

**GIBBSBORO SCHOOL DISTRICT**

Gibbsboro, New Jersey  
County of Camden

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**GIBBSBORO SCHOOL DISTRICT**

**GIBBSBORO, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Prepared by**

**Gibbsboro School District  
Finance Department**

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**INTRODUCTORY SECTION**

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# GIBBSBORO ELEMENTARY SCHOOL DISTRICT

Grades PS through 8

*Mr. James Cordery*  
*Business Admin/Curriculum Dir.*  
*jcordery@gibbsboroschool.org*

*Mr. Jack Marcellus*  
*Superintendent/Principal*  
*jmarcellus@gibbsboroschool.org*

*Mrs. Barri E. Veytsman*  
*Supervisor of Special Services/School Psychologist*  
*bveytsman@gibbsboroschool.org*

February 1, 2022

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

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Gibbsboro School District for the fiscal year ended June 30, 2021, 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 Gibbsboro School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, 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 district as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The Comprehensive Annual Financial Report is presented in four sections as follows:

Introductory Section:

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.

Financial Section:

Section contains the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.

*Together Everyone Achieves More*

Single Audit Section:

The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB’s Circular 15-08 OMB, “*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*”. Information related to this Single Audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

**REPORTING ENTITY AND ITS SERVICES**

The Gibbsboro School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the School District are included in this report. The School District has no component units.

The School District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular and vocational as well as special education for children with special needs. The School District’s enrollment for the past ten fiscal years are detailed below.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2020-2021	275	2.61%
2019-2020	268	-2.55%
2018-2019	275	4.56%
2017-2018	263	2.73%
2016-2017	256	0.39%
2015-2016	255	-6.59%
2014-2015	273	-1.80%
2013-2014	278	1.83%
2012-2013	273	10.08%
2011-2012	248	0.00%

**MAJOR INITIATIVES**

**CURRICULUM**

- Curriculum
  - Use of iReady diagnostic testing for students for additional data.
  - Ongoing use of IXL software for remediation and enrichment opportunities
  - Team approach at every level to map the curriculum and coordinate instruction
  - Continued implementation and development of Standards Based Grading
- Moving forward into eighth year of Professional Learning Communities
  - Conversations will be centered around student learning plans while planning for improvement and tracking it.
  - Meetings will be content based with teach leader facilitating the meetings
- Embedding technology in the classroom – everyday
  - Grades K-8 with 1 to 1 use of Chromebooks
  - IXL software for all students in all content areas
  - Provide students with digital resources for reading and core math skills
  - Wireless educational environment with expended bandwidth and access points



GIBBSBORO ELEMENTARY SCHOOL DISTRICT

37 Kirkwood Rd. Gibbsboro, NJ 08026 • Phone (856) 783-1140 Fax (856) 783-9155 • www.gibbsboroschool.org

## **MAJOR INITIATIVES (continued)**

- Safety
  - Upgraded security system with additional security cameras and speaker systems
  - New silent alarm/active shooter notification system
- State Testing
  - Standards Based Grading to make sure instruction is on target
  - Continue to improve on participation rates and increase the percentage of students proficient in Algebra I in 8<sup>th</sup> Grade
- Expansion of communication to all stakeholders via e-mail and text alerts with a new alert system and an app for the school district
- Prepare for increased student enrollment due to additional housing neighborhoods
- Improve on ACHIEVENJ, teacher evaluation mandate
  - Provide teachers with annual professional development in teacher practice rubrics

## **TECHNOLOGY**

All students are able to share information on Google Classroom on Chromebooks in Grades K-8. There is now a device for every child to use at any time during the day. IXL software is a common resource now for all content areas and all grade levels.

## **INTERNAL ACCOUNTING CONTROLS**

Management of the School 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 and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general 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 delivered; and (2) the valuation of costs and benefits require 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 evaluations by the district management.

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

## **BUDGETARY CONTROLS**

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year.



GIBBSBORO ELEMENTARY SCHOOL DISTRICT

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**ACCOUNTING SYSTEM AND REPORTS**

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

**OTHER INFORMATION**


*INDEPENDENT AUDIT*


State statutes require an annual audit by independent certified public accountants. The accounting firm of Holt McNally & Associates, Inc., was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor’s report on the basic financial statements and combining statements and related major fund supporting statements and schedules is included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the Single Audit section of this report.

**ACKNOWLEDGEMENTS**

We would like to express our appreciation to the members of the 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 accomplished without the efficient and dedicated services of our business office staff.

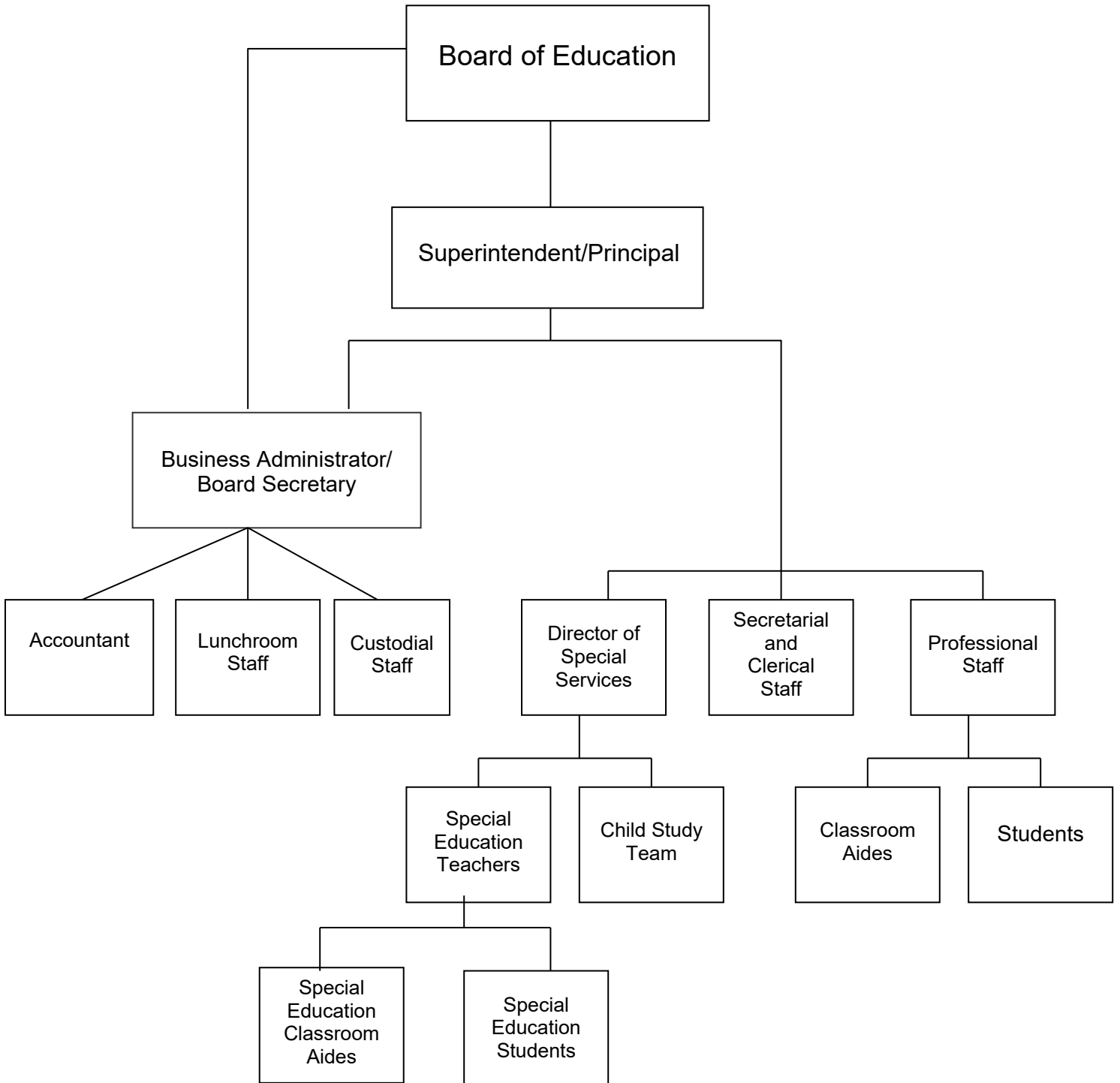
Respectfully submitted,

  
 \_\_\_\_\_  
 Superintendent

  
 \_\_\_\_\_  
 School Business Administrator/Board Secretary



# ORGANIZATION CHART



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**GIBBSBORO SCHOOL DISTRICT**  
**37 Kirkwood Road**  
**Gibbsboro, New Jersey 08026**

**ROSTER OF OFFICIALS**

**JUNE 30, 2021**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Joyce A. Miller, President	2022
Lorraine Balut, Vice President	2023
Geoff Alexander	2023
Maria Carrington	2021
Lauren Covaci	2023
Scott Littlefield	2021
Mike MacFerren	2022
Andrew Parsinitz	2021
Kristi Whyte	2022

**OTHER OFFICIALS**

Jack Marcellus, Superintendent/Principal

Jim Cordery, Business Administrator

Ronald W. Sahli, Esq., Board Attorney

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**GIBBSBORO SCHOOL DISTRICT**

**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  
Holt McNally & Associates, Inc.  
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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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Gibbsboro School District, County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *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 and requirements 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.

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[www.hmacpainc.com](http://www.hmacpainc.com)

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 School District, County of Camden, State of New Jersey, as of June 30, 2021, 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.

## **Emphasis of Matter**

### *Change in Accounting Principle*

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2021 the District adopted new accounting guidance, *GASB Statement No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter.

### *Prior Period Restatement*

Due to the implementation of GASB Statement No. 84, fund balance as of June 30, 2020 on the statement of activities and the statement of revenues, expenditures, and changes in fund balances has been restated, as discussed in note 19 to the financial statements. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules related to accounting and reporting for pensions & other post-employment benefits, 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 School District's basic financial statements. The introductory section, combining and individual fund statements long-term debt 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 schedules of expenditures of federal awards and state financial assistance, as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements.

The combining and individual fund financial statements and long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2022 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

**HOLT MCNALLY & ASSOCIATES, INC.**

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

Medford, New Jersey  
February 1, 2022

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**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

Management's Discussion and Analysis

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**Gibbsboro School District**  
**Management Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

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This section of the Gibbsboro School District's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's discussion and Analysis – for State and Local Governments issued in June 1999 that is also required by the New Jersey State Department of Education. Certain comparative information between the current year (2020-21) and the prior year (2019-20) is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for 2020-2021 are as follows:

- The assets of the Gibbsboro School District exceeded its liabilities at the close of the most recent fiscal year by \$2,415,314 (net position).
- Net Position for Governmental Activities and for Business-Type Activities were \$2,406,477 and \$8,837, respectively.
- The General Fund, fund balance as of June 30, 2021 was \$1,142,706, an increase of \$43,436 when compared with the beginning balance as of July 1, 2020 of \$1,099,270.

**USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)**

This annual report consists of a series of financial statements and notes to these financial statements. These statements are organized in a way to allow the reader to understand the Gibbsboro Public School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

**Government-Wide Financial Statements.** The government-wide financial statements are designed to provide readers with an overview of the District's finances, in a manner similar to a private-sector business. The Statement of Net Position (A-1) presents information on the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

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

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

### ***Governmental Funds***

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

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

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

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

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

### ***Proprietary Funds***

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

The food services and PALS program funds detailed financial statements can be found as Exhibits B-4 through B-6 in this report.

### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the District's own programs. The District does not currently maintain any fiduciary funds.

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

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

### Government-Wide Financial Analysis

The District's financial position is the result of several types of financial transactions, including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The following table provides a summary of net position for June 30, 2021 and 2020, respectively:

	Governmental Activities		Business-Type Activities	
	2021	2020	2021	2020
<b>ASSETS</b>				
Current Assets	\$ 1,217,884	\$ 1,105,101	\$ 8,837	\$ 31,008
Capital Assets, Net	<u>3,661,877</u>	<u>3,775,746</u>	<u>-</u>	<u>-</u>
Total Assets	<u>4,879,761</u>	<u>4,880,847</u>	<u>8,837</u>	<u>31,008</u>
Deferred Outflows of Resources	<u>307,595</u>	<u>386,111</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 5,187,356</u>	<u>\$ 5,266,958</u>	<u>\$ 8,837</u>	<u>\$ 31,008</u>
<b>LIABILITIES</b>				
Current Liabilities	\$ 133,801	\$ 58,920	\$ -	\$ 22,766
Noncurrent Liabilities	<u>2,347,264</u>	<u>2,590,141</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>2,481,065</u>	<u>2,649,061</u>	<u>-</u>	<u>22,766</u>
Deferred Inflows of Resources	<u>299,814</u>	<u>290,126</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>2,780,879</u>	<u>2,939,187</u>	<u>-</u>	<u>22,766</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	2,142,707	2,099,449	-	-
Restricted	1,035,611	998,116	-	-
Unrestricted (Deficit)	<u>(771,841)</u>	<u>(769,794)</u>	<u>8,837</u>	<u>8,242</u>
Total Net Position	<u>\$ 2,406,477</u>	<u>\$ 2,327,771</u>	<u>\$ 8,837</u>	<u>\$ 8,242</u>

The District's largest net position component is the Net Investment in Capital Assets as shown above. This balance represents the net book value of capital assets, less adjustments for associated debt outstanding.

The District's restricted net position balances represent resources that are subject to external restrictions on how they may be used.

Restricted net position increased \$37,495 from the prior year to a total balance of \$1,035,611 as of June 30, 2021.

Unrestricted net position may be used to meet the District's ongoing operating obligations to vendors, debtors and employees. The unrestricted net position includes the unassigned General Fund balance netted with the amount of long-term obligations that are not invested in capital assets. The (\$771,841) is shown as unrestricted net position for governmental activities.

The following table provides a summary of revenues and expenses for the District's governmental and business-type activities and the change in net position for June 30, 2021 and 2020. Significant variances in revenues and expenditures from year to year, and explanations thereof, are detailed in the 'Financial Analysis of the District's Funds' section later in this report.

CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities	
	2021	2020	2021	2020
<b>REVENUES</b>				
Program Revenues:				
Charges for Services	\$ -	\$ -	\$ 4,218	\$ 104,302
Operating Grants & Contributions	1,904,410	1,122,250	64,185	18,327
General Revenues				
Property Taxes	3,500,026	3,239,446	-	-
Grants & Entitlements	1,338,100	1,353,325	-	-
Miscellaneous	13,537	46,684	10	36
Transfers	2,363	27,146	(2,363)	(27,146)
Total Revenues	<u>6,758,436</u>	<u>5,788,851</u>	<u>66,050</u>	<u>95,519</u>
Expenses:				
Instruction	2,373,554	2,287,169	-	-
Support Services	4,080,822	3,311,190	-	-
Interest and Other Charges	225,354	241,195	-	-
Food Service	-	-	63,600	32,732
Other	-	-	1,855	58,265
Total Expenses	<u>6,679,730</u>	<u>5,839,554</u>	<u>65,455</u>	<u>90,997</u>
Increase in Net Position before Transfers	<u>78,706</u>	<u>(50,703)</u>	<u>595</u>	<u>4,522</u>
Changes in Net Position	<u>78,706</u>	<u>(50,703)</u>	<u>595</u>	<u>4,522</u>
Net Position- July 1	<u>2,327,771</u>	<u>2,378,474</u>	<u>8,242</u>	<u>3,720</u>
Net Postion- June 30	<u>\$ 2,406,477</u>	<u>\$ 2,327,771</u>	<u>\$ 8,837</u>	<u>\$ 8,242</u>

As described in Note 1 to the financial statements "Adopted Accounting Pronouncements", the district has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, for the year ended June 30, 2021. The adoption of this principle resulted in a restatement of the District's opening net position as of July 1, 2020 in the amount of \$16,743, as indicated in Note 19 to the Financial Statements. Prior years' balances reflected in the MD&A have been updated to reflect this change.



## Financial Analysis of the District's Funds

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

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

### Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2021 and 2020 and the amount and percentage of increases and (decreases) in related to prior year expenditures.

	<b>June 30, 2021</b>			
	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2020</u>	<u>Percent of Increase (Decrease)</u>
Current Expenditures:				
Instruction	\$ 2,373,554	39.74%	\$ 86,385	3.78%
Undistributed	3,282,794	54.96%	266,302	8.83%
Capital Outlay	61,885	1.04%	61,885	N/A
Debt Service:				
Principal	160,000	2.68%	-	0.00%
Interest	94,693	1.59%	(4,900)	-4.92%
<b>Total</b>	<b>\$ 5,972,926</b>	<b>100.00%</b>	<b>\$ 409,672</b>	<b>7.36%</b>

	<b>June 30, 2020</b>			
	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2019</u>	<u>Percent of Increase (Decrease)</u>
Current Expenditures:				
Instruction	\$ 2,287,169	41.11%	\$ 122,981	5.68%
Undistributed	3,016,492	54.22%	55,576	1.88%
Capital Outlay	-	0.00%	(3,985)	-100.00%
Debt Service:				
Principal	160,000	2.88%	5,000	3.23%
Interest	99,593	1.79%	(4,725)	-4.53%
<b>Total</b>	<b>\$ 5,563,254</b>	<b>100.00%</b>	<b>\$ 174,847</b>	<b>3.24%</b>

Instruction costs increased primarily due to negotiated salary increases and additional instructional positions being added.

### General Fund Budgetary Highlights

Throughout the year, as necessary, budget transfers were effectuated between budget accounts to re-align the 2020-2021 budget. Budget transfers were effectuated based on expected positive and negative budget variances. The budget is continually managed and revised with budget transfers as necessary or practical to do so.

Significant Budget Transfers and Variations:

- TPAF, which is the state's contribution to the pension funds, is an "on-behalf" revenue and expenditure item to the district and is required to be reflected in the financial statements.

## General Fund Budgetary Highlights (continued)

- Reallocations were made among the various salary budget accounts to reflect changes in the personnel budget for the 2020-2021 year.
- Transfers were made into capital outlay lines for expenditures related to the Securing Our Children's Future Bond Act.

Based on the financial results of 2020-2021, unassigned fund balance remained almost unchanged at \$251,450 (Maximum allowed per S-1701, net of allowable adjustments).

**Proprietary Funds.** The District's proprietary fund provides the same type of information found in the district-wide financial statements, but in more detail.

The Food Services enterprise fund showed a change in net position of \$595 in 2020-2021 as compared to a change in net position of \$4,522 in 2019-2020. The food service fund required no contributions from the board in 2019-2020 or in the 2020-2021 year. The board has made significant changes to the varieties of offerings to appeal to the grade levels at the school.

The PALS Program enterprise fund showed a change in net position of \$-0- in 2020-2021, the same as the change in net position in 2019-2020. The PALS Program transferred its overall profit in the current year to the general fund, just like in the previous year. The fund shows a total net position of \$-0- in each year due to this transfer out. In the 2020-2021 year, revenues fell 95.06% to \$4,218 due to COVID-19. This caused the transfer to general fund to decrease by \$24,783.

## Capital Assets

At June 30, 2021, the District had capital assets of \$3,661,877, net of depreciation, which included land improvements, buildings and improvements and equipment.

	<u>2021</u>	<u>2020</u>
Governmental Activities:		
Land Improvements	\$ 47,672	\$ 59,000
Building & Improvements	3,587,161	3,701,171
Equipment	<u>27,044</u>	<u>15,575</u>
	<u>3,661,877</u>	<u>3,775,746</u>
Business-Type Activities:		
Equipment	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Total Capital Assets	<u>\$ 3,661,877</u>	<u>\$ 3,775,746</u>

Additional information on the District's capital assets can be found at Note 5 in the Notes to the Financial Statements.

## Debt Administration and Other Obligations

At June 30, 2021 and 2020, the District's outstanding debt issues included \$1,540,000 and \$1,700,000 respectively of general obligation bonds and \$64,730 and \$71,343 respectively of compensated absences payable.

Additional information on the District's debt administration and other obligations can be found at Note 7 in the Notes to the Financial Statements.

### **Economic Factors and Subsequent Year's Budgets**

- The District anticipates that the approved 2021-2022 will be adequate to satisfy all of the fiscal year's needs, barring any significant unexpected situations or conditions unforeseen at this time.
- It is expected that the State of New Jersey will again delay the final state aid payments to school districts for the 2021-2022 fiscal year.

### **Requests for Information**

This financial report is designed to provide a general overview of the Gibbsboro School District's finances for all of those interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary's Office, Gibbsboro School District, 37 Kirkwood Road, Gibbsboro, NJ 08026.

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**BASIC FINANCIAL STATEMENTS**

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A. Government-Wide Financial Statements

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**GIBBSBORO SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

ASSETS	GOVERNMENTAL BUSINESS-TYPE		TOTALS
	ACTIVITIES	ACTIVITIES	
Cash & Cash Equivalents	\$ 966,935	\$ 29,852	\$ 996,787
Receivables, Net (Note 4)	225,820	4,114	229,934
Internal Balances	25,129	(25,129)	-
Capital Assets, Net (Note 5)	3,661,877	-	3,661,877
<b>Total Assets</b>	<b>4,879,761</b>	<b>8,837</b>	<b>4,888,598</b>
<b>DEFERED OUTFLOW OF RESOURCES</b>			
Deferred Charges on Refunding of Debt	53,319	-	53,319
Deferred Outflows Related to Pensions (Note 8)	254,276	-	254,276
<b>Total Deferred Outflow of Resources</b>	<b>307,595</b>	<b>-</b>	<b>307,595</b>
<b>Total Assets and Deferred Outflow of Resources</b>	<b>5,187,356</b>	<b>8,837</b>	<b>5,196,193</b>
<b>LIABILITIES</b>			
Due to Other Governments	54,228	-	54,228
Accounts Payable	59,040	-	59,040
Accrued Interest Payable	20,533	-	20,533
Noncurrent Liabilities (Note 7):			
Due Within One Year	174,481	-	174,481
Due Beyond One Year	2,172,783	-	2,172,783
<b>Total Liabilities</b>	<b>2,481,065</b>	<b>-</b>	<b>2,481,065</b>
<b>DEFERED INFLOW OF RESOURCES</b>			
Deferred Inflows Related to Pensions (Note 8)	299,814	-	299,814
<b>Total Deferred Inflows of Resources</b>	<b>299,814</b>	<b>-</b>	<b>299,814</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>2,780,879</b>	<b>-</b>	<b>2,780,879</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	2,142,707	-	2,142,707
Restricted For:			
Capital Projects	231,001	-	231,001
Maintenance Reserve	150,267	-	150,267
Emergency Reserve	49,661	-	49,661
Excess Surplus	588,544	-	588,544
Other Purposes	16,138	-	16,138
Unrestricted	(771,841)	8,837	(763,004)
<b>Total Net Position</b>	<b>\$ 2,406,477</b>	<b>\$ 8,837</b>	<b>\$ 2,415,314</b>

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

**GIBBSBORO SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

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	
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 1,742,183	\$ -	128,139	\$ (1,614,044)	\$ -	\$ (1,614,044)
Special Education Instruction	526,198	-	-	(526,198)	-	(526,198)
Other Instruction	105,173	-	-	(105,173)	-	(105,173)
Support Services & Undistributed Costs:						
Attendance/Social Work	9,263	-	-	(9,263)	-	(9,263)
Health Services	68,918	-	-	(68,918)	-	(68,918)
Student & Instruction Related Services	518,393	-	82,963	(435,430)	-	(435,430)
Educational Media Services/School Library	65,512	-	-	(65,512)	-	(65,512)
Instructional Staff Training	275	-	-	(275)	-	(275)
General Administrative Services	185,141	-	-	(185,141)	-	(185,141)
School Administrative Services	77,488	-	-	(77,488)	-	(77,488)
Central Services	140,937	-	-	(140,937)	-	(140,937)
Plant Operations & Maintenance	318,838	-	-	(318,838)	-	(318,838)
Pupil Transportation	33,337	-	-	(33,337)	-	(33,337)
Unallocated Benefits	2,662,720	-	1,693,308	(969,412)	-	(969,412)
Interest and Other Changes on Long-Term Debt	95,899	-	-	(95,899)	-	(95,899)
Unallocated Depreciation	129,455	-	-	(129,455)	-	(129,455)
Total Governmental Activities	\$ 6,679,730	\$ -	\$ 1,904,410	\$ (4,775,320)	\$ -	\$ (4,775,320)

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

**GIBBSBORO SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

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:					
PAL/S Program	1,855	4,218	-	-	2,363
Food Service	63,600	-	64,185	-	585
Total Business-Type Activities	65,455	4,218	64,185	-	2,948
Total Primary Government	\$ 6,745,185	\$ 4,218	\$ 1,968,595	\$ (4,775,320)	\$ 2,948
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes, Net				3,275,926	-
Taxes Levied for Debt Service				224,100	-
Federal & State Aid Not Restricted				1,338,100	-
Miscellaneous Income				13,537	10
Transfers				2,363	(2,363)
Total General Revenues, Special Items, Extraordinary Items & Transfers				4,854,026	(2,353)
Change In Net Position				78,706	595
Net Position - Beginning (Restated)				2,327,771	8,242
Net Position - Ending				\$ 2,406,477	\$ 8,837
					\$ 2,415,314

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## B. Fund Financial Statements

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## Governmental Funds

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**GIBBSBORO SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2021**

	GENERAL FUND	SPECIAL REVENUE FUND	TOTALS
Assets:			
Cash & Cash Equivalents	\$ 570,372	\$ -	\$ 570,372
Accounts Receivable:			
Federal Aid	-	63,478	63,478
State Aid	29,601	-	29,601
Other	132,741	-	132,741
Interfund Receivable	29,509	-	29,509
Restricted Cash & Cash Equivalents	430,929	-	430,929
Total Assets	<u>1,193,152</u>	<u>63,478</u>	<u>1,256,630</u>
Liabilities & Fund Balances:			
Liabilities:			
Cash Deficit	-	34,366	34,366
Accounts Payable	-	12,974	12,974
Payroll Taxes Payable	46,066	-	46,066
Interfund Payable	4,380	-	4,380
Total Liabilities	<u>50,446</u>	<u>47,340</u>	<u>97,786</u>
Fund Balances:			
Restricted for:			
Capital Reserve Account	231,001	-	231,001
Maintenance Reserve Account	150,267	-	150,267
Emergency Reserve	49,661	-	49,661
Excess Surplus	288,100	-	288,100
Excess Surplus Designated for Subsequent Year's Expenditures	300,444	-	300,444
Student Activities	-	16,138	16,138
Unassigned	123,233	-	123,233
Total Fund Balances	<u>1,142,706</u>	<u>16,138</u>	<u>1,158,844</u>
Total Liabilities & Fund Balances	<u>\$ 1,193,152</u>	<u>\$ 63,478</u>	

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 \$7,129,564 and the accumulated depreciation is \$3,467,687.	3,661,877
Accrued interest payable is not recorded in the fund financials due to the fact that payables are not due in the current period.	(20,533)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.	
Deferred Outflows Related to Pensions	254,276
Deferred Inflows Related to Pension	(299,814)
Deferred Outflows Related to the Loss on Bond Refunding of Debt	53,319
Accrued pension contributions for the June 30, 2021 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(54,228)
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 (Note 7)	<u>(2,347,264)</u>
Net Position of Governmental Activities	<u>\$ 2,406,477</u>

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

**GIBBSBORO SCHOOL DISTRICT**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR FISCAL YEAR ENDED JUNE 30, 2021**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS
Revenues:				
Local Sources:				
Local Tax Levy	\$ 3,275,926	\$ -	\$ 224,100	\$ 3,500,026
Miscellaneous	13,537	11,023	-	24,560
Total Revenues - Local Sources	<u>3,289,463</u>	<u>11,023</u>	<u>224,100</u>	<u>3,524,586</u>
State Sources	2,288,729	-	-	2,288,729
Federal Sources	-	200,079	-	200,079
Total Revenues	<u>5,578,192</u>	<u>211,102</u>	<u>224,100</u>	<u>6,013,394</u>
Expenditures:				
Current Expense:				
Regular Instruction	1,614,044	128,139	-	1,742,183
Special Education Instruction	526,198	-	-	526,198
Other Instruction	105,173	-	-	105,173
Support Services & Undistributed Costs:				
Attendance/Social Work	9,263	-	-	9,263
Health Services	68,918	-	-	68,918
Student & Instruction Related Services	434,825	83,568	-	518,393
Educational Media Services/School Library	65,512	-	-	65,512
Instructional Staff Training	275	-	-	275
General Administrative Services	185,141	-	-	185,141
School Administrative Services	77,488	-	-	77,488
Central Services	140,937	-	-	140,937
Plant Operations & Maintenance	272,539	-	-	272,539
Pupil Transportation	33,337	-	-	33,337
Unallocated Benefits	960,362	-	-	960,362
On-Behalf TPAF Pension & Soc. Sec. Contrib.	950,629	-	-	950,629
Capital Outlay	61,885	-	-	61,885
Debt Service:				
Principal	-	-	160,000	160,000
Interest & Other Charges	30,593	-	64,100	94,693
Total Expenditures	<u>5,537,119</u>	<u>211,707</u>	<u>224,100</u>	<u>5,972,926</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>41,073</u>	<u>(605)</u>	<u>-</u>	<u>40,468</u>
Other Financing Sources/(Uses):				
Operating Transfer In:				
Transfer From PALS Program Fund	2,363	-	-	2,363
Total Other Financing Sources/(Uses)	<u>2,363</u>	<u>-</u>	<u>-</u>	<u>2,363</u>
Net Changes in Fund Balances	<u>43,436</u>	<u>(605)</u>	<u>-</u>	<u>42,831</u>
Fund Balances, July 1	1,099,270	-	-	1,099,270
Prior Period Adjustments	-	16,743	-	16,743
Fund Balances, July 1 (Restated)	<u>1,099,270</u>	<u>16,743</u>	<u>-</u>	<u>1,116,013</u>
Fund Balances, June 30	<u>\$ 1,142,706</u>	<u>\$ 16,138</u>	<u>\$ -</u>	<u>\$ 1,158,844</u>

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

**GIBBSBORO SCHOOL DISTRICT**  
**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, 2021**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$	42,831
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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:

Capital Outlays	\$	15,586	
Depreciations Expense		<u>(129,455)</u>	(113,869)

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.

			(15,663)
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Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:

Amortization of Premium on Bonds		4,481	
Amortization of Loss on Bond Refunding		<u>(7,354)</u>	(2,873)

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.			160,000
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Net Difference Accrued interest on bonds and capital leases is not recorded in fund financial statements			1,667
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Decrease in accrual for compensated absences			<u>6,613</u>
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Change in Net Position of Governmental Activities	\$		<u><u>78,706</u></u>
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## Proprietary Funds

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**GIBBSBORO SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 201**

ASSETS	BUSINESS- TYPE ACTIVITIES- ENTERPRISE FUNDS		TOTALS
	FOOD SERVICE	PALS PROGRAM	
Cash & Cash Equivalents	\$ 343	\$ 29,509	\$ 29,852
Accounts Receivable:			
State	172	-	172
Federal	3,942	-	3,942
Interfund	4,380	-	4,380
<b>Total Assets</b>	<b>8,837</b>	<b>29,509</b>	<b>38,346</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Interfund Payable	-	29,509	29,509
<b>Total Current Liabilities</b>	<b>-</b>	<b>29,509</b>	<b>29,509</b>
<b>NET POSITION</b>			
Unrestricted	8,837	-	8,837
<b>Total Net Position</b>	<b>\$ 8,837</b>	<b>\$ -</b>	<b>\$ 8,837</b>

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

**GIBBSBORO SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET POSITION  
 FOR FISCAL YEAR ENDED JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTALS
	FOOD SERVICE	PALS PROGRAM			
Operating Revenues:					
Tuition	\$ -	\$ 4,218	\$ 4,218		\$ 4,218
Total Operating Revenue	-	4,218	4,218		4,218
Operating Expenses:					
Salaries & Benefits	11,410	1,855	13,265		13,265
Cost of Sales - Reimbursable Program	52,190	-	52,190		52,190
Total Operating Expenses	63,600	1,855	65,455		65,455
Operating Income/(Loss)	(63,600)	2,363	(61,237)		(61,237)
Nonoperating Revenues:					
State Sources:					
State School Lunch Program	1,638	-	1,638		1,638
Federal Sources:					
National School Lunch Program	37,592	-	37,592		37,592
National School Breakfast Program	24,205	-	24,205		24,205
Healthy Hunger-Free Kids Act	750	-	750		750
Interest & Investment Revenue	10	-	10		10
Total Nonoperating Revenues	64,195	-	64,195		64,195
Other Financing Sources:					
Operating Transfer Out	-	(2,363)	(2,363)		(2,363)
Total Other Financing Sources	-	(2,363)	(2,363)		(2,363)
Change in Net Position	595	-	595		595
Total Net Position - Beginning	8,242	-	8,242		8,242
Total Net Position - Ending	\$ 8,837	\$ -	\$ 8,837		\$ 8,837

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



**GIBBSBORO SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR FISCAL YEAR ENDED JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	FOOD	PALS	TOTALS
	SERVICE	PROGRAM	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ -	\$ 4,218	\$ 4,218
Payments to Employees & Benefits	(11,410)	(1,855)	(13,265)
Payments to Suppliers	(52,190)	-	(52,190)
Net Cash Provided/(Used) by Operating Activities	(63,600)	2,363	(61,237)
Cash Flows From Noncapital Financing Activities:			
State & Federal Reimbursements	61,604	-	61,604
Net Cash Provided by Noncapital Financing Activities	61,604	-	61,604
Cash Flows From Investing Activities:			
Interest & Dividends	10	-	10
Net Cash Provided/(Used) by Investing Activities	10	-	10
Net Increase/(Decrease) in Cash & Cash Equivalents	(1,986)	2,363	377
Balances - Beginning of Year	2,329	27,146	29,475
Balances - Ending of Year	\$ 343	\$ 29,509	\$ 29,852
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:</b>			
Operating Income/(Loss)	\$ (63,600)	\$ 2,363	\$ (61,237)
Net Cash Provided/(Used) by Operating Activities	\$ (63,600)	\$ 2,363	\$ (61,237)

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

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Fiduciary Fund

Not Applicable

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**GIBBSBORO SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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# GIBBSBORO SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021

### Note 1. Summary of Significant Accounting Policies

#### **Basis of Presentation**

The financial statements of the Gibbsboro School District (the “School District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

#### **Reporting Entity**

The Gibbsboro School District (hereafter referred to as the “School District”) is a Type II School District located in the County of Camden, State of New Jersey. As a Type II School District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the School District is to educate students in grades kindergarten through eighth. The School District has an approximate enrollment at June 30, 2021 of 275 students.

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

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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School 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*, GASB Statement No. 61, *The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 80, *Blending Requirements for certain component units – and Amendment of GASB Statement No. 14* and GASB Statement No. 90, *Majority Equity Interests – An amendment of GASB Statements No. 14 and No. 61*. The District had no component units as of or for the year ended June 30, 2021.

# GIBBSBORO SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

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

#### 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.

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.



**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

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

**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 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. The District does not currently maintain any fiduciary funds.

**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 (if applicable). However, data from the fiduciary funds would not be incorporated in the government-wide financial statements if present.

## GIBBSBORO SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

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

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.

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 non-operating 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 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 non-operating 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 non-instructional 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.

## GIBBSBORO SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

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

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 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 financial transactions pertaining to the District’s cafeteria operations.

**PALS Program Fund** – This fund accounts for the financial transactions related to the District’s after school and summer school program.

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 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

**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

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

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 SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**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, 2021 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.

**Interfund Receivables/Payables**

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 would not be considered Internal Balances; therefore those balances would be reported on the Statement of Net Position, if present.

**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

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

**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 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:

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 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.

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

**Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the 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

## GIBBSBORO SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

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

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.

#### Accounting Estimates

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

#### Interfund Activity

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

#### 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, 2021.

## GIBBSBORO SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

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

- 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.

#### 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 components 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

The following GASB Statements became effective for the fiscal year ended June 30, 2021:

Statement No. 84, *Fiduciary Activities*. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2019.



## GIBBSBORO SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

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

Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for reporting periods beginning after December 15, 2019.

#### Recently Issued Accounting Pronouncements

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

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. 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 Outflows and Deferred Inflows 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.

**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

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

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 future periods and so will not be recognized as an inflow of resources (revenue) until that time.

**Pensions**

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.

**Note 2. Deposits and Investments**

**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 fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2021, the School District’s bank balance of \$1,042,190 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 1,016,624
Uninsured and Uncollateralized	<u>25,566</u>
	<u>\$ 1,042,190</u>

**Investments**

The School District had no investments at June 30, 2021.

**Note 3. Reserve Accounts**

**Capital Reserve**

A capital reserve account was established by the School District 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.

**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 3. Reserve Accounts (continued):**

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

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Ending Balance, June 30, 2021 & 2020	<u>\$ 231,001</u>
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**Maintenance Reserve**

The School District established a maintenance reserve account for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years. Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account 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 balance in the account cannot at any time exceed four percent of the replacement cost of the school district's facilities for the current year.

The activity of the maintenance reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Ending Balance, June 30, 2021 & 2020	<u>\$ 150,267</u>
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**Emergency Reserve**

The emergency reserve account is used to accumulate funds in accordance with *N.J.S.A. 18A:7F-41c(1)* to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 percent of the general fund budget, not to exceed \$1 million. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation, or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1 and June 30.

Withdrawals from the reserve require approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of 4 percent.

The activity of the emergency reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 3. Reserve Accounts (continued):**

Ending Balance, June 30, 2021 & 2020 \$ 49,661

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2021 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2021, consisted of the following:

Description	Governmental Funds			Proprietary Funds	
	General Fund	Special Revenue Fund	Total Governmental Activities	Food Service Fund	Total Business-Type Activities
Federal Awards	\$ -	\$ 63,478	\$ 63,478	\$ 3,942	\$ 3,942
State Awards	29,601	-	29,601	172	172
Other	132,741	-	132,741	-	-
<b>Total</b>	<b>\$ 162,342</b>	<b>\$ 63,478</b>	<b>\$ 225,820</b>	<b>\$ 4,114</b>	<b>\$ 4,114</b>

**Note 5. Capital Assets**

Capital assets activity for the year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Additions	Retirements and Transfers	Balance June 30, 2021
<b>Governmental Activities:</b>				
Capital Assets being depreciated:				
Land Improvements	\$ 239,140	\$ -	\$ -	\$ 239,140
Buildings and Improvements	6,620,517	-	-	6,620,517
Equipment	254,321	15,586	-	269,907
Total Capital Assets being depreciated	7,113,978	15,586	-	7,129,564
Less: Accumulated Depreciation:				
Land Improvements	(180,140)	(11,328)	-	(191,468)
Buildings and Improvements	(2,919,346)	(114,010)	-	(3,033,356)
Equipment	(238,746)	(4,117)	-	(242,863)
Total Accumulated Depreciation	(3,338,232)	(129,455)	-	(3,467,687)
Total Capital Assets being depreciated, net	3,775,746	(113,869)	-	3,661,877
Total Governmental Activities Capital Assets, net	\$ 3,775,746	\$ (113,869)	\$ -	\$ 3,661,877

Depreciation expense was not allocated among the various functions/programs of the School District.

**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 6. Interfund Receivables, Payables and Transfers**

Individual fund receivables/payables balances at June 30, 2021 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 29,509	\$ 4,380
Food Service Fund	4,380	-
PALS Program Fund	-	29,509
	<u>\$ 33,889</u>	<u>\$ 33,889</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.

A summary of interfund transfers is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 2,363	\$ -
PALS Program Fund	-	2,363
	<u>\$ 2,363</u>	<u>\$ 2,363</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 7. Long-Term Obligations**

During the fiscal year-ended June 30, 2021 the following changes occurred in long-term obligations for the governmental and business-type activities:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2021</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 1,700,000	\$ -	\$ 160,000	\$ 1,540,000	\$ 170,000
Unamortized Bond Premiums	36,970	-	4,481	32,489	4,481
Compensated Absences	71,343	-	6,613	64,730	-
Net Pension Liability	781,828	-	71,783	710,045	-
	<u>\$ 2,590,141</u>	<u>\$ -</u>	<u>\$ 242,877</u>	<u>\$ 2,347,264</u>	<u>\$ 174,481</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences and net pension liability are liquidated by the general fund.

**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 7. Long-Term Obligations (continued):**

**Bonds Payable**

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness.

In August 2011, the School District issued \$2,755,000 of Refunding Bonds to refund the callable portion of the outstanding Series 2002 Bond Issue. The Refunding Bonds generated \$210,283 in gross debt service savings and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$166,673, or a net annual present value savings of 3.11%. The Refunding Bonds were issued at interest rates varying from 2.00% to 4.00% and mature on September 1, 2028.

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

Fiscal Year <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 170,000	\$ 58,200	\$ 228,200
2023	175,000	51,300	226,300
2024	180,000	44,200	224,200
2025	190,000	36,800	226,800
2026	195,000	29,100	224,100
2027-2029	630,000	38,200	668,200
	<u>\$ 1,540,000</u>	<u>\$ 257,800</u>	<u>\$ 1,797,800</u>

**Bonds Authorized but not Issued**

As of June 30, 2021, the School District had no bonds authorized but not issued.

**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 annual financial statements, which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 8. Pension Plans (continued):**

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

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.

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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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.

**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 2020, 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 SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 8. Pension Plans (continued):**

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

**Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources** - At June 30, 2021, the School District reported a liability of \$710,045 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. 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, 2019, to the measurement date of June 30, 2020. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The School District's proportion measured as of June 30, 2020, was 0.00435%, which was an increase of 0.00001% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized full accrual pension expense of \$63,295 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2020 measurement date. At June 30, 2021 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 12,929	\$ 2,511
Changes of Assumptions	23,035	297,303
Net Difference between Projected and Actual Earnings on Pension Plan Investments	24,270	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	139,814	-
School District Contributions Subsequent to Measurement Date	54,228	-
	<u>\$ 254,276</u>	<u>\$ 299,814</u>



**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 8. Pension Plans (continued):**

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

\$54,228 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2022 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending <u>Dec 31,</u></b>	<b><u>Amount</u></b>
2021	\$ (24,110)
2022	(30,048)
2023	(1,910)
2024	(10,853)
2025	<u>(32,845)</u>
	<u>\$ (99,766)</u>

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 8. Pension Plans (continued):**

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

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
June 30, 2020	5.16	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 8. Pension Plans (continued):**

**A. Public Employees’ Retirement System (PERS) (continued):**

**Actuarial Assumptions** – The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) 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, 2020 are summarized in the following table:

**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 8. Pension Plans (continued):**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
	100.00%	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 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 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the School District's proportionate share of the net pension liability as of June 30, 2020, calculated using the discount rate of 7.00% as well as what the School 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 or 1-percentage point higher than the current rate:

**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 8. Pension Plans (continued):**

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

	<b>1% Decrease <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
District's Proportionate Share of the Net Pension Liability	<u>\$ 900,857</u>	<u>\$ 710,045</u>	<u>\$ 558,457</u>

**Additional Information** - The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

**Balances at June 30, 2021 and June 30, 2020**

	<u>6/30/2021</u>	<u>6/30/2020</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Collective Deferred Outflows of Resources	\$ 2,347,583,337	\$ 3,149,522,616
Collective Deferred Inflows of Resources	7,849,949,467	7,645,087,574
Collective Net Pension Liability	16,435,616,426	18,143,832,135
District's portion of the Plan's total Net Pension Liability	0.00435%	0.00434%

**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](http://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.

The following represents the membership tiers for TPAF:

GIBBSBORO SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued):

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

<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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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.

**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. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, 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, the School District is 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 School District does 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.

**Pension Liability and Pension Expense** - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2020 was \$12,566,088. The School District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.01908%, which was an increase of 0.00111% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the School District recognized \$781,413 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf

**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 8. Pension Plans (continued):**

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

TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2020 measurement date.

**Actuarial Assumptions** – The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 - 4.45% Based on Years of Service
Thereafter	2.75 - 5.65% Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) 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, 2020 are summarized in the following table:

**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 8. Pension Plans (continued):**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020, 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 78% of the actuarially determined contributions for the State. 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 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 5.40% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:



**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 8. Pension Plans (continued):**

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

	<b>1% Decrease <u>(4.40%)</u></b>	<b>Current Discount Rate <u>(5.40%)</u></b>	<b>1% Increase <u>(6.40%)</u></b>
District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the District	<u>14,760,340</u>	<u>12,566,088</u>	<u>10,744,128</u>
	<u>\$ 14,760,340</u>	<u>\$ 12,566,088</u>	<u>\$ 10,744,128</u>

**Pension Plan Fiduciary Net Position** - 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.

**Additional Information** – The following is a summary of the collective balances of the local group at June 30, 2020 and 2019:

**Balances at June 30, 2021 and June 30, 2020**

	<u>6/30/2021</u>	<u>6/30/2020</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Collective Deferred Outflows of Resources	\$ 9,626,548,228	\$ 10,129,162,237
Collective Deferred Inflows of Resources	14,591,988,841	17,736,240,054
Collective Net Pension Liability	65,993,498,688	61,519,112,443
District's portion of the Plan's total Net Pension Liability	0.01908%	0.01797%

**C. Defined Contribution Plan (DCRP)**

**Plan Description** - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;

## GIBBSBORO SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

#### Note 8. Pension Plans (continued):

##### C. Defined Contribution Plan (DCRP) (continued):

- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2020 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per
- week for State employees, or 32 hours per week for local government or local education employees

**Contributions** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% 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% contribution from the School District.

For the year ended June 30, 2021, employee contributions totaled \$2,508, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$1,368.

#### Note 9. Other Post-Retirement Benefits

##### General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L., 2011, future retirees eligible for postretirement medical

**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 9. Other Post-Retirement Benefits (continued)**

coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits is the responsibility of the individual local education employers.

**Basis of Presentation**

The Schedule presents the State of New Jersey’s obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles.

Such preparation requires management of the State of New Jersey 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.

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2020, was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Total Nonemployer OPEB Liability:                   \$     67,809,962,608

**Inflation Rate:**   2.5%

	<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Salary Increases:			
Through 2026	1.55 - 4.45%	2.00 - 6.00%	3.25 - 15.25%
	based on years of service	based on years of service	based on years of service
Thereafter	1.55 - 4.45%	3.00 - 7.00%	Applied to all future years
	based on years of service	based on years of service	

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 9. Other Post-Retirement Benefits (continued)**

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

**OPEB Obligation and OPEB Expense** - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2021 was \$14,934,546. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2020, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the OPEB Obligation attributable to the School District was 0.02202%, which was a decrease of 0.0014% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized an OPEB expense in the amount of \$734,814 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2020 measurement date.

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**Discount Rate**

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate**

The following presents the total nonemployer OPEB liability as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 9. Other Post-Retirement Benefits (continued)**

	<b>June 30, 2020</b>		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 18,004,366	\$ 14,934,546	\$ 12,534,242
State of New Jersey's Total Non- employer Liability	\$ 81,748,410,002	\$ 67,809,962,608	\$ 56,911,439,160

**Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate**

The following presents the total nonemployer OPEB liability as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	<b>June 30, 2020</b>		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 12,055,669	\$ 14,934,546	\$ 18,362,648
State of New Jersey's Total Nonemployer OPEB Liability	\$ 54,738,488,540	\$ 67,809,962,608	\$ 83,375,182,975

\* See Healthcare Cost Trend Assumptions for details of rates.

**Additional Information**

Collective balances of the Local Group at June 30, 2020 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ 10,295,318,750	\$ (9,170,703,615)
Change in Assumptions	-	-
Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2019 Measurement Date **	11,534,251,250	(7,737,500,827)
	TBD	-
	<u>\$ 21,829,570,000</u>	<u>\$ (16,908,204,442)</u>

**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 9. Other Post-Retirement Benefits (continued)**

\*\* Employer Contributions made after June 30, 2020 are reported as a deferred outflow of resources, but are not amortized in expense.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2021	\$ 43,440,417
2022	43,440,417
2023	43,440,417
2024	43,440,417
2025	43,440,417
Thereafter	<u>4,704,163,473</u>
	<u>\$ 4,921,365,558</u>

**Plan Membership**

At June 30, 2019, the Program membership consisted of the following:

	<u>June 30, 2019</u>
Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>149,304</u>
	<u>366,108</u>

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

**Total OPEB Liability**

Service Cost	\$ 1,790,973,822
Interest Cost	1,503,341,357
Difference Between Expected & Actual Experience	11,544,750,637
Changes of Assumptions	12,386,549,981
Contributions: Member	35,781,384
Gross Benefit Payments	<u>(1,180,515,618)</u>
Net Change in Total OPEB Liability	26,080,881,563
Total OPEB Liability (Beginning)	<u>41,729,081,045</u>
Total OPEB Liability (Ending)	<u>\$ 67,809,962,608</u>
Total Covered Employee Payroll	\$ 14,267,738,658
Net OPEB Liability as a Percentage of Payroll	475%

## GIBBSBORO SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

#### Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2021, the on-behalf payments for post-retirement medical costs, normal costs, long-term disability and reimbursed social security were \$184,575, \$588,973, \$566 and \$176,515, respectively.

#### Note 11. Risk Management

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

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

#### Note 12. Contingencies

**State and Federal Grantor Agencies** - The School 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 School 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, 2021 may be impaired. In the opinion of the School 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.

**Litigation** – The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School Districts' attorney that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

**Economic Dependency** – The School 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 School District's programs and activities.

#### Note 13. Deferred Compensation

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

Lincoln Investment Planning  
AXA Equitable  
Vanguard

## GIBBSBORO SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

#### Note 14. Compensated Absences

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

School District employees are granted varying amount of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District 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 School District for the unused sick leave in accordance with School Districts' agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2020, the liability for compensated absences reported on the government-wide and on the proprietary fund Statement of Net Position was \$64,730 and \$-0-, respectively.

#### Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

#### Note 16. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. 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, 2021 was \$288,100.

#### Note 17. Fund Balances

**General Fund** – Of the \$1,142,706 General Fund fund balance at June 30, 2021, \$231,001 has been restricted for the Capital Reserve Account; \$150,267 has been restricted for the Maintenance Reserve Account; \$49,661 has been restricted for the Emergency Reserve Account; \$288,100 has been restricted



**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 17. Fund Balances (continued):**

for current year Excess Surplus; \$300,444 has been restricted for Excess Surplus Designated for Subsequent Year's Expenditures and \$123,233 has been unassigned.

**Special Revenue Fund** – Of the \$16,138 Special Revenue Fund fund balance at June 30, 2021, \$16,138 has been restricted for Student Activities.

**Note 18. Deficit in Net Position**

**Unrestricted Net Position** – The School District had a deficit in unrestricted net position in the amount of \$771,841 at June 30, 2021. The deficit is caused by the implementation of GASB 68 which requires the School District to report their proportionate share of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2021.

**Note 19. Prior Period Adjustment/Restatement of Net Position and Fund Balance**

During the year ended June 30, 2021 the District adopted GASB Statement No. 84, *Fiduciary Activities* (See Note 1). The District adjusted its beginning balances to reflect all newly adopted standards for its Restricted Net Position and Restricted Fund Balance for Student Activities. The beginning balances as of July 1, 2020 were adjusted as follows:

**Prior Period Adjustment to Net Position**

Balance, July 1, 2020 prior to Adjustment	\$ 2,311,028
Add:	
Student Activities	<u>16,743</u>
Balance, July 1, 2020 Restated	<u>\$ 2,327,771</u>

**Prior Period Adjustment to Fund Balance (Special Revenue Fund)**

Balance, July 1, 2020 prior to Adjustment	\$ -
Add:	
Student Activities	<u>16,743</u>
Balance, July 1, 2020 Restated	<u>\$ 16,743</u>

**Note 20. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and February 1, 2022, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items other than the below have come to the attention of the School District that would require disclosure.

**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 20. Subsequent Events (continued)**

The COVID-19 pandemic is ongoing. Because of the evolving nature of the outbreak and federal, state and local responses, it cannot be predicted how the outbreak will impact the financial condition or operations of the District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. To date the School District has not been materially and adversely affected financially due to the virus.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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C. Budgetary Comparison Schedules

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**GIBBSBORO SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Revenues:</b>						
<b>Local Sources:</b>						
Local Tax Levy	10-1210	\$ 3,275,926	\$ -	\$ 3,275,926	\$ 3,275,926	\$ -
Tuition From Individuals	10-1310	49,750	-	49,750	-	(49,750)
Tuition From Other LEAs Within the State	10-1320	53,160	-	53,160	-	(53,160)
Interest Earned on Emergency Reserve	10-1xxx	100	-	100	-	(100)
Interest Earned on Maintenance Reserve	10-1xxx	375	-	375	-	(375)
Interest Earned on Capital Reserve	10-1xxx	250	-	250	-	(250)
Miscellaneous	10-1xxx	50,000	-	50,000	13,537	(36,463)
<b>Total Local Sources</b>		<b>3,429,561</b>	<b>-</b>	<b>3,429,561</b>	<b>3,289,463</b>	<b>(140,098)</b>
<b>State Sources:</b>						
Categorical Transportation Aid	10-3121	20,818	-	20,818	20,818	-
Categorical Special Education Aid	10-3132	163,500	-	163,500	163,500	-
Equalization Aid	10-3176	857,242	-	857,242	857,242	-
Categorical Security Aid	10-3177	25,761	-	25,761	25,761	-
Adjustment Aid	10-3178	245,443	-	245,443	245,443	-
Securing Our Children's Future Bond Act	10-3256	-	20,000	20,000	20,000	-
Nonpublic Transportation Aid	10-3xxx	-	-	-	1,450	1,450
<b>Nonbudgeted:</b>						
On-Behalf TPAF Pension Contribution		-	-	-	588,973	588,973
On-Behalf TPAF Post Retirement Medical Contribution		-	-	-	184,575	184,575
On-Behalf TPAF Long-Term Disability Insurance Contribution		-	-	-	566	566
Reimbursed TPAF Social Security		-	-	-	176,515	176,515
<b>Total State Sources</b>		<b>1,312,764</b>	<b>20,000</b>	<b>1,332,764</b>	<b>2,284,843</b>	<b>952,079</b>
<b>Total Revenues</b>		<b>4,742,325</b>	<b>20,000</b>	<b>4,762,325</b>	<b>5,574,306</b>	<b>811,981</b>
<b>Expenditures:</b>						
<b>Current Expense:</b>						
<b>Instruction - Regular Programs:</b>						
<b>Salaries of Teachers:</b>						
Preschool	11-105-100-101	40,417	-	40,417	40,417	-
Kindergarten	11-110-100-101	196,448	2,125	198,573	197,948	625
Grades 1 - 5	11-120-100-101	710,539	31,079	741,618	710,148	31,470
Grades 6 - 8	11-130-100-101	579,100	2,999	582,099	576,002	6,097
Home Instruction - Regular	11-150-100-101	6,000	-	6,000	-	6,000
<b>Regular Programs - Undistributed Instruction:</b>						
Purchased Professional & Educational Services	11-190-100-320	62,906	(15,019)	47,887	43,887	4,000
Other Purchased Services	11-190-100-500	4,284	-	4,284	4,284	-
General Supplies	11-190-100-610	60,000	(12,330)	47,670	41,358	6,312
Textbooks	11-190-100-640	10,000	(8,854)	1,146	-	1,146
<b>Total Regular Programs</b>		<b>1,669,694</b>	<b>-</b>	<b>1,669,694</b>	<b>1,614,044</b>	<b>55,650</b>
<b>Special Education:</b>						
<b>Multiple Handicapped:</b>						
Salaries of Teachers	11-212-100-101	137,143	-	137,143	71,997	65,146
Other Salaries for Instruction	11-212-100-106	82,236	-	82,236	48,954	33,282
General Supplies	11-212-100-610	2,000	-	2,000	1,008	992
Textbooks	11-212-100-640	400	-	400	-	400
<b>Total Multiple Handicapped</b>		<b>221,779</b>	<b>-</b>	<b>221,779</b>	<b>121,959</b>	<b>99,820</b>
<b>Resource Room/Resource Center:</b>						
Salaries of Teachers	11-213-100-101	320,598	(10,634)	309,964	294,157	15,807
Other Salaries for Instruction	11-213-100-106	40,254	10,634	50,888	42,731	8,157
General Supplies	11-213-100-610	1,000	-	1,000	1,000	-
Textbooks	11-213-100-640	300	-	300	-	300
<b>Total Resource Room/Resource Center</b>		<b>362,152</b>	<b>-</b>	<b>362,152</b>	<b>337,888</b>	<b>24,264</b>

**GIBBSBORO SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Preschool Disabilities - Part Time:</b>						
Salaries of Teachers	11-215-100-101	41,917	-	41,917	40,986	931
Other Salaries for Instruction	11-215-100-106	36,344	-	36,344	24,777	11,567
General Supplies	11-215-100-610	1,200	-	1,200	588	612
<b>Total Preschool Disabilities - Part-Time</b>		<b>79,461</b>	<b>-</b>	<b>79,461</b>	<b>66,351</b>	<b>13,110</b>
<b>Total Special Education</b>		<b>663,392</b>	<b>-</b>	<b>663,392</b>	<b>526,198</b>	<b>137,194</b>
<b>School Sponsored Cocurricular Activities &amp; Athletics:</b>						
Salaries	11-401-100-100	86,345	12,384	98,729	98,729	-
Supplies and Materials	11-401-100-600	11,000	(6,624)	4,376	4,376	-
Salaries	11-402-100-100	8,500	(5,760)	2,740	1,461	1,279
Supplies and Materials	11-402-100-600	5,000	-	5,000	607	4,393
<b>Total School Sponsored Cocurricular - Activities &amp; Athletics</b>		<b>110,845</b>	<b>-</b>	<b>110,845</b>	<b>105,173</b>	<b>5,672</b>
<b>Total - Instruction</b>		<b>2,443,931</b>	<b>-</b>	<b>2,443,931</b>	<b>2,245,415</b>	<b>198,516</b>
<b>Undistributed Expenditures:</b>						
<b>Instruction:</b>						
Tuition to Private Schools for Disabled Within the State - Special	11-000-100-566	27,000	-	27,000	-	27,000
<b>Total Instruction</b>		<b>27,000</b>	<b>-</b>	<b>27,000</b>	<b>-</b>	<b>27,000</b>
<b>Attendance &amp; Social Work Services:</b>						
Salaries	11-000-211-100	9,248	15	9,263	9,263	-
<b>Total Attendance Services</b>		<b>9,248</b>	<b>15</b>	<b>9,263</b>	<b>9,263</b>	<b>-</b>
<b>Health Services:</b>						
Salaries	11-000-213-100	68,655	(15)	68,640	66,100	2,540
Purchased Professional & Technical Services	11-000-213-300	1,100	-	1,100	984	116
Supplies and Materials	11-000-213-600	2,800	-	2,800	1,834	966
<b>Total Health Services</b>		<b>72,555</b>	<b>(15)</b>	<b>72,540</b>	<b>68,918</b>	<b>3,622</b>
<b>Other Support Services - Students - Related Services:</b>						
Salaries	11-000-216-100	45,609	(2,796)	42,813	39,409	3,404
Purchased Professional - Educational Services	11-000-216-320	48,000	2,796	50,796	50,795	1
Supplies and Materials	11-000-216-600	250	-	250	250	-
<b>Total Other Support Services - Students - Regular</b>		<b>93,859</b>	<b>-</b>	<b>93,859</b>	<b>90,454</b>	<b>3,405</b>
<b>Other Support Services - Students - Extra Services:</b>						
Supplies and Materials	11-000-217-600	200	-	200	200	-
<b>Total Other Support Services - Students - Extra Services</b>		<b>200</b>	<b>-</b>	<b>200</b>	<b>200</b>	<b>-</b>
<b>Other Support Services - Students - Related Services:</b>						
Salaries	11-000-218-105	27,747	45	27,792	27,792	-
Purchased Professional & Educational Services	11-000-218-320	4,000	-	4,000	-	4,000
Supplies & Materials	11-000-218-600	2,000	(45)	1,955	70	1,885
<b>Total Other Support Services-Students-Related Services</b>		<b>33,747</b>	<b>-</b>	<b>33,747</b>	<b>27,862</b>	<b>5,885</b>



**GIBBSBORO SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Other Support Services - Students - Special Services:</b>						
Salaries of Other Professional Staff	11-000-219-104	211,856	(4,300)	207,556	193,568	13,988
Salaries of Secretarial & Clerical Assistants	11-000-219-105	40,118	-	40,118	40,118	-
Other Purchased Professional & Educational Services	11-000-219-320	3,750	4,300	8,050	5,080	2,970
Other Purchased Professional & Technical Services	11-000-219-390	6,000	(394)	5,606	1,612	3,994
Supplies and Materials	11-000-219-600	3,000	394	3,394	3,394	-
Other Objects	11-000-219-800	845	-	845	845	-
<b>Total Other Support Services-Students-Special Services</b>		<b>265,569</b>	<b>-</b>	<b>265,569</b>	<b>244,617</b>	<b>20,952</b>
<b>Improvement of Instruction Services/Other Support Services - Instruction Staff:</b>						
Salaries	11-000-221-102	46,125	124	46,249	46,249	-
Salaries of Secretarial & Clerical Assistants	11-000-221-105	24,159	-	24,159	24,159	-
Purchases Professional & Educational Services	11-000-221-320	500	(124)	376	119	257
Other Purchased Services	11-000-221-500	300	-	300	-	300
Other Objects	11-000-221-800	2,000	-	2,000	1,165	835
<b>Total Improvement of Instruction Services/Other Support Services Instructional Staff</b>		<b>73,084</b>	<b>-</b>	<b>73,084</b>	<b>71,692</b>	<b>1,392</b>
<b>Educational Media Services/School Library:</b>						
Salaries	11-000-222-100	65,255	-	65,255	63,255	2,000
Other Purchased Services	11-000-222-500	1,050	-	1,050	1,043	7
Supplies and Materials	11-000-222-600	1,000	-	1,000	1,000	-
Other Objects	11-000-222-800	250	-	250	214	36
<b>Total Educational Media Services/School Library</b>		<b>67,555</b>	<b>-</b>	<b>67,555</b>	<b>65,512</b>	<b>2,043</b>
<b>Instructional Staff Training Services:</b>						
Purchased Professional & Educational Services	11-000-223-320	500	-	500	-	500
Other Purchased Services	11-000-223-500	1,000	-	1,000	275	725
<b>Total Instructional Staff Training Services</b>		<b>1,500</b>	<b>-</b>	<b>1,500</b>	<b>275</b>	<b>1,225</b>
<b>Support Services General Administration:</b>						
Salaries	11-000-230-100	103,341	1,790	105,131	105,131	-
Legal Services	11-000-230-331	4,000	(3,894)	106	-	106
Audit Fees	11-000-230-332	22,500	-	22,500	22,500	-
Other Purchased Professional Services	11-000-230-339	5,500	(821)	4,679	4,635	44
Purchased Technical Services	11-000-230-340	3,200	(3,057)	143	143	-
Communications/Telephone	11-000-230-530	18,000	9,120	27,120	27,120	-
BOE Other Purchased Services	11-000-230-585	300	(151)	149	-	149
Other Purchased Services	11-000-230-590	16,000	1,871	17,871	17,871	-
General Supplies	11-000-230-610	4,000	(844)	3,156	3,156	-
BOE Meeting Supplies	11-000-230-630	200	(120)	80	-	80
Miscellaneous Expenditures	11-000-230-890	2,200	(525)	1,675	1,675	-
BOE Membership Dues & Fees	11-000-230-895	3,100	(179)	2,921	2,910	11
<b>Total Support Services General Administration</b>		<b>182,341</b>	<b>3,190</b>	<b>185,531</b>	<b>185,141</b>	<b>390</b>
<b>Support Services School Administration:</b>						
Salaries of Principals	11-000-240-103	75,594	1,744	77,338	77,338	-
Supplies and Materials	11-000-240-600	1,000	(850)	150	150	-
<b>Total Support Services School Administration</b>		<b>76,594</b>	<b>894</b>	<b>77,488</b>	<b>77,488</b>	<b>-</b>

**GIBBSBORO SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Central Services:</b>						
Salaries	11-000-251-100	121,160	125	121,285	121,284	1
Purchased Professional Services	11-000-251-330	20,500	(2,656)	17,844	17,844	-
Supplies and Materials	11-000-251-600	2,000	(1,429)	571	571	-
Other Objects	11-000-251-890	1,500	(25)	1,475	1,238	237
<b>Total Central Services</b>		<b>145,160</b>	<b>(3,985)</b>	<b>141,175</b>	<b>140,937</b>	<b>238</b>
<b>Allowable Maintenance for School Facilities:</b>						
Cleaning, Repair & Maintenance						
Services	11-000-261-420	40,000	-	40,000	23,432	16,568
General Supplies	11-000-261-610	1,500	-	1,500	398	1,102
<b>Total Allowable Maintenance for School Facilities</b>		<b>41,500</b>	<b>-</b>	<b>41,500</b>	<b>23,830</b>	<b>17,670</b>
<b>Other Operation &amp; Maintenance of Plant:</b>						
Salaries	11-000-262-100	137,208	(13,866)	123,342	89,498	33,844
Salaries of Non-Instructional Aides	11-000-262-107	-	12,083	12,083	673	11,410
Cleaning, Repair & Maintenance Services	11-000-262-420	37,000	-	37,000	29,203	7,797
Other Purchased Property Services	11-000-262-490	16,000	-	16,000	10,779	5,221
Insurance	11-000-262-520	21,000	1,250	22,250	22,241	9
General Supplies	11-000-262-610	35,000	(3,387)	31,613	16,745	14,868
Energy (Natural Gas)	11-000-262-621	50,000	-	50,000	28,057	21,943
Energy (Heat & Electricity)	11-000-262-622	60,000	-	60,000	41,592	18,408
<b>Total Other Operation &amp; Maintenance of Plant</b>		<b>356,208</b>	<b>(3,920)</b>	<b>352,288</b>	<b>238,788</b>	<b>113,500</b>
<b>Care and Upkeep of Grounds</b>						
General Supplies	11-000-263-610	6,000	3,921	9,921	9,921	-
<b>Total Care and Upkeep of Grounds</b>		<b>6,000</b>	<b>3,921</b>	<b>9,921</b>	<b>9,921</b>	<b>-</b>
<b>Student Transportation Services:</b>						
Contracted Services (Between Home & School) - Vendors						
	11-000-270-511	7,000	-	7,000	4,500	2,500
Contracted Services (Other Than Between Home & School) - Vendors						
	11-000-270-512	15,000	-	15,000	5,215	9,785
Contracted Services (Special Education Students) - ESC'S						
	11-000-270-518	50,000	-	50,000	23,622	26,378
<b>Total Student Transportation Services</b>		<b>72,000</b>	<b>-</b>	<b>72,000</b>	<b>33,337</b>	<b>38,663</b>
<b>Unallocated Benefits - Employee Benefits:</b>						
Social Security Contributions	11-000-291-220	65,000	-	65,000	58,592	6,408
Other Retirement Contribution - PERS	11-000-291-241	37,000	10,632	47,632	47,632	-
Other Contributions - D.C.R.P	11-000-291-249	1,000	369	1,369	1,368	1
Unemployment Compensation	11-000-291-250	12,000	-	12,000	10,568	1,432
Workmen's Compensation	11-000-291-260	35,000	190	35,190	35,190	-
Health Benefits	11-000-291-270	805,456	(11,777)	793,679	789,426	4,253
Tuition Reimbursement	11-000-291-280	8,000	586	8,586	8,586	-
Unused Sick Payment to Terminated/Retired Employees	11-000-291-297	14,500	-	14,500	9,000	5,500
<b>Total Unallocated Benefits</b>		<b>977,956</b>	<b>-</b>	<b>977,956</b>	<b>960,362</b>	<b>17,594</b>
<b>Nonbudgeted:</b>						
On-Behalf TPAF Pension Contribution		-	-	-	588,973	(588,973)
On-Behalf TPAF Post Retirement Medical Contribution		-	-	-	184,575	(184,575)
On-Behalf TPAF Long-Term Disability Insurance Contribution		-	-	-	566	(566)
Reimbursed TPAF Social Security		-	-	-	176,515	(176,515)
<b>Total Undistributed Expenditures</b>		<b>2,502,076</b>	<b>100</b>	<b>2,502,176</b>	<b>3,199,226</b>	<b>(697,050)</b>

**GIBBSBORO SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Interest Earned on Emergency Reserve		100	(100)	-	-	-
Interest Earned on Maintenance Reserve		375	-	375	-	375
<b>Total Expenditures - Current Expense</b>		<b>4,946,482</b>	<b>-</b>	<b>4,946,482</b>	<b>5,444,641</b>	<b>(498,159)</b>
Undistributed Expenditures:						
Custodial Services	12-000-262-730	5,000	-	5,000	135	4,865
Care and Upkeep of Grounds	12-000-263-730	10,000	-	10,000	1,750	8,250
<b>Total Equipment Expenditures</b>		<b>15,000</b>	<b>-</b>	<b>15,000</b>	<b>1,885</b>	<b>13,115</b>
Facilities Acquisitions & Construction Services:						
Other Purchased Professional & Technical Services	12-000-400-390	40,000	20,000	60,000	60,000	-
Assessment for Debt Service on SDA Funding	12-000-400-896	30,593	-	30,593	30,593	-
<b>Total Facilities Acquisitions &amp; Construction Services Expenditures</b>		<b>70,593</b>	<b>20,000</b>	<b>90,593</b>	<b>90,593</b>	<b>-</b>
Interest Earned on Capital Reserve		250	-	250	-	250
<b>Total Capital Outlay</b>		<b>85,843</b>	<b>20,000</b>	<b>105,843</b>	<b>92,478</b>	<b>13,365</b>
<b>Total Expenditures</b>		<b>5,032,325</b>	<b>20,000</b>	<b>5,052,325</b>	<b>5,537,119</b>	<b>(484,794)</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(290,000)	-	(290,000)	37,187	327,187
Other Financing Sources/(Uses):						
Operating Transfer In:						
Transfer from PALS Program Fund	11-000-310-930	-	-	-	2,363	(2,363)
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses		(290,000)	-	(290,000)	39,550	329,550
Fund Balances, July 1		1,231,373	-	1,231,373	1,231,373	-
<b>Fund Balances, June 30</b>		<b>\$ 941,373</b>	<b>\$ -</b>	<b>\$ 941,373</b>	<b>\$ 1,270,923</b>	<b>\$ 329,550</b>

**RECAPITULATION OF FUND BALANCE:**

<b>Restricted Fund Balance:</b>	
Capital Reserve Account	\$ 231,001
Maintenance Reserve Account	150,267
Emergency Reserve	49,661
Excess Surplus	288,100
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	300,444
<b>Unassigned Fund Balance</b>	<u>251,450</u>
	1,270,923
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(128,217)</u>
<b>Fund Balance Per Governmental Funds (GAAP)</b>	<u><u>\$ 1,142,706</u></u>

**GIBBSBORO SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>REVENUES</b>					
Local Sources	\$ -	\$ 11,628	\$ 11,628	\$ 11,023	(605)
Federal Sources	112,437	258,030	370,467	200,079	(170,388)
<b>Total Revenues</b>	<b>112,437</b>	<b>269,658</b>	<b>382,095</b>	<b>211,102</b>	<b>(170,993)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	100,336	133,277	233,613	88,994	144,619
Other Salaries for Instruction	8,500	(4,158)	4,342	4,342	-
General Supplies	-	34,803	34,803	34,803	-
<b>Total Instruction</b>	<b>108,836</b>	<b>163,922</b>	<b>272,758</b>	<b>128,139</b>	<b>144,619</b>
<b>Support Services:</b>					
Other Salaries	3,601	30,829	34,430	34,430	-
Personal Services - Employee Benefits	-	25,905	25,905	12,974	12,931
Purchased Professional Services	-	2,000	2,000	2,000	-
Other Purchased Services	-	18,374	18,374	5,536	12,838
Supplies & Materials	-	17,000	17,000	17,000	-
Student Activities	-	11,628	11,628	11,628	-
<b>Total Support Services</b>	<b>3,601</b>	<b>105,736</b>	<b>109,337</b>	<b>83,568</b>	<b>25,769</b>
<b>Total Expenditures</b>	<b>112,437</b>	<b>269,658</b>	<b>382,095</b>	<b>211,707</b>	<b>170,388</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	(605)	(605)
Fund Balance, July 1	-	-	-	-	-
Prior Period Adjustment	-	-	-	16,743	-
Fund Balance, July 1 (Restated)	-	-	-	16,743	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 16,138	\$ (605)

**RECAPITULATION OF FUND BALANCE**

**Restricted Fund Balance:**

Student Activities

\$ 16,138

\$ 16,138

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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**GIBBSBORO SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

**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)	\$ 5,574,306	\$ 211,102
Difference - Budget to GAAP:		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.		
Current Year	(128,217)	-
Prior Year	132,103	-
	(128,217)	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 5,578,192	\$ 211,102
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 5,537,119	\$ 211,707
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 5,537,119	\$ 211,707

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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 SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)**  
**LAST EIGHT FISCAL YEARS\***

	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00435413%	0.00433903%	0.00344695%	0.00338582%	0.00330588%	0.00323578%	0.00335814%	0.00322650%
School District's proportionate share of the net pension liability	\$ 710,045	\$ 781,828	\$ 678,687	\$ 788,165	\$ 979,108	\$ 726,367	\$ 628,735	\$ 616,648
School District's covered payroll	\$ 318,599	\$ 334,001	\$ 276,299	\$ 232,881	\$ 234,709	\$ 227,583	\$ 220,787	\$ 240,576
School District's proportionate share of the net pension liability as a percentage of its covered payroll	222.86%	234.08%	245.63%	338.44%	417.16%	319.17%	284.77%	256.32%
Plan fiduciary net position as a percentage of the total pension liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**GIBBSBORO SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)  
LAST EIGHT FISCAL YEARS\***

	2021	2020	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 54,228	\$ 47,632	\$ 42,206	\$ 34,286	\$ 31,366	\$ 29,369	\$ 27,819	\$ 27,684
Contributions in relation to the contractually required contribution	(54,228)	(47,632)	(42,206)	(34,286)	(31,366)	(29,369)	(27,819)	(27,684)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 318,599	\$ 334,001	\$ 276,299	\$ 293,801	232,881	234,709	227,583	220,787
Contributions as a percentage of covered-employee payroll	17.02%	14.26%	15.28%	11.67%	13.37%	12.51%	12.22%	12.54%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**GIBBSBORO SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS' PENSION AND ANNUITY FUND (TPAF)  
LAST EIGHT FISCAL YEARS\***

	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the District	12,566,088	11,029,161	12,094,319	12,034,634	13,617,641	10,556,363	9,982,402	8,861,584
	<u>\$12,566,088</u>	<u>\$11,029,161</u>	<u>\$12,094,319</u>	<u>\$12,034,634</u>	<u>\$13,617,641</u>	<u>\$10,556,363</u>	<u>\$ 9,982,402</u>	<u>\$ 8,861,584</u>
School District's covered payroll	\$ 2,517,994	\$ 2,207,617	\$ 2,119,298	\$ 1,905,221	\$ 1,923,523	\$ 1,806,370	\$ 1,703,633	\$ 1,703,633
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**GIBBSBORO SCHOOL DISTRICT  
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS  
TEACHERS' PENSION AND ANNUITY FUND (TPAF)  
LAST TEN FISCAL YEARS**

This schedule is not applicable. There is a special funding situation where the State of New Jersey pays 100% of the required contributions associated with the school district.



M. Schedules Related to Accounting and Reporting for Other Post-Employment Benefits (GASB 75)

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**GIBBSBORO SCHOOL DISTRICT**  
**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**  
**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)**  
**LAST FOUR FISCAL YEARS\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>District's Total OPEB Liability</b>				
Service Cost	\$ 383,698	\$ 335,186	\$ 374,805	\$ 451,377
Interest Cost	328,720	401,072	427,477	369,580
Difference between Expected & Actual Differences	2,612,931	(1,630,255)	(906,401)	-
Changes of Assumptions	2,728,028	136,178	(1,166,273)	(1,509,988)
Contributions: Member	7,881	8,311	9,392	9,975
Gross Benefit Payments	(259,998)	(280,365)	(271,759)	(270,902)
Net Change in District's Total OPEB Liability	5,801,260	(1,029,873)	(1,532,759)	(949,958)
District's Total OPEB Liability (Beginning)	9,133,286	10,163,159	11,695,918	12,645,876
District's Total OPEB Liability (Ending)	<u>\$ 14,934,546</u>	<u>\$ 9,133,286</u>	<u>\$ 10,163,159</u>	<u>\$ 11,695,918</u>
District's Covered Employee Payroll	\$ 2,836,593	\$ 2,541,618	\$ 2,395,597	\$ 2,138,102
District's Net OPEB Liability as a Percentage of Covered Payroll	526.50%	359.35%	424.24%	547.02%

The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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**GIBBSBORO SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Teachers Pension and Annuity Fund (TPAF)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 5.60% as of June 30, 2019, to 5.40% as of June 30, 2020.

**Public Employees' Retirement System (PERS)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 6.28% as of June 30, 2019, to 7.00% as of June 30, 2020.

**State Health Benefit Local Education Retired Employees Plan (OPEB)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 3.50% as of June 30, 2019, to 2.21% as of June 30, 2020.

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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 SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	EVERY STUDENT SUCCEEDS ACT (ESSA)		I.D.E.A. PART B BASIC		I.D.E.A. PRESCHOOL PROGRAM		CARES DIGITAL DIVIDE		CORONA VIRUS RELIEF FUND		CARES ESSERI		CARES ESSER II		STUDENT ACTIVITIES		TOTALS
	TITLE I PART A	TITLE II PART A	TITLE IV PART A	REGULAR PROGRAM	PRESCHOOL PROGRAM	PROGRAM	DIVIDE	RELIEF FUND	ESSERI	ESSER II	ACTIVITIES	STUDENT	ACTIVITIES	TOTALS			
Revenues:																	
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	25,243	11,300	7,391	12,700	76,751	4,342	11,376	10,168	19,506	21,302	11,023	200,079					
Total Revenues	\$ 25,243	\$ 11,300	\$ 7,391	\$ 12,700	\$ 76,751	\$ 4,342	\$ 11,376	\$ 10,168	\$ 19,506	\$ 21,302	\$ 11,023	\$ 211,102					
Expenditures:																	
Instruction:																	
Salaries of Teachers	17,051	585	-	5,700	41,852	-	-	-	2,506	21,300	-	88,994					
Other Salaries for Instruction	-	-	-	-	4,342	-	-	-	-	-	-	4,342					
General Supplies	2,244	6,015	-	-	-	-	11,376	10,168	5,000	-	-	34,803					
Total Instruction	19,295	6,600	-	5,700	41,852	4,342	11,376	10,168	7,506	21,300	-	128,139					
Support Services:																	
Other Salaries	-	4,700	5,244	-	24,486	-	-	-	-	-	-	34,430					
Personal Services -																	
Employee Benefits	5,948	-	-	-	7,026	-	-	-	-	-	-	12,974					
Purchased Professional Services	-	-	-	-	-	-	-	-	2,000	-	-	2,000					
Other Purchased Services	-	-	2,147	-	3,387	-	-	-	-	2	-	5,536					
Supplies & Materials	-	-	-	7,000	-	-	-	-	10,000	-	-	17,000					
Student Activities	-	-	-	-	-	-	-	-	-	-	11,628	11,628					
Total Support Services	5,948	4,700	7,391	7,000	34,899	-	-	-	12,000	2	11,628	83,568					
Total Expenditures	25,243	11,300	7,391	12,700	76,751	4,342	11,376	10,168	19,506	21,302	11,628	211,707					
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-	-	(605)	(605)					
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	-	-					
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-	16,743	16,743					
Fund Balance, July 1 (Restated)	-	-	-	-	-	-	-	-	-	-	16,743	16,743					
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,138	\$ 16,138					

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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 SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF NET POSITION  
AS OF JUNE 30, 2021**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTALS
	FOOD SERVICE	PALS PROGRAM	
Cash & Cash Equivalents	\$ 343	\$ 29,509	\$ 29,852
Accounts Receivable:			
State	172	-	172
Federal	3,942	-	3,942
Interfund	4,380	-	4,380
<b>Total Assets</b>	<b>8,837</b>	<b>29,509</b>	<b>38,346</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Interfund Payable	-	29,509	29,509
<b>Total Current Liabilities</b>	<b>-</b>	<b>29,509</b>	<b>29,509</b>
<b>NET POSITION</b>			
Unrestricted	8,837	-	8,837
<b>Total Net Position</b>	<b>\$ 8,837</b>	<b>\$ -</b>	<b>\$ 8,837</b>

**GIBBSBORO SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTALS
	FOOD SERVICE	PALS PROGRAM	
Operating Revenues:			
Operating Revenues:			
Miscellaneous	\$ -	\$ 4,218	\$ 4,218
Total Operating Revenue	-	4,218	4,218
Operating Expenses:			
Salaries & Benefits	11,410	1,855	13,265
Cost of Sales - Reimbursable Programs	52,190	-	52,190
Total Operating Expenses	63,600	1,855	65,455
Operating Income/(Loss)	(63,600)	2,363	(61,237)
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	1,638	-	1,638
Federal Sources:			
National School Lunch Program	37,592	-	37,592
National School Breakfast Program	24,205	-	24,205
Healthy Hunger-Free Kids Act	750	-	750
Interest & Investment Revenue	10	-	10
Total Nonoperating Revenues	64,195	-	64,195
Other Financing Sources/(Uses):			
Operating Transfer Out	-	(2,363)	(2,363)
Total Other Financing Sources	-	(2,363)	(2,363)
Change in Net Position	595	-	595
Total Net Position - Beginning	8,242	-	8,242
Total Net Position - Ending	\$ 8,837	\$ -	\$ 8,837



**GIBBSBORO SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF CASH FLOWS  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	FOOD SERVICE	PALS PROGRAM	TOTALS
Cash Flows From Operating Activities:			
Receipts from Customers	\$ -	\$ 4,218	\$ 4,218
Payments to Employees & Benefits	(11,410)	(1,855)	(13,265)
Payments to Suppliers	(52,190)	-	(52,190)
	<hr/>		
Net Cash Provided/(Used) by Operating Activities	(63,600)	2,363	(61,237)
Cash Flows From Noncapital Financing Activities:			
State & Federal Reimbursements	61,604	-	61,604
	<hr/>		
Net Cash Provided by Noncapital Financing Activities	61,604	-	61,604
Cash Flows From Investing Activities:			
Interest & Dividends	10	-	10
	<hr/>		
Net Cash Provided/(Used) by Investing Activities	10	-	10
	<hr/>		
Net Increase/(Decrease) in Cash & Cash Equivalents	(1,986)	2,363	377
Balances - Beginning of Year	2,329	27,146	29,475
	<hr/>		
Balances - Ending of Year	\$ 343	\$ 29,509	\$ 29,852
	<hr/> <hr/>		

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

Operating Income/(Loss)	\$ (63,600)	\$ 2,363	\$ (61,237)
	<hr/>		
Net Cash Provided/(Used) by Operating Activities	\$ (63,600)	\$ 2,363	\$ (61,237)
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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

Not Applicable

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## I. Long-Term Debt

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**GIBBSBORO SCHOOL DISTRICT  
LONG-TERM DEBT ACCOUNT GROUP  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2021**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2020	BALANCE JUNE 30, 2021
			DATE	AMOUNT			
Refunding Bonds, Series 2011	8/25/2011	\$ 2,755,000	9/1/21	\$ 170,000	4.000%	\$ 1,700,000	\$ 1,540,000
			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						\$ 1,700,000	\$ 1,540,000

**GIBBSBORO SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Local Sources:					
Local Tax Levy	\$ 224,100	\$ -	\$ 224,100	\$ 224,100	\$ -
Total Revenues	224,100	-	224,100	224,100	-
Expenditures:					
Regular Debt Service:					
Interest	64,100	-	64,100	64,100	-
Redemption of Principal	160,000	-	160,000	160,000	-
Total Regular Debt Service	224,100	-	224,100	224,100	-
Excess/(Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**STATISTICAL SECTION (Unaudited)**

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
	FISCAL YEAR ENDING JUNE 30,									
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 2,142,707	\$ 2,099,449	\$ 2,082,651	\$ 2,080,524	\$ 2,081,898	\$ 2,054,149	\$ 2,092,869	\$ 2,144,478	\$ 2,015,731	\$ 2,053,644
Restricted	1,035,611	981,373	955,255	891,785	646,875	375,874	253,666	251,701	295,944	803,798
Unrestricted	(771,841)	(769,794)	(676,175)	(640,662)	(649,609)	(584,457)	(562,610)	51,941	147,054	(295,416)
Total Governmental Activities	\$ 2,406,477	\$ 2,311,028	\$ 2,361,731	\$ 2,331,647	\$ 2,079,164	\$ 1,845,566	\$ 1,783,925	\$ 2,448,120	\$ 2,458,729	\$ 2,562,026
Business-Type Activities:										
Unrestricted	\$ 8,837	\$ 8,242	\$ 3,720	\$ 4,086	\$ 2,085	\$ 1,753	\$ 1,872	\$ 2,773	\$ 3,703	\$ 35,196
Total Business-Type Activities	\$ 8,837	\$ 8,242	\$ 3,720	\$ 4,086	\$ 2,085	\$ 1,753	\$ 1,872	\$ 2,773	\$ 3,703	\$ 35,196
District-Wide:										
Invested in Capital Assets,										
Net of Related Debt	\$ 2,142,707	\$ 2,099,449	\$ 2,082,651	\$ 2,080,524	\$ 2,081,898	\$ 2,054,149	\$ 2,092,869	\$ 2,144,478	\$ 2,015,731	\$ 2,053,644
Restricted	1,035,611	981,373	955,255	891,785	646,875	375,874	253,666	251,701	295,944	803,798
Unrestricted	(763,004)	(761,552)	(672,455)	(636,576)	(647,524)	(582,704)	(560,738)	54,714	150,757	(260,220)
Total District Net Position	\$ 2,415,314	\$ 2,319,270	\$ 2,365,451	\$ 2,335,733	\$ 2,081,249	\$ 1,847,319	\$ 1,785,797	\$ 2,450,893	\$ 2,462,432	\$ 2,597,222

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
FISCAL YEAR ENDING JUNE 30,										
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 1,742,183	\$ 1,644,438	\$ 3,078,363	\$ 3,353,328	\$ 1,687,676	\$ 1,728,217	\$ 1,630,988	\$ 1,627,882	\$ 1,489,039	\$ 1,582,455
Special Education	526,198	540,067	823,654	847,842	397,133	374,019	376,557	310,257	349,707	335,939
Other Instruction	105,173	102,664	195,906	189,062	84,095	81,515	80,461	81,287	83,563	82,117
Support Services:										
Tuition	-	-	26,626	20,022	-	-	-	-	-	-
Attendance/Social Work	9,263	9,023	-	-	8,328	7,941	7,563	7,370	7,212	7,036
Health Services	68,918	70,399	-	-	79,616	76,856	76,285	73,597	71,917	68,901
Student & Instruction Related Services	518,393	443,018	756,753	689,490	392,875	409,864	393,437	403,823	378,830	357,287
Educational Media/Library	65,512	63,834	-	-	3,256	4,491	6,489	1,112	36,572	42,019
Instructional Staff Training	275	858	-	-	858	226	1,080	273	5,107	4,330
General & Administrative Services	185,141	195,829	216,835	203,401	125,983	134,095	144,522	129,304	133,874	145,386
School Administrative Services	77,488	74,028	93,219	90,801	50,420	51,133	51,260	60,886	59,906	58,270
Central Services	140,937	135,628	144,511	125,823	99,935	88,888	89,803	84,146	80,694	79,656
Administrative Information Technology	-	-	-	-	-	-	-	1,489	1,453	1,410
Plant Operations & Maintenance	318,838	304,892	400,273	418,565	324,667	275,220	339,815	301,285	314,006	298,107
Pupil Transportation	33,337	49,964	154,014	108,546	53,248	54,856	71,156	101,858	78,900	70,373
Unallocated Benefits	2,662,720	1,963,717	-	-	2,293,904	2,021,761	1,857,541	1,318,515	1,289,024	1,158,627
Interest & Other Charges	95,899	100,866	105,641	111,594	76,492	115,631	105,337	119,068	119,484	96,656
Amortized Bond Issuance Costs	-	-	-	-	-	-	-	2,873	7,084	5,902
Unallocated Debt Absences	-	-	-	-	-	-	-	19,002	(35,142)	17,496
Adjustment Due to Appraisal	-	-	-	-	-	-	-	(192,986)	-	-
Unallocated Depreciation	129,455	140,329	-	-	157,723	183,720	191,609	199,239	167,913	167,326
Total Governmental Activities Expenses	6,679,730	5,839,554	5,995,795	6,158,474	5,836,209	5,608,433	5,423,903	4,650,280	4,639,143	4,579,293
Business-Type Activities:										
Food Service	63,600	32,732	55,162	54,123	51,807	50,837	53,557	55,946	52,111	60,029
PALS Program	1,855	58,265	59,205	54,594	47,660	46,087	34,294	13,633	-	-
Internal Service Fund	-	-	-	-	-	-	-	-	-	15,050

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

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total Business-Type Activities Expense	65,455	90,997	114,367	108,717	99,467	96,924	87,851	69,579	52,111	75,079
Total District Expenses	\$ 6,745,185	\$ 5,930,551	\$ 6,110,162	\$ 6,267,191	\$ 5,935,676	\$ 5,705,357	\$ 5,511,754	\$ 4,719,859	\$ 4,691,254	\$ 4,654,372
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Operating Grants & Contributions	\$ 1,904,410	\$ 1,122,250	\$ 1,394,165	\$ 1,749,377	\$ 1,436,467	\$ 1,064,996	\$ 920,206	\$ 92,482	\$ 91,440	\$ 109,200
Total Governmental Activities Program Revenues	1,904,410	1,122,250	1,394,165	1,749,377	1,436,467	1,064,996	920,206	92,482	91,440	109,200
Business-Type Activities:										
Charges for Services:										
Food Service	64,185	37,218	54,796	56,125	52,135	50,714	52,652	55,012	51,256	54,789
PALS	4,218	85,411	120,036	126,570	101,713	107,620	81,622	28,904	-	-
Internal Service Fund	-	-	-	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	68,403	122,629	174,832	182,695	153,848	158,334	134,274	83,916	51,256	54,789
Total District Program Revenues	\$ 1,972,813	\$ 1,244,879	\$ 1,568,997	\$ 1,932,072	\$ 1,590,315	\$ 1,223,330	\$ 1,054,480	\$ 176,398	\$ 142,696	\$ 163,989
Net (Expense)/Revenue:										
Governmental Activities	\$ (4,775,320)	\$ (4,717,304)	\$ (4,601,630)	\$ (4,409,097)	\$ (4,399,742)	\$ (4,543,437)	\$ (4,503,697)	\$ (4,557,798)	\$ (4,547,703)	\$ (4,470,093)
Business-Type Activities	2,948	31,632	60,465	73,978	54,381	61,410	46,423	14,337	(855)	(20,290)
Total District-Wide Net Expense	\$ (4,772,372)	\$ (4,685,672)	\$ (4,541,165)	\$ (4,335,119)	\$ (4,345,361)	\$ (4,482,027)	\$ (4,457,274)	\$ (4,543,461)	\$ (4,548,558)	\$ (4,490,383)

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
FISCAL YEAR ENDING JUNE 30,										
General Revenues & Other Changes in Net Assets:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 3,275,926	\$ 3,010,446	\$ 2,834,520	\$ 2,834,520	\$ 2,834,520	\$ 2,778,943	\$ 2,709,377	\$ 2,580,359	\$ 2,529,761	\$ 2,480,161
Taxes Levied for Debt Service	224,100	229,000	228,725	227,737	225,875	228,775	226,625	224,374	195,540	234,791
Unrestricted Grants & Contributions	1,338,100	1,353,325	1,371,424	1,392,654	1,417,487	1,412,099	1,411,573	1,738,414	1,686,735	1,723,547
Tuition From Individuals	-	29,175	111,253	131,335	87,463	54,108	57,085	50,563	-	-
Tuition From Other LEAs Within the State	-	-	-	-	-	60,955	-	-	-	-
Miscellaneous Income	13,537	17,509	24,961	3,355	13,942	8,665	4,162	2,407	1,723	20,105
Transfers	2,363	27,146	60,831	71,977	54,053	61,533	47,328	15,271	(3,754)	(5,956)
<b>Total Governmental Activities</b>	<b>\$ 4,854,026</b>	<b>\$ 4,666,601</b>	<b>\$ 4,631,714</b>	<b>\$ 4,661,578</b>	<b>\$ 4,633,340</b>	<b>\$ 4,605,078</b>	<b>\$ 4,456,150</b>	<b>\$ 4,611,388</b>	<b>\$ 4,410,005</b>	<b>\$ 4,452,648</b>
Business-Type Activities:										
Interest Earnings	\$ 10	\$ 36	\$ -	\$ -	\$ 4	\$ 4	\$ 4	\$ 4	\$ 9	\$ 9
Transfers	(2,363)	(27,146)	(60,831)	(71,977)	(54,053)	(61,533)	(47,328)	(15,271)	3,754	5,956
<b>Total Business-Type Activities</b>	<b>(2,353)</b>	<b>(27,110)</b>	<b>(60,831)</b>	<b>(71,977)</b>	<b>(54,049)</b>	<b>(61,529)</b>	<b>(47,324)</b>	<b>(15,267)</b>	<b>3,763</b>	<b>5,965</b>
<b>Total District-Wide</b>	<b>\$ 4,851,673</b>	<b>\$ 4,639,491</b>	<b>\$ 4,570,883</b>	<b>\$ 4,589,601</b>	<b>\$ 4,579,291</b>	<b>\$ 4,543,549</b>	<b>\$ 4,408,826</b>	<b>\$ 4,596,121</b>	<b>\$ 4,413,768</b>	<b>\$ 4,458,613</b>
Change in Net Position:										
Governmental Activities	\$ 78,706	\$ (50,703)	\$ 30,084	\$ 252,481	\$ 233,598	\$ 61,641	\$ (47,547)	\$ 53,590	\$ (137,698)	\$ (17,445)
Business-Type Activities	595	4,522	(366)	2,001	332	(119)	(901)	(930)	2,908	(14,325)
<b>Total District</b>	<b>\$ 79,301</b>	<b>\$ (46,181)</b>	<b>\$ 29,718</b>	<b>\$ 254,482</b>	<b>\$ 233,930</b>	<b>\$ 61,522</b>	<b>\$ (48,448)</b>	<b>\$ 52,660</b>	<b>\$ (134,790)</b>	<b>\$ (31,770)</b>



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

	FISCAL YEAR ENDING JUNE 30,										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	
General Fund											
Restricted	\$ 1,019,473	\$ 981,373	\$ 955,255	\$ 891,785	\$ 643,639	\$ 401,923	\$ 280,891	\$ 279,825	\$ 324,619	\$ 389,516	
Assigned	-	-	47,122	73,878	29,711	1,392	1,183	1,218	1,566	1,740	
Unrestricted	123,233	117,897	117,063	115,172	112,689	113,386	113,386	113,703	122,742	117,009	
Total General Fund	\$ 1,142,706	\$ 1,099,270	\$ 1,119,440	\$ 1,080,835	\$ 786,039	\$ 516,701	\$ 395,460	\$ 394,746	\$ 448,927	\$ 508,265	
All Other Governmental Funds											
Assigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 27,903
Restricted, Reported in:											
Special Revenue Fund	16,138	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 16,138	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 27,903	

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Revenues:</b>										
Tax Levy	\$ 3,500,026	\$ 3,239,446	\$ 3,063,245	\$ 3,062,257	\$ 3,060,395	\$ 3,007,718	\$ 2,936,002	\$ 2,804,733	\$ 2,725,301	\$ 2,714,952
Tuition From Individuals	-	29,175	111,253	131,335	87,463	54,108	57,085	50,563	-	-
Tuition - Other LEAs Within State	-	-	-	-	-	60,955	-	-	-	-
Miscellaneous	24,560	17,509	24,961	3,355	13,942	8,665	4,162	2,407	1,723	20,105
State Sources	2,288,729	2,097,529	2,048,064	2,009,512	1,923,790	1,858,240	1,786,821	1,738,414	1,686,735	1,686,859
Federal Sources	200,079	132,279	118,658	114,151	107,757	112,889	98,108	92,482	91,440	145,888
<b>Total Revenue</b>	<b>6,013,394</b>	<b>5,515,938</b>	<b>5,366,181</b>	<b>5,320,610</b>	<b>5,193,347</b>	<b>5,102,575</b>	<b>4,882,178</b>	<b>4,688,599</b>	<b>4,505,199</b>	<b>4,567,804</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	1,742,183	1,644,438	1,625,739	1,593,359	1,687,676	1,728,217	1,630,988	1,627,882	1,489,039	1,582,455
Special Education Instruction	526,198	540,067	434,987	402,859	397,133	374,019	376,557	310,257	349,707	335,939
Other Instruction	105,173	102,664	103,461	89,834	84,095	81,515	80,461	81,287	83,563	82,117
<b>Support Services:</b>										
Tuition	-	-	20,416	15,160	-	-	-	-	-	-
Attendance/Social Work	9,263	9,023	8,760	8,506	8,328	7,941	7,563	7,370	7,212	7,036
Health Services	68,918	70,399	83,829	83,417	79,616	76,856	76,285	73,597	71,917	68,901
Student & Instruction Related Services	518,393	443,018	487,678	430,149	392,875	409,864	393,437	403,823	378,830	357,287
Educational Media/Library	65,512	63,834	-	-	3,256	4,491	6,489	1,112	36,572	42,019
Instructional Staff Training	275	858	-	-	858	226	1,080	273	5,107	4,330
General & Administration Services	185,141	195,829	166,266	154,013	125,983	134,095	144,522	129,304	133,874	130,929
School Administrative Services	77,488	74,028	71,479	68,753	50,420	51,133	51,260	60,886	59,906	58,270
Central Services	140,937	135,628	110,809	95,272	99,935	88,888	89,803	84,146	80,694	79,656
Administrative Information Technology	-	-	-	-	-	-	-	1,489	1,453	1,410
Plant Operations & Maintenance	272,539	304,892	306,923	319,920	324,667	275,220	339,815	301,285	314,006	298,107
Pupil Transportation	33,337	49,964	118,095	82,189	53,248	54,856	71,156	101,858	78,900	70,373
Unallocated Benefits	960,362	924,815	1,586,660	1,490,067	1,405,098	1,496,178	1,402,158	1,318,515	1,289,024	1,158,627
On-Behalf TPAF & FICA Reimb.	950,629	744,204	-	-	-	-	-	-	-	-
Capital Outlay	61,885	-	3,985	5,963	38,999	30,593	30,593	30,593	19,840	21,146
<b>Debt Service:</b>										
Principal	160,000	160,000	155,000	150,000	145,000	145,000	140,000	135,000	130,000	100,000
Interest & Other Charges	94,693	99,593	104,318	108,330	80,875	83,775	86,625	89,375	93,442	106,889
<b>Total Expenditures</b>	<b>5,972,926</b>	<b>5,563,254</b>	<b>5,388,405</b>	<b>5,097,791</b>	<b>4,978,062</b>	<b>5,042,867</b>	<b>4,928,792</b>	<b>4,758,052</b>	<b>4,623,086</b>	<b>4,505,491</b>
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>40,468</b>	<b>(47,316)</b>	<b>(22,224)</b>	<b>222,819</b>	<b>215,285</b>	<b>59,708</b>	<b>(46,614)</b>	<b>(69,453)</b>	<b>(117,887)</b>	<b>62,313</b>
<b>Other Financing Sources/(Uses):</b>										
Transfers In/(Out)	2,363	27,146	60,831	71,977	54,053	61,553	47,328	15,271	(3,754)	(5,956)
<b>Total Other Financing Sources/(Uses)</b>	<b>2,363</b>	<b>27,146</b>	<b>60,831</b>	<b>71,977</b>	<b>54,053</b>	<b>61,553</b>	<b>47,328</b>	<b>15,271</b>	<b>(3,754)</b>	<b>(5,956)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 42,831</b>	<b>\$ (20,170)</b>	<b>\$ 38,607</b>	<b>\$ 294,796</b>	<b>\$ 269,338</b>	<b>\$ 121,261</b>	<b>\$ 714</b>	<b>\$ (54,182)</b>	<b>\$ (121,641)</b>	<b>\$ 56,357</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>4.45%</b>	<b>4.89%</b>	<b>5.06%</b>	<b>5.34%</b>	<b>4.75%</b>	<b>4.75%</b>	<b>4.82%</b>	<b>4.95%</b>	<b>5.08%</b>	<b>4.81%</b>

Source: District records

**GIBBSBORO SCHOOL DISTRICT**  
**GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*

FISCAL YEAR ENDING JUNE 30,	INTEREST EARNINGS	TUITION FROM OTHER LEA's	TUITION OTHER	MISCELLANEOUS	TOTAL
2021	\$ 5,578	\$ -	\$ -	\$ 7,959	\$ 13,537
2020	1,226	-	29,175	16,283	46,684
2019	24,836	53,160	58,093	125	136,214
2018	3,230	77,047	54,289	125	134,691
2017	1,226	-	-	12,716	13,942
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

Source: District records

**GIBBSBORO SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
LAST TEN FISCAL YEARS**

YEAR ENDED DEC 31,	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
2020	\$7,439,600	\$176,203,100	\$ -	\$ 2,700	\$ 35,821,600	\$ 7,220,400	\$ 282,000	\$226,969,400	\$ -	\$ 226,969,400	2.056	\$ 228,316,900
2019	7,603,800	177,607,600	-	20,900	37,057,200	7,329,600	282,000	229,901,100	-	229,901,100	1.835	219,231,805
2018	5,692,300	124,312,800	-	16,600	27,632,100	4,848,700	192,700	162,695,200	-	162,695,200	2.626	216,378,907
2017	5,692,300	124,312,800	-	16,600	27,632,100	4,848,700	192,700	162,695,200	-	162,695,200	2.626	216,378,907
2016	5,796,600	124,630,800	-	16,600	27,918,700	4,848,800	192,700	163,404,200	-	163,404,200	2.649	Unavailable
2015	5,823,900	124,776,500	-	16,600	27,686,400	4,848,800	192,700	163,344,900	-	163,344,900	2.624	Unavailable
2014	5,817,700	126,048,100	-	16,600	26,530,100	5,088,700	192,700	163,693,900	-	163,693,900	2.522	Unavailable
2013	5,467,400	126,125,000	-	16,600	26,847,000	9,172,000	192,700	167,820,700	-	167,820,700	2.403	Unavailable
2012	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	Unavailable
2011	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

Source: Local Tax Assessor and County Board of Taxation

N/A - Not Available

**GIBBSBORO SCHOOL DISTRICT**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
*(Rate per \$100 of Assessed Value)*

YEAR ENDED DEC 31,	SCHOOL DISTRICT DIRECT RATE		OVERLAPPING RATES		TOTAL DIRECT AND OVERLAPPING TAX RATE
	Basic Rate	TOTAL DIRECT	TOWNSHIP OF GIBBSBORO	ALL CAMDEN COUNTY	
2020	2.056	2.056	0.987	0.967	4.010
2019	1.835	1.835	0.937	0.827	3.599
2018	2.626	2.626	1.299	1.193	5.118
2017	2.626	2.626	1.299	1.193	5.118
2016	2.649	2.649	1.248	1.162	5.036
2015	2.624	2.624	1.197	1.211	5.057
2014	2.522	2.522	1.165	1.180	4.969
2013	2.403	2.403	1.121	1.199	4.842
2012	2.311	2.311	1.074	1.110	4.587
2011	2.328	2.328	1.027	1.094	4.432

Source: Municipal Tax Collector

N/A - Not available at time of audit

**GIBBSBORO SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS,  
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2021		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
Brandywine/Operat Part	\$ 8,093,600	1	3.57%
59-63 N. Lakeview R. LLC	2,509,700	2	1.11%
4 S. Lakeview Dr., LLC	2,447,700	3	1.08%
Tahmed LLC	2,409,700	4	1.06%
Eureka Stone Quarry, Inc.	2,009,000	5	0.89%
20 E. Clementon LLC	2,000,000	6	0.88%
DC Gibbs c/o CVS	1,956,400	7	0.86%
Square Circle Sportsman	1,475,700	8	0.65%
Parisi Enterprises, LLC	1,200,000	9	0.53%
Brandywine 55 US Ave. LLC	1,145,500	10	0.50%
<b>Total</b>	<b>\$ 25,247,300</b>		<b>11.12%</b>

TAXPAYER	2012		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
Brandywine Realty	\$ 11,931,900	1	7.06%
CIT Lending Serv. Corp	2,100,000	2	1.24%
Taxpayer #1	1,700,000	3	1.01%
Eureka Stone Quarry Inc.	1,426,800	4	0.84%
Parisi Enterprises, LLC	1,375,000	5	0.81%
DG Gibbs, LLC	1,250,000	6	0.74%
Square Circle Sportsmen	1,185,700	7	0.70%
Clementon LLC	875,000	8	0.52%
Hueyroo LLC c/o Gibraltar Construction	803,300	9	0.48%
Taxpayer #2	741,300	10	0.44%
<b>Total</b>	<b>\$ 23,389,000</b>		<b>13.84%</b>

Source: Municipal Tax Assessor

**GIBBSBORO SCHOOL DISTRICT  
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	
2021	\$ 3,500,026	\$ 3,500,026	100.00%	\$ -
2020	3,239,446	3,239,446	100.00%	-
2019	3,063,245	3,063,245	100.00%	-
2018	3,062,257	3,062,257	100.00%	-
2017	3,060,395	3,060,395	100.00%	-
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%	-

Source: Municipal audit report

**GIBBSBORO SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	<u>GOVERNMENTAL ACTIVITIES</u>		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	BOND ANTICIPATION NOTES (BANs)			
2021	\$ 1,540,000	-	\$ 1,540,000	Unavailable	Unavailable
2020	1,700,000	-	1,700,000	Unavailable	770
2019	1,860,000	-	1,860,000	1.50%	839
2018	2,015,000	-	2,015,000	1.68%	905
2017	2,165,000	-	2,165,000	1.87%	971
2016	2,310,000	-	2,310,000	2.06%	1,034
2015	2,455,000	-	2,455,000	2.25%	1,098
2014	2,595,000	-	2,595,000	2.47%	1,158
2013	2,730,000	-	2,730,000	2.68%	1,213
2012	2,860,000	-	2,860,000	2.83%	1,264



**GIBBSBORO SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	<u>GENERAL BONDED DEBT OUTSTANDING</u>		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	NET TAXABLE VALUATION	NET GENERAL BONDED DEBT OUTSTANDING		
2021	\$ 226,969,400	\$ 1,540,000	0.68%	Unavailable
2020	229,901,100	1,700,000	0.74%	770
2019	162,695,200	1,860,000	1.14%	839
2018	162,695,200	2,015,000	1.24%	905
2017	163,404,200	2,015,000	1.23%	904
2016	163,344,900	2,165,000	1.33%	969
2015	163,693,900	2,310,000	1.41%	1,033
2014	167,820,700	2,455,000	1.46%	1,095
2013	168,938,038	2,595,000	1.54%	1,153
2012	170,564,122	2,730,000	1.60%	1,206

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2021**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Gibbsboro Borough	\$ 4,845,388	100.00%	\$ 4,845,388
Eastern Regional School District	-	5.28%	-
Local School District	1,540,000	100.00%	1,540,000
Camden County	376,137,881	0.67%	2,507,978
Total Overlapping Debt			<u>\$ 8,893,366</u>

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

**GIBBSBORO SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(Dollars in Thousands)**

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$ 6,960,910	\$ 6,959,929	\$ 6,470,003	\$ 6,527,556	\$ 6,615,159	\$ 6,838,383	\$ 6,866,255	\$ 7,073,772	\$ 7,418,523	\$ 7,941,387
Total Net Debt Applicable to Limit	1,540,000	1,700,000	1,860,000	2,015,000	2,165,000	2,310,000	2,455,000	2,595,000	2,730,000	2,860,000
Legal Debt Margin	\$ 5,420,910	\$ 5,259,929	\$ 4,610,003	\$ 4,512,556	\$ 4,450,159	\$ 4,528,383	\$ 4,411,255	\$ 4,478,772	\$ 4,688,523	\$ 5,081,387
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	22.12%	24.43%	28.75%	30.87%	32.73%	33.78%	35.75%	36.68%	36.80%	36.01%

**Legal Debt Margin Calculation**

Equalized Valuation Basis	
2020	\$ 217,419,885
2019	261,251,250
2018	217,419,885
	<u>\$ 696,091,020</u>
Average Equalized Valuation of Taxable Property	\$ 232,030,340
Debt Limit (3 % of Average Equalization Value)	6,960,910
Net Bonded School Debt	<u>1,540,000</u>
Legal Debt Margin	<u>\$ 5,420,910</u>

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

**GIBBSBORO SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PERSONAL INCOME(b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2020	2,207	Unavailable	Unavailable	7.8%
2019	2,218	123,720,040	55,780	2.8%
2018	2,227	119,678,980	53,740	4.5%
2017	2,229	115,660,581	51,889	4.5%
2016	2,235	112,264,050	50,230	4.4%
2015	2,236	109,271,084	48,869	5.8%
2014	2,241	105,161,166	46,926	7.4%
2013	2,250	101,823,750	45,255	5.3%
2012	2,263	100,947,904	44,608	8.1%
2011	2,269	99,398,083	43,807	8.0%

Source:

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income is estimated - population times estimated per capita personal income.

<sup>c</sup> Per Capita Per County from US Bureau of Economic Analysis

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

**NOT AVAILABLE**

**GIBBSBORO SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction:										
Regular	23.0	23.0	23.0	22.0	21.9	22.9	24.2	21.5	20.0	20.0
Special Education	5.0	5.0	5.3	5.3	4.5	4.5	5.2	4.3	5.0	5.0
Other Special Education	11.0	11.0	11.0	9.5	9.6	8.2	7.6	8.0	6.0	6.0
Support Services:										
Student & Instruction Related Services	2.5	2.5	2.4	2.4	3.0	2.2	4.0	4.0	2.0	2.0
School Administrative Services	3.8	3.8	1.6	1.6	1.0	2.8	1.5	1.4	1.5	1.5
General & Business Administrative Services	2.0	2.0	3.9	3.9	4.3	4.0	4.3	4.3	2.5	2.5
Plant Operations & Maintenance	3.7	3.7	3.7	3.2	3.7	2.2	3.9	3.9	3.0	3.0
<b>Total</b>	<b>51.0</b>	<b>51.0</b>	<b>50.9</b>	<b>47.9</b>	<b>48.0</b>	<b>46.8</b>	<b>50.7</b>	<b>47.4</b>	<b>40.0</b>	<b>40.0</b>

**Source:** District Personnel Records

**GIBBSBORO SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO	AVERAGE		% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
							DAILY ENROLLMENT (ADE) (c)	DAILY ATTENDANCE (ADA) (c)		
2021	275	\$ 4,705,719	17,112	0.58%	27	10.185	273.5	265.0	2.67%	96.89%
2020	268	4,559,457	17,013	5.17%	27	9.926	266.4	252.7	0.34%	94.86%
2019	275	4,448,464	16,176	0.89%	27	10.185	265.5	253.3	0.00%	95.40%
2018	263	4,216,640	16,033	-12.92%	27	9.741	265.5	253.3	3.43%	95.40%
2017	256	4,713,188	18,411	-1.85%	28	9.143	256.7	245.7	0.12%	95.71%
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	9.750	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%

**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 SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Elementary Schools:										
Elementary School:										
Square Feet	54,167	54,167	54,167	54,167	54,167	54,167	54,167	54,167	54,167	54,167
Capacity (Students)	411	411	411	411	411	411	411	411	411	411
Enrollment	275	268	275	263	256	255	273	278	273	248

Number of Schools at June 30, 2021:  
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 SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS**

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

	ELEMENTARY SCHOOL
2021	\$ 23,830
2020	18,163
2019	32,148
2018	33,900
2017	53,883
2016	22,428
2015	73,828
2014	23,242
2013	24,999
2012	29,606

Source: District records

**INSURANCE SCHEDULE**

	COVERAGE	DEDUCTIBLE
<b>School Package Policy - School Boards:</b>		
Property - Blank Building & Contents	\$ 500,000,000	\$ 1,000
Comprehensive General Liability	11,000,000	1,000
Comprehensive Automobile Liability	11,000,000	
<b>Umbrella Liability - School Boards:</b>		
Umbrella Policy	11,000,000	
<b>School Board Legal Liability:</b>		
Directors and Officers Policy	1,000,000	5,000
<b>NJ School Board:</b>		
Worker's Compensation - Professional	2,975,585	
- Nonprofessional	111,392	

Source: District records.

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**SINGLE AUDIT SECTION**

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**HOLT MCNALLY & ASSOCIATES**

Certified Public Accountants & Advisors

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 School District  
County of Camden  
Gibbsboro, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial 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 activities, the business-type activities, each major fund and the aggregate remaining fund information of the Gibbsboro School District (the "School District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated February 1, 2022.

**Internal Control Over Financial Reporting**

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

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## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

**HOLT MCNALLY & ASSOCIATES, INC.**

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

Medford, New Jersey  
February 1, 2022

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

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

**Report on Compliance for Each Major State Program**

We have audited the Gibbsboro School District’s (the “School District”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District’s major state programs for the fiscal year ended June 30, 2021. The School District’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 state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for each of the School District’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; New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards, the Uniform Guidance and 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 the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on Each Major State Program**

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

### **Report on Internal Control Over Compliance**

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each 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 Uniform Guidance and 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 the School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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.

**Purpose of this Report**

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 Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

**HOLT MCNALLY & ASSOCIATES, INC.**

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

Medford, New Jersey  
February 1, 2022

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**GIBBSBORO SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2020	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2021
<b>U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:</b>										
Child Nutrition Cluster:										
COVID-19 National School Lunch Program	10.555	211NJ304N1099	100-010-3350-028	\$ 37,592	7/1/20-6/30/21	\$ -	\$ 35,223	\$ (37,592)	\$ -	\$ (2,369)
COVID-19 National School Lunch Program	10.555	201NJ304N1099	100-010-3350-028	4,815	3/13/20-6/30/20	(1,329)	1,329	-	-	-
COVID-19 Healthy Hunger-Free Kids Act	10.555	211NJ304N1099	100-010-3350-026	750	7/1/20-6/30/21	-	703	(750)	-	(47)
COVID-19 Healthy Hunger-Free Kids Act	10.555	201NJ304N1099	100-010-3350-026	99	3/13/20-6/30/20	(28)	28	-	-	-
COVID-19 School Breakfast Program	10.553	201NJ304N1099	100-010-3350-028	24,205	7/1/20-6/30/21	(1,357)	37,283	(38,342)	-	(2,416)
Total Child Nutrition Cluster:						-	22,679	(24,205)	-	(1,526)
Total U.S. Department of Agriculture						(1,357)	59,962	(62,547)	-	(3,942)
						(1,357)	59,962	(62,547)	-	(3,942)
<b>U.S. DEPARTMENT OF THE TREASURY PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:</b>										
COVID-19 ARP - Digital Divide	21.019	SLT0007	100-034-5120-517	11,376	3/13/20-9/30/22	-	11,376	(11,376)	-	-
COVID-19 ARP - Corona Virus Relief Fund	21.019	SLT0007	100-034-5120-517	10,168	3/13/20-9/30/22	-	10,168	(10,168)	-	-
Total U.S. Department of the Treasury						-	21,544	(21,544)	-	-
						-	21,544	(21,544)	-	-
<b>U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:</b>										
Title I, Part A	84.010	S010A200030	100-034-5064-194	46,071	7/1/20-9/30/21	-	-	(25,243)	-	(25,243)
Title I, Part A - SIA	84.010	S010A200030	100-034-5064-194	27,214	7/1/20-9/30/21	-	11,300	(11,300)	-	-
Title II - Part A, Supporting Effective Instruction	84.367	S367A200029	100-034-5063-290	9,481	7/1/20-9/30/21	-	3,158	(7,391)	-	(4,233)
Title IV - Student Support and Enrichment (ESSA)	84.424	S424A200031	100-034-5064-187	20,000	7/1/20-9/30/21	-	-	(12,700)	-	(12,700)
COVID-19 CARES - ESSER I	84.425D	S425D200027	100-034-5120-513	19,506	3/13/20-9/30/22	-	19,506	(19,506)	-	-
COVID-19 CARES - ESSER II	84.425D	S425D200027	100-034-5120-513	145,558	3/13/20-9/30/22	-	-	(21,302)	-	(21,302)
Special Education Cluster:						-	19,506	(40,808)	-	(21,302)
I.D.E.A. Part B, Basic Regular	84.027	H027A200100	100-034-5065-016	76,751	7/1/20-9/30/21	-	76,751	(76,751)	-	-
I.D.E.A. Part B, Basic Regular	84.028	H027A190101	100-034-5065-017	74,768	7/1/19-9/30/20	(376)	376	-	-	-
I.D.E.A. - Preschool	84.173A	H173A200114	100-034-5065-020	4,342	7/1/20-9/30/21	(376)	77,127	(76,751)	-	-
Total Special Education Cluster:						-	4,342	(4,342)	-	-
						(376)	4,342	(4,342)	-	-
						(376)	81,469	(81,093)	-	-
Total U.S. Department of Education						(376)	115,433	(178,535)	-	(63,478)
Total Expenditures of Federal Awards						\$ (1,733)	\$ 196,939	\$ (262,626)	\$ -	\$ (67,420)

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

**GIBBSBORO SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR FISCAL YEAR ENDED JUNE 30, 2021**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE		CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2021	MEMO		
				AT JUNE 30, 2020	AT JUNE 30, 2021					BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
<b>State Department of Education:</b>												
General Fund:												
State Aid Public:												
Equalization Aid	495-034-5120-078	\$ 857,242	7/1/20-6/30/21	\$ -	\$ 857,242	\$ -	(857,242)	\$ -	\$ -	\$ 83,157	\$ 857,242	
Security Aid	495-034-5120-084	25,761	7/1/20-6/30/21	-	25,761	-	(25,761)	-	-	2,499	25,761	
Adjustment Aid	495-034-5120-085	245,443	7/1/20-6/30/21	-	245,443	-	(245,443)	-	-	24,682	245,443	
Special Education Categorical Aid	495-034-5120-089	163,500	7/1/20-6/30/21	-	163,500	-	(163,500)	-	-	15,860	163,500	
Total State Aid Public				-	1,291,946	-	(1,291,946)	-	-	126,198	1,291,946	
Transportation Aid	495-034-5120-014	20,818	7/1/20-6/30/21	-	20,818	-	(20,818)	-	-	2,019	20,818	
Additional Nonpublic School Transportation Aid	495-034-5120-014	1,450	7/1/20-6/30/21	-	-	-	(1,450)	-	(1,450)	-	1,450	
Securing Our Children's Future Bond Act	Not Available	20,000	7/1/20-6/30/21	-	-	-	(20,000)	-	(20,000)	-	20,000	
Reimbursed TPAF Social Security Contributions	495-034-5094-003	176,515	7/1/20-6/30/21	-	168,364	-	(176,515)	-	(8,151)	-	176,515	
Reimbursed TPAF Social Security Contributions	495-034-5095-002	159,421	7/1/19-6/30/20	(7,834)	7,834	-	-	-	-	-	-	
On-Behalf TPAF Pension Contributions (Noncash Assistance)	495-034-5094-001	588,973	7/1/20-6/30/21	-	588,973	-	(588,973)	-	-	-	588,973	
On-Behalf TPAF Post-Retirement Medical Contributions (Noncash Assistance)	495-034-5094-002	184,575	7/1/20-6/30/21	-	184,575	-	(184,575)	-	-	-	184,575	
On-Behalf TPAF Long-Term Disability Insurance Contributions (Noncash Assistance)	495-034-5120-004	566	7/1/20-6/30/21	-	566	-	(566)	-	-	-	566	
Total State Department of Education				(7,834)	2,263,076	-	(2,284,843)	-	(29,601)	128,217	2,284,843	
<b>New Jersey Department of Agriculture:</b>												
Enterprise Fund:												
National School Lunch Program (State Share)	100-010-3350-023	1,638	7/1/20-6/30/21	-	1,466	-	(1,638)	-	(172)	-	1,638	
National School Lunch Program (State Share)	100-010-3350-023	733	7/1/19-6/30/20	(176)	176	-	-	-	-	-	-	
Total New Jersey Department of Agriculture				(176)	1,642	-	(1,638)	-	(172)	-	1,638	
Total State Financial Assistance				\$ (8,010)	\$ 2,264,718	\$ -	(2,286,481)	\$ -	(29,773)	\$ 128,217	\$ 2,286,481	
State Financial Assistance Programs not subject to Calculation for Major Program Determination:												
On-Behalf TPAF Pension Contributions	495-034-5094-001	\$ 588,973										
On-Behalf TPAF Post-Retirement Medical Contributions	495-034-5094-002	184,575										
On-Behalf TPAF Long-Term Disability Insurance Contributions	495-034-5120-004	566										
Total State Financial Assistance Subject to Major Program Determination											\$ (1,512,367)	

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

**GIBBSBORO SCHOOL DISTRICT**  
**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE**  
**FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Note 1. Basis of Presentation**

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Gibbsboro School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**Note 2. Summary of Significant Accounting Policies**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and 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.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2021. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2021.

**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.

**GIBBSBORO SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$3,886 for the general fund and \$-0- for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, 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 expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 2,288,729	\$ 2,288,729
Special Revenue Fund	200,079	-	200,079
Food Service Fund	<u>62,547</u>	<u>1,638</u>	<u>64,185</u>
Total State & Federal Expenditures	<u>\$ 262,626</u>	<u>\$ 2,290,367</u>	<u>\$ 2,552,993</u>

**Note 4. Relationship to Federal and State Financial Reports**

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

**Note 5. Federal and State Loans Outstanding**

The Gibbsboro School District had no loan balances outstanding at June 30, 2021.

**GIBBSBORO SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified?        yes   X   no

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

Noncompliance material to financial statements noted?        yes   X   no

**Federal Awards - NOT APPLICABLE**

Internal control over major programs:

1) Material weakness(es) identified?        yes        no

2) Significant deficiency(ies) identified?        yes        none reported

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 Uniform Guidance?        yes        no

Identification of major programs:

<b><u>CFDA Number(s)</u></b>	<b><u>FAIN Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
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NOT APPLICABLE

Dollar threshold used to determine Type A programs \_\_\_\_\_

Auditee qualified as low-risk auditee?        yes        no



**GIBBSBORO SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Section II – Financial Statement Findings – N/A**

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.

**Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs – N/A**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

**FEDERAL AWARDS – N/A**

**STATE FINANCIAL ASSISTANCE – N/A**

**GIBBSBORO SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings – N/A

Federal Awards – N/A

State Financial Assistance – N/A