 2016

**GIBBSBORO BOROUGH BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2016**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2015	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2016	MEMO	
									BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:										
General Fund:										
State Aid Cluster:										
Equalization Aid	16-495-034-5120-078	\$ 852,726	7/1/15-6/30/16	\$ -	\$ 852,726	\$ (852,726)	\$ -	\$ -	\$ 83,420	\$ 852,726
Special Education Categorical Aid	16-495-034-5120-089	134,574	7/1/15-6/30/16	-	134,574	(134,574)	-	-	13,165	134,574
Security Aid	16-495-034-5120-084	19,662	7/1/15-6/30/16	-	19,662	(19,662)	-	-	1,924	19,662
Adjustment Aid	16-495-034-5120-085	377,509	7/1/15-6/30/16	-	377,509	(377,509)	-	-	36,931	377,509
Per Pupil Growth Aid	16-495-034-5120-097	2,630	7/1/15-6/30/16	-	2,630	(2,630)	-	-	257	2,630
PARCC Readiness Aid	16-495-034-5120-098	2,630	7/1/15-6/30/16	-	2,630	(2,630)	-	-	257	2,630
Total State Aid Cluster				-	1,389,731	(1,389,731)	-	-	135,954	1,389,731
Transportation Aid	16-495-034-5120-014	20,976	7/1/15-6/30/16	-	20,976	(20,976)	-	-	2,052	20,976
Other State Aid - Transportation	16-495-034-5120-014	1,392	7/1/15-6/30/16	-	-	(1,392)	-	(1,392)	-	1,392
Other State Aid - Transportation	15-495-034-5120-014	1,392	7/1/14-6/30/15	(1,392)	1,392	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	16-495-034-5095-002	142,518	7/1/15-6/30/16	-	142,518	(142,518)	-	-	-	142,518
Noncash Assistance:										
On-Behalf TPAF Pension Contributions	16-495-034-5095-001	138,595	7/1/15-6/30/16	-	138,595	(138,595)	-	-	-	138,595
On-Behalf TPAF Post-Retirement Medical Contributions	16-495-034-5095-001	165,028	7/1/15-6/30/16	-	165,028	(165,028)	-	-	-	165,028
Total General Fund Assistance				(1,392)	1,858,240	(1,858,240)	-	(1,392)	138,006	1,858,240
Enterprise Fund:										
National School Lunch Program (State Share)	16-100-010-3360-067	693	7/1/15-6/30/16	-	654	(693)	-	(39)	-	693
National School Lunch Program (State Share)	15-100-010-3360-067	744	7/1/14-6/30/15	(73)	73	-	-	-	-	-
Total Enterprise Fund Assistance				(73)	727	(693)	-	(39)	-	693
Total State Financial Assistance				\$ (1,465)	\$ 1,858,967	\$ (1,858,933)	\$ -	\$ (1,431)	\$ 138,006	\$ 1,858,933
Less: Grants Not Subject to Major Program Determination:										
On-Behalf TPAF Contributions	16-495-034-5095-001					303,623				
Total State Financial Assistance Subject to Major Program Determination						\$ (1,555,310)				

The Accompanying Notes to Schedule of Expenditures of Financial Assistance are an Integral Part of this schedule.

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**GIBBSBORO BOROUGH BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2016**

Note 1. General

The accompanying Schedule of Expenditures of State Financial Assistance includes state award activity of the Gibbsboro Borough Board of Education. The Board of Education is defined in Note 1 to the Board's basic financial statements. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the Schedule of Expenditures of State Financial Assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of State Financial Assistance is presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Of the state expenditures presented in the Schedule of Expenditures of State Financial Assistance, the Gibbsboro Board of Education did not provide any state awards to sub recipients.

Noncash assistance is reported in the Schedule of Expenditures of State Financial Assistance as the value, as determined by the State of New Jersey, of the On-Behalf payments made by the State for Pensions and Post-Retirement Medical Contributions during the year ended June 30, 2016.

Gibbsboro Board of Education has not elected to use the 10% de minimis cost rate allowed by the Uniform Guidance.

Note 3. Relationship to Basic Financial Statements

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

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

**GIBBSBORO BOROUGH BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2016**

Note 3. Relationship to Basic Financial Statements (continued):

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$-0- for the general fund and \$-0- for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	State
General Fund	\$1,858,240
Food Service Fund	<u>693</u>
Total Financial Assistance	<u>\$1,858,933</u>

Note 4. Relationship to State Financial Reports

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

Note 5. Other

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, 2016. TPAF social security contributions represent the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2016.

Note 6. Federal and State Loans Outstanding

Gibbsboro Borough Board of Education had no loan balances outstanding at June 30, 2016.

**GIBBSBORO BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

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?	No

Federal Awards – NOT APPLICABLE

Dollar threshold used to distinguish between type A and type B programs:

Auditee qualified as low-risk auditee?

Internal Control over major programs:

- 1) Material weakness(es) identified?
- 2) Significant deficiencies identified that are not considered To be material weaknesses?

Type of auditor’s report issued on compliance for major programs

Any audit findings disclosed that are required to be reported in accordance With 2 CFR 200 Section .516(a) of the Uniform Guidance?

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
		NOT APPLICABLE

**GIBBSBORO BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

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

State Awards

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes
Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a) of the Uniform Guidance or NJ OMB Circular Letter 15-08 as applicable?	No

Identification of major programs:

GMIS Number(s)	Name of State Program
	<u>State Aid-Public Cluster:</u>
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-085	Adjustment Aid
495-034-5120-084	Security Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness Aid

**GIBBSBORO BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section II – Financial Statement Findings

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

No Current Year Findings

Section III – Schedule of Federal Award Finding & Questioned Costs

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Not Applicable

Section IV – State Financial Assistance Finding & Questioned Costs

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular Letter 15-08, as applicable.

No Current Year Findings

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**GIBBSBORO BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2016**

This section identifies the status of prior-year findings related to the basic financial statements and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (.511 (a)(b)) and New Jersey OMB's Circular Letter 04-04 and/or 15-08, as applicable.

No Prior Year Findings

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