

GIBBSBORO SCHOOL DISTRICT

Gibbsboro, New Jersey
County of Camden

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

GIBBSBORO SCHOOL DISTRICT

GIBBSBORO, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

November 14, 2023

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

Dear Board Members/Citizens:

The Annual Comprehensive Financial Report (ACFR) of the Gibbsboro School District for the fiscal year ended June 30, 2023, 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, 2023, 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 Annual Comprehensive 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>
2022-2023	298	3.83%
2021-2022	287	4.36%
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%

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
 - Update Math and ELA curriculums to meet the newly approved standards.
- 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
- 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 8th 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 and Newsela 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



GIBBSBORO ELEMENTARY SCHOOL DISTRICT

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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.

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.

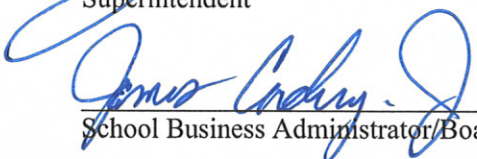
ACKNOWLEDGEMENTS

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



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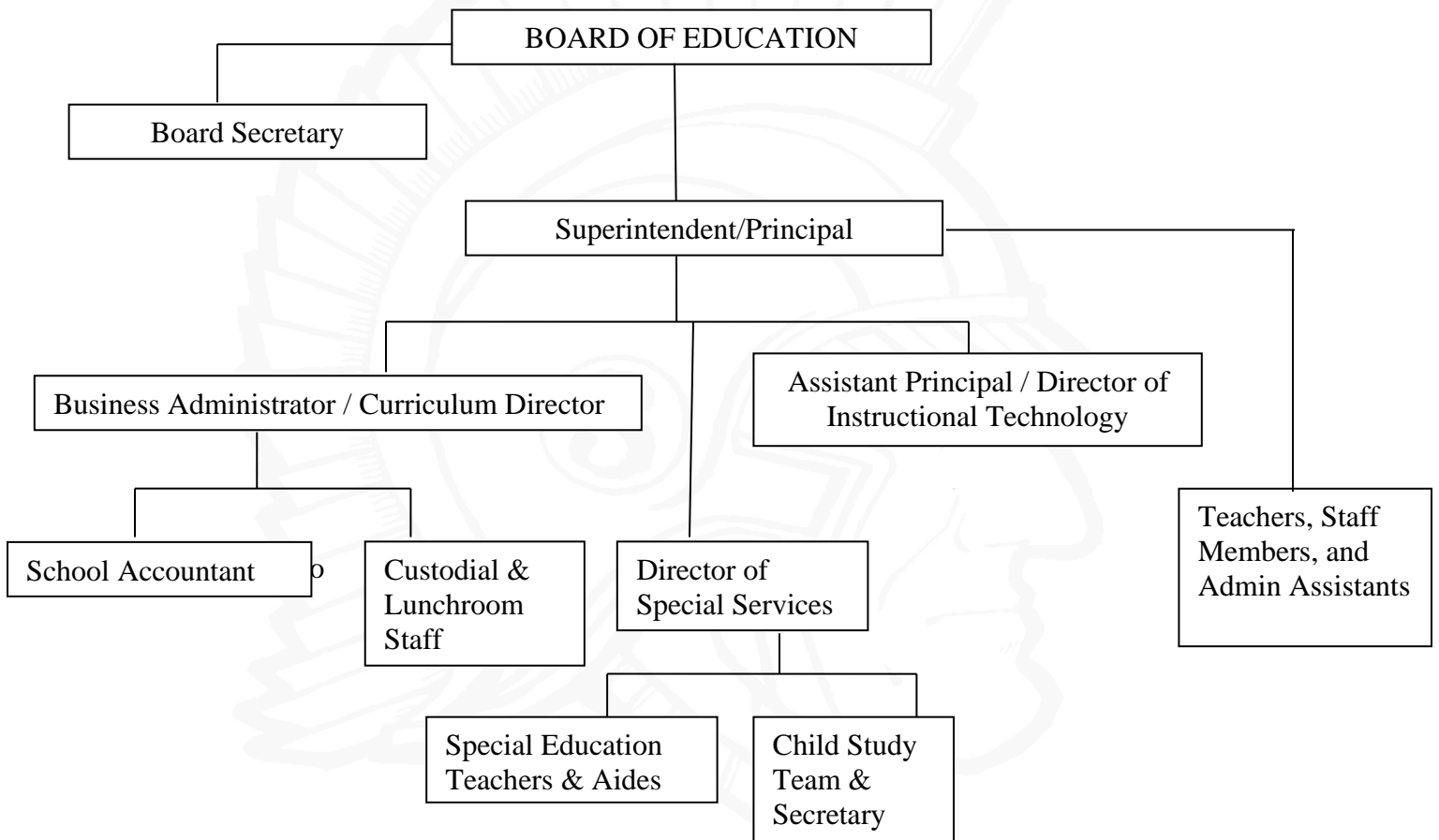
GIBBSBORO ELEMENTARY SCHOOL DISTRICT

Grades PS through 8

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

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

ORGANIZATIONAL CHART



Together Everyone Achieves More

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GIBBSBORO SCHOOL DISTRICT
37 Kirkwood Road
Gibbsboro, New Jersey 08026

ROSTER OF OFFICIALS

JUNE 30, 2023

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Joyce A. Miller, President	2025
Lorraine Balut, Vice President	2023
Geoff Alexander	2023
Maria Carrington	2024
Lauren Covaci	2023
Leavon Hooper	2024
Mike MacFerren	2025
Andrew Parsinitz	2024
Kristi Whyte	2025

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

Opinions

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, 2023, 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.

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, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to

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continue as a going concern for twelve months beyond the financial statement date, including any current known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* and in accordance with accounting principles and practices prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 and 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund statements and long-term debt schedules 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 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* are also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 financial statements, long-term debt schedules and accompanying schedules of expenditures or federal award and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with the audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2023 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.

Certified Public Accountants & Advisors

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

Medford, New Jersey
November 14, 2023

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, 2023
(Unaudited)

This section of the Gibbsboro School District's Annual Comprehensive Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2023. 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 (2022-23) and the prior year (2021-22) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2022-2023 are as follows:

- The assets of the Gibbsboro School District exceeded its liabilities at the close of the most recent fiscal year by \$2,362,233 (net position).
- Net Position for Governmental Activities and for Business-Type Activities were \$2,285,428 and \$76,805, respectively.
- The General Fund, fund balance as of June 30, 2023 was \$806,098, a decrease of \$124,406 when compared with the beginning balance as of July 1, 2022 of \$930,504.

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

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, 2023 and 2022, respectively:

	Governmental Activities		Business-Type Activities	
	2023	2022	2023	2022
ASSETS				
Current Assets	\$ 909,787	\$ 1,058,874	\$ 65,750	\$ 37,622
Capital Assets, Net	3,540,786	3,550,257	-	-
Total Assets	4,450,573	4,609,131	65,750	37,622
Deferred Outflows of Resources	224,450	250,687	-	-
Total Assets and Deferred Outflows of Resources	\$ 4,675,023	\$ 4,859,818	\$ 65,750	\$ 37,622
LIABILITIES				
Current Liabilities	\$ 327,342	\$ 184,900	\$ (11,055)	\$ -
Noncurrent Liabilities	1,881,506	2,000,079	-	-
Total Liabilities	2,208,848	2,184,979	(11,055)	-
Deferred Inflows of Resources	180,747	343,715	-	-
Total Liabilities and Deferred Inflows of Resources	2,389,595	2,528,694	(11,055)	-
NET POSITION				
Net Investment in Capital Assets	2,360,870	2,198,215	-	-
Restricted	688,668	834,190	-	-
Unrestricted (Deficit)	(764,110)	(701,281)	76,805	37,622
Total Net Position	\$ 2,285,428	\$ 2,331,124	\$ 76,805	\$ 37,622

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 decreased \$145,522 from the prior year to a total balance of \$688,668 as of June 30, 2023.

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 (\$764,110) 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, 2023 and 2022. 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.

	Governmental Activities		Business-Type Activities	
	2023	2022	2023	2022
REVENUES				
Program Revenues:				
Charges for Services	\$ -	\$ -	\$ 65,166	\$ 68,350
Operating Grants & Contributions	1,621,912	1,611,534	61,388	121,663
General Revenues				
Property Taxes	3,750,576	3,504,126	-	-
Grants & Entitlements	1,855,481	1,454,369	-	-
Miscellaneous	34,962	37,488	106	11
Transfers	-	21,355	-	(21,355)
Total Revenues	<u>7,262,931</u>	<u>6,628,872</u>	<u>126,660</u>	<u>168,669</u>
Expenses:				
Instruction	3,131,140	2,710,876	-	-
Support Services	3,963,325	3,773,050	-	-
Interest and Other Charges	214,162	220,299	-	-
Food Service	-	-	55,045	97,125
Other	-	-	32,432	42,759
Total Expenses	<u>7,308,627</u>	<u>6,704,225</u>	<u>87,477</u>	<u>139,884</u>
Increase in Net Position before Transfers	<u>(45,696)</u>	<u>(75,353)</u>	<u>39,183</u>	<u>28,785</u>
Changes in Net Position	<u>(45,696)</u>	<u>(75,353)</u>	<u>39,183</u>	<u>28,785</u>
Net Position- July 1	<u>2,331,124</u>	<u>2,406,477</u>	<u>37,622</u>	<u>8,837</u>
Net Postion- June 30	<u>\$ 2,285,428</u>	<u>\$ 2,331,124</u>	<u>\$ 76,805</u>	<u>\$ 37,622</u>

As described in Note 1 to the financial statements "Adopted Accounting Pronouncements", the district has adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023. The adoption of this pronouncement had no material effect on the financial statements.

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, 2023 and 2022 and the amount and percentage of increases and (decreases) in related to prior year expenditures.

	June 30, 2023			
	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2022</u>	<u>Percent of Increase (Decrease)</u>
Current Expenditures:				
Instruction	\$ 3,131,140	39.67%	\$ 420,264	15.50%
Undistributed	4,373,237	55.41%	532,246	13.86%
Capital Outlay	131,228	1.66%	86,438	192.99%
Debt Service:				
Principal	175,000	2.22%	5,000	2.94%
Interest	81,893	1.04%	(6,900)	-7.77%
Total	\$ 7,892,498	100.00%	\$ 1,037,048	15.13%

	June 30, 2022			
	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2021</u>	<u>Percent of Increase (Decrease)</u>
Current Expenditures:				
Instruction	\$ 2,710,876	39.54%	\$ 423,707	18.53%
Undistributed	3,840,991	56.03%	824,499	27.33%
Capital Outlay	44,790	0.65%	44,790	100.00%
Debt Service:				
Principal	170,000	2.48%	10,000	6.25%
Interest	88,793	1.30%	(10,800)	-10.84%
Total	\$ 6,855,450	100.00%	\$ 1,292,196	23.23%

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 2022-2023 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.

General Fund Budgetary Highlights (continued)

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.
- The district experienced significant increases in expenditures as a result of economic conditions following the pandemic.

Based on the financial results of 2022-2023, unassigned fund balance is at \$302,059 (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 \$31,144 in 2022-2023 as compared to a change in net position of \$28,785 in 2021-2022. The food service fund required no contributions from the board in 2022-2023 or in the 2021-2022 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 \$8,039 in 2022-2023 as compared to a change in net position of \$0 in 2021-2022.

Capital Assets

At June 30, 2023, the District had capital assets of \$3,540,786, net of depreciation, which included land improvements, buildings and improvements and equipment.

	<u>2023</u>	<u>2022</u>
Governmental Activities:		
Land Improvements	\$ 34,374	\$ 46,864
Building & Improvements	3,469,877	3,473,150
Equipment	<u>36,535</u>	<u>30,243</u>
	<u>3,540,786</u>	<u>3,550,257</u>
Business-Type Activities:		
Equipment	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Total Capital Assets	<u>\$ 3,540,786</u>	<u>\$ 3,550,257</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, 2023 and 2022, the District’s outstanding debt issues included \$1,195,000 and \$1,370,000 respectively of general obligation bonds and \$48,075 and \$53,525 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 2023-2024 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 2023-2024 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, 2023

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
Cash & Cash Equivalents	\$ 740,732	\$ 64,554	\$ 805,286
Receivables, Net (Note 4)	169,055	1,196	170,251
Capital Assets, Net (Note 5)	3,540,786	-	3,540,786
Total Assets	4,450,573	65,750	4,516,323
DEFERED OUTFLOW OF RESOURCES			
Deferred Charges on Refunding of Debt	38,610	-	38,610
Deferred Outflows Related to Pensions (Note 8)	185,840	-	185,840
Total Deferred Outflow of Resources	224,450	-	224,450
Total Assets and Deferred Outflow of Resources	4,675,023	65,750	4,740,773
LIABILITIES			
Internal Balances	11,055	(11,055)	-
Due to Other Governments	68,811	-	68,811
Accounts Payable	53,123	-	53,123
Accrued Interest Payable	15,933	-	15,933
Unearned Revenue	178,420	-	178,420
Noncurrent Liabilities (Note 7):			
Due Within One Year	184,481	-	184,481
Due Beyond One Year	1,697,025	-	1,697,025
Total Liabilities	2,208,848	(11,055)	2,197,793
DEFERED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions (Note 8)	180,747	-	180,747
Total Deferred Inflows of Resources	180,747	-	180,747
Total Liabilities and Deferred Inflows of Resources	2,389,595	(11,055)	2,378,540
NET POSITION			
Net Investment in Capital Assets	2,360,870	-	2,360,870
Restricted For:			
Capital Projects	231,773	-	231,773
Maintenance Reserve	100,000	-	100,000
Emergency Reserve	21,722	-	21,722
Excess Surplus	329,810	-	329,810
Other Purposes	5,363	-	5,363
Unrestricted	(764,110)	76,805	(687,305)
Total Net Position	\$ 2,285,428	\$ 76,805	\$ 2,362,233

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, 2023**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		TOTALS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
Governmental Activities:					
Instruction:					
Regular Instruction	\$ 2,292,570	\$ -	\$ 395,362	\$ (1,897,208)	\$ (1,897,208)
Special Education Instruction	710,444	-	-	(710,444)	(710,444)
Other Instruction	128,126	-	-	(128,126)	(128,126)
Support Services & Undistributed Costs:					
Attendance/Social Work	6,964	-	-	(6,964)	(6,964)
Health Services	77,577	-	-	(77,577)	(77,577)
Student & Instruction Related Services	936,297	-	213,639	(722,658)	(722,658)
Educational Media Services/School Library	60,054	-	-	(60,054)	(60,054)
Instructional Staff Training	1,040	-	-	(1,040)	(1,040)
General Administrative Services	202,503	-	-	(202,503)	(202,503)
School Administrative Services	122,978	-	-	(122,978)	(122,978)
Central Services	111,471	-	-	(111,471)	(111,471)
Plant Operations & Maintenance	367,594	-	68,591	(299,003)	(299,003)
Pupil Transportation	77,376	-	-	(77,376)	(77,376)
Unallocated Benefits	1,999,471	-	944,320	(1,055,151)	(1,055,151)
Interest and Other Changes on Long-Term Debt	82,433	-	-	(82,433)	(82,433)
Unallocated Depreciation	131,729	-	-	(131,729)	(131,729)
Total Governmental Activities	\$ 7,308,627	\$ -	\$ 1,621,912	\$ (5,686,715)	\$ (5,686,715)

**GIBBSBORO SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		TOTALS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
Business-Type Activities:					
PALS Program	\$ 32,432	\$ 40,471	-	\$ -	\$ 8,039
Food Service	55,045	24,695	61,388	-	31,038
Total Business-Type Activities	87,477	65,166	61,388	-	39,077
Total Primary Government	\$ 7,396,104	\$ 65,166	\$ 1,683,300	\$ (5,686,715)	\$ (5,647,638)
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes, Net				3,524,276	-
Taxes Levied for Debt Service				226,300	-
Federal & State Aid Not Restricted				1,855,481	-
Tuition From Individuals				15,370	-
Miscellaneous Income				19,592	106
Total General Revenues, Special Items, Extraordinary Items & Transfers				5,641,019	106
Change In Net Position				(45,696)	39,183
Net Position - Beginning				2,331,124	37,622
Net Position - Ending				2,285,428	76,805

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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, 2023**

	GENERAL FUND	SPECIAL REVENUE FUND	TOTALS
Assets:			
Cash & Cash Equivalents	\$ 443,233	\$ -	\$ 443,233
Accounts Receivable:			
Federal Aid	-	95,483	95,483
State Aid	73,572	-	73,572
Interfund Receivable	50,863	24	50,887
Restricted Cash & Cash Equivalents	353,495	-	353,495
	<hr/>	<hr/>	<hr/>
Total Assets	921,163	95,507	1,016,670
Liabilities & Fund Balances:			
Liabilities:			
Cash Deficit	-	55,996	55,996
Payroll Taxes Payable	53,123	-	53,123
Due Grantor	-	1,427	1,427
Unearned Revenue	-	178,420	178,420
Interfund Payable	61,942	-	61,942
	<hr/>	<hr/>	<hr/>
Total Liabilities	115,065	235,843	350,908
Fund Balances:			
Restricted for:			
Capital Reserve Account	231,773	-	231,773
Maintenance Reserve Account	100,000	-	100,000
Emergency Reserve	21,722	-	21,722
Excess Surplus	200,691	-	200,691
Excess Surplus Designated for Subsequent Year's Expenditures	129,119	-	129,119
Student Activities	-	5,363	5,363
Assigned to:			
Designated for Subsequent Year's Expenditures	1,740	-	1,740
Unassigned	121,053	(145,699)	(24,646)
	<hr/>	<hr/>	<hr/>
Total Fund Balances	806,098	(140,336)	665,762
Total Liabilities & Fund Balances	<hr/> <u>\$ 921,163</u>	<hr/> <u>\$ 95,507</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 \$7,271,102 and the accumulated depreciation is \$3,730,316.	3,540,786
Accrued interest payable is not recorded in the fund financials due to the fact that payables are not due in the current period.	(15,933)
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	185,840
Deferred Inflows Related to Pension	(180,747)
Deferred Outflows Related to the Loss on Bond Refunding of Debt	38,610
Accrued pension contributions for the June 30, 2023 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.	(67,384)
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)	<hr/> <u>(1,881,506)</u>
Net Position of Governmental Activities	<hr/> <u>\$ 2,285,428</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, 2023**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS
Revenues:				
Local Sources:				
Local Tax Levy	\$ 3,524,276	\$ -	\$ 226,300	\$ 3,750,576
Tuition From Individuals	15,370	-	-	15,370
Miscellaneous	19,592	58,729	-	78,321
Total Revenues - Local Sources	3,559,238	58,729	226,300	3,844,267
State Sources	3,151,507	271,770	-	3,423,277
Federal Sources	-	347,093	-	347,093
Total Revenues	6,710,745	677,592	226,300	7,614,637
Expenditures:				
Current Expense:				
Regular Instruction	1,897,208	395,362	-	2,292,570
Special Education Instruction	710,444	-	-	710,444
Other Instruction	128,126	-	-	128,126
Support Services & Undistributed Costs:				
Attendance/Social Work	6,964	-	-	6,964
Health Services	77,577	-	-	77,577
Student & Instruction Related Services	569,203	367,094	-	936,297
Educational Media Services/School Library	60,054	-	-	60,054
Instructional Staff Training	1,040	-	-	1,040
General Administrative Services	202,503	-	-	202,503
School Administrative Services	122,978	-	-	122,978
Central Services	111,471	-	-	111,471
Plant Operations & Maintenance	358,624	-	-	358,624
Pupil Transportation	77,376	-	-	77,376
Unallocated Benefits	1,122,327	-	-	1,122,327
On-Behalf TPAF Pension & Soc. Sec. Contrib.	1,296,026	-	-	1,296,026
Capital Outlay	62,637	68,591	-	131,228
Debt Service:				
Principal	-	-	175,000	175,000
Interest & Other Charges	30,593	-	51,300	81,893
Total Expenditures	6,835,151	831,047	226,300	7,892,498
Excess/(Deficiency) of Revenues				
Over/(Under) Expenditures	(124,406)	(153,455)	-	(277,861)
Fund Balances, July 1	930,504	13,119	-	943,623
Fund Balances, June 30	\$ 806,098	\$ (140,336)	\$ -	\$ 665,762

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, 2023

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (277,861)

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	\$ 122,258	
Depreciations Expense	<u>(131,729)</u>	(9,471)

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. 61,726

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>(7,355)</u>	(2,874)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 175,000

Net Difference Accrued interest on bonds and capital leases is not recorded in fund financial statements 2,334

Decrease in accrual for compensated absences 5,450

Change in Net Position of Governmental Activities \$ (45,696)

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

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Proprietary Funds

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**GIBBSBORO SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2023**

ASSETS	BUSINESS- TYPE ACTIVITIES- ENTERPRISE FUNDS		TOTALS
	FOOD SERVICE	PALS PROGRAM	
Cash & Cash Equivalents	\$ 5,652	\$ 58,902	\$ 64,554
Accounts Receivable:			
State	38	-	38
Federal	1,158	-	1,158
Interfund	61,918	-	61,918
Total Assets	68,766	58,902	127,668
LIABILITIES			
Current Liabilities:			
Interfund Payable	-	50,863	50,863
Total Current Liabilities	-	50,863	50,863
NET POSITION			
Unrestricted	68,766	8,039	76,805
Total Net Position	\$ 68,766	\$ 8,039	\$ 76,805

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, 2023**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTALS
	FOOD SERVICE	PALS PROGRAM			
Operating Revenues:					
Daily Sales - Reimbursable Programs	\$ 21,104	\$ -	\$ 21,104		\$ 21,104
Miscellaneous	3,591		3,591		3,591
Tuition	-	40,471	40,471		40,471
	<hr/>				
Total Operating Revenue	24,695	40,471	65,166		65,166
	<hr/>				
Operating Expenses:					
Salaries & Benefits	-	25,824	25,824		25,824
Cost of Sales - Reimbursable Program	40,788	-	40,788		40,788
Cost of Sales - Non-Reimbursable Program	2,222	-	2,222		2,222
Transportation	-	5,866	5,866		5,866
Supplies & Materials	9,820	742	10,562		10,562
Miscellaneous	2,215	-	2,215		2,215
	<hr/>				
Total Operating Expenses	55,045	32,432	87,477		87,477
	<hr/>				
Operating Income/(Loss)	(30,350)	8,039	(22,311)		(22,311)
	<hr/>				
Nonoperating Revenues:					
State Sources:					
State School Lunch Program	883	-	883		883
Federal Sources:					
National School Lunch Program	30,627	-	30,627		30,627
National School Breakfast Program	1,069	-	1,069		1,069
Healthy Hunger-Free Kids Act	1,000	-	1,000		1,000
Supply Chain Assistance	27,809	-	27,809		27,809
Interest & Investment Revenue	106	-	106		106
	<hr/>				
Total Nonoperating Revenues	61,494	-	61,494		61,494
	<hr/>				
Change in Net Position	31,144	8,039	39,183		39,183
Total Net Position - Beginning	37,622	-	37,622		37,622
	<hr/>				
Total Net Position - Ending	\$ 68,766	\$ 8,039	\$ 76,805		\$ 76,805
	<hr/> <hr/>				

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, 2023**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	FOOD	PALS	TOTALS
	SERVICE	PROGRAM	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 24,695	\$ 40,471	\$ 65,166
Payments to Employees & Benefits	-	(25,824)	(25,824)
Payments to Suppliers	(55,045)	(6,608)	(61,653)
Net Cash Provided/(Used) by Operating Activities	(30,350)	8,039	(22,311)
Cash Flows From Noncapital Financing Activities:			
Operating Subsidies and Transfers to Other Funds	11,000	-	11,000
Net Cash Provided by Noncapital Financing Activities	11,000	-	11,000
Cash Flows From Investing Activities:			
Interest & Dividends	106	-	106
Net Cash Provided/(Used) by Investing Activities	106	-	106
Net Increase/(Decrease) in Cash & Cash Equivalents	(19,244)	8,039	(11,205)
Balances - Beginning of Year	24,896	50,863	75,759
Balances - Ending of Year	\$ 5,652	\$ 58,902	\$ 64,554
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ (30,350)	\$ 8,039	\$ (22,311)
Net Cash Provided/(Used) by Operating Activities	\$ (30,350)	\$ 8,039	\$ (22,311)

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, 2023

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GIBBSBORO SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

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, 2023 of 298 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, 2023.

GIBBSBORO SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

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

Basis of Accounting, Measurement Focus and Financial Statement Presentation

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

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

GIBBSBORO SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023 (continued)

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

accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

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

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

GIBBSBORO SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

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

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.

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.

GIBBSBORO SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

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

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

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

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt 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.

GIBBSBORO SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

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

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 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.

GIBBSBORO SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

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

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

Cash 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, 2023 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, 2023 (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, 2023 (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, 2023.

GIBBSBORO SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (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, 2023:

Statement No. 96, *Subscription-Based Information Technology Arrangements*. Statement No. 96 establishes a single approach to accounting and financial reporting for subscription-based information technology arrangements for government end users. Statement No. 96 is effective for reporting periods beginning after June 15, 2022. The adoption of this pronouncement had no material effect on the financial statements.

GIBBSBORO SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

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

Recently Issued Accounting Pronouncements

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

Statement No. 101, *Compensated Absences*. Statement No. 101 aligns the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 is effective for reporting periods beginning after December 15, 2023. 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.

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.

GIBBSBORO SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

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, 2023, the School District’s bank balance of \$887,568 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 821,946
Uninsured and Uncollateralized	<u>65,622</u>
	<u>\$ 887,568</u>

Investments

The School District had no investments at June 30, 2023.

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.

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, 2022 to June 30, 2023 fiscal year is as follows:

GIBBSBORO SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 3. Reserve Accounts (continued):

Beginning Balance, July 1, 2022	\$ 231,523
Increased by:	
Interest Earnings	<u>250</u>
Ending Balance, June 30, 2023	<u><u>\$ 231,773</u></u>

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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$ 150,607
Increased by:	
Deposits approved by Board	<u>69,393</u>
	220,000
Decreased by:	
Budget Withdrawals	<u>(120,000)</u>
Ending Balance, June 30, 2023	<u><u>\$ 100,000</u></u>

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

GIBBSBORO SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 3. Reserve Accounts (continued):

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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	<u>\$</u>	<u>21,722</u>
Ending Balance, June 30, 2023	<u>\$</u>	<u>21,722</u>

Note 4. Accounts Receivable

Accounts receivable at June 30, 2023 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, 2023 consisted of the following:

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Funds</u>	
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>
Federal Awards	\$ -	\$ 95,483	\$ 95,483	\$ 1,158	\$ 1,158
State Awards	73,572	-	73,572	38	38
Total	<u>\$ 73,572</u>	<u>\$ 95,483</u>	<u>\$ 169,055</u>	<u>\$ 1,196</u>	<u>\$ 1,196</u>

GIBBSBORO SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Additions	Retirements and Transfers	Balance June 30, 2023
Governmental Activities:				
Capital Assets being depreciated:				
Land Improvements	\$ 250,760	\$ -	\$ -	\$ 250,760
Buildings and Improvements	6,620,517	111,200	-	6,731,717
Equipment	277,567	11,058	-	288,625
Total Capital Assets being depreciated	<u>7,148,844</u>	<u>122,258</u>	<u>-</u>	<u>7,271,102</u>
Less: Accumulated Depreciation:				
Land Improvements	(203,896)	(12,490)	-	(216,386)
Buildings and Improvements	(3,147,367)	(114,474)	-	(3,261,841)
Equipment	(247,324)	(4,765)	-	(252,089)
Total Accumulated Depreciation	<u>(3,598,587)</u>	<u>(131,729)</u>	<u>-</u>	<u>(3,730,316)</u>
Total Capital Assets being depreciated, net	<u>3,550,257</u>	<u>(9,471)</u>	<u>-</u>	<u>3,540,786</u>
Total Governmental Activities Capital Assets, net	<u>\$ 3,550,257</u>	<u>\$ (9,471)</u>	<u>\$ -</u>	<u>\$ 3,540,786</u>

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

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2023 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 50,863	\$ 61,942
Special Revenue Fund	24	
Food Service Fund	61,918	-
PALS Program Fund	<u>-</u>	<u>50,863</u>
	<u>\$ 112,805</u>	<u>\$ 112,805</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.

GIBBSBORO SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2023 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2023</u>	Balance Due Within <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 1,370,000	\$ -	\$ 175,000	\$ 1,195,000	\$ 180,000
Unamortized Bond Premiums	28,007	-	4,481	23,526	4,481
Compensated Absences	53,525	-	5,450	48,075	-
Net Pension Liability	548,547	66,358	-	614,905	-
	<u>\$ 2,000,079</u>	<u>\$ 66,358</u>	<u>\$ 184,931</u>	<u>\$ 1,881,506</u>	<u>\$ 184,481</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.

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>
	2024	\$ 180,000	\$ 44,200	\$ 224,200
	2025	190,000	36,800	226,800
	2026	195,000	29,100	224,100
	2027	205,000	21,100	226,100
	2028	210,000	12,800	222,800
	2029	215,000	4,300	219,300
		<u>\$ 1,195,000</u>	<u>\$ 148,300</u>	<u>\$ 1,343,300</u>

Bonds Authorized but not Issued

As of June 30, 2023, the School District had no bonds authorized but not issued.

GIBBSBORO SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)

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.

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

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 2022, 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, 2023 (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, 2023, the School District reported a liability of \$614,905 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022. 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, 2021, to the measurement date of June 30, 2022. 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, 2022. The School District's proportion measured as of June 30, 2022, was 0.00407%, which was a decrease of 0.00056% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School District recognized full accrual pension expense/(benefit) of \$(10,343) in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2022 measurement date. At June 30, 2023 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 4,438	\$ 3,914
Changes of Assumptions	1,905	92,076
Net Difference between Projected and Actual Earnings on Pension Plan Investments	25,450	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	86,663	84,757
School District Contributions Subsequent to Measurement Date	67,384	-
	\$ 185,840	\$ 180,747

GIBBSBORO SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued):

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

\$67,384 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, 2023 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. 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:

Year Ending	
<u>Dec 31,</u>	<u>Amount</u>
2023	\$ (51,181)
2024	(26,075)
2025	(12,716)
2026	27,742
2027	<u>(61)</u>
	<u>\$ (62,291)</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, 2023 (continued)**

Note 8. Pension Plans (continued):

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	-	5.16
June 30, 2021	5.13	-
 Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022		5.04
 Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	-	5.00
June 30, 2021	5.00	-
June 30, 2022	5.00	
 Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
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
June 30, 2021	5.13	5.13
June 30, 2022	5.04	5.04

GIBBSBORO SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued):

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

Actuarial Assumptions – The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following assumptions:

Inflation		
Price		2.75%
Wage		3.25%
Salary Increases:		
Through 2027	2.85 - 6.55%	Based on Years of Service
Thereafter	2.75 - 6.55%	Based on Years of Service
Investment Rate of Return		7.00%
Mortality Rate Table		
PERS	Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021	
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based		July 1, 2018 - June 30, 2021

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-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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, 2022 are summarized in the following table:

GIBBSBORO SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (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>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.37%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 100% 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, 2022, 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, 2023 (continued)**

Note 8. Pension Plans (continued):

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	<u>\$ 664,335</u>	<u>\$ 614,905</u>	<u>\$ 338,053</u>

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2022 and 2021:

Balances at June 30, 2023 and June 30, 2022

	<u>6/30/2023</u>	<u>6/30/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Collective Deferred Outflows of Resources	\$ 1,164,738,169	\$ 2,347,583,337
Collective Deferred Inflows of Resources	8,339,123,762	7,849,949,467
Collective Net Pension Liability	11,972,782,878	16,435,616,426
District's portion of the Plan's total Net Pension Liability	0.004075%	0.004630%

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 Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 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, 2023 (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 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more

years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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 2022, 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, 2022 was \$10,355,492. The School District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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, 2022, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.02007%, which was an increase of 0.00019% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the School District recognized \$278,695 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, 2023 (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, 2022 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 2027	2.85 - 6.55% Based on Years of Service
Thereafter	2.75 - 6.55% 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-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2022) 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, 2022 are summarized in the following table:

GIBBSBORO SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (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>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.37%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 100% 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 7.00% 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, 2023 (continued)**

Note 8. Pension Plans (continued):

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	12,142,034	10,355,492	8,850,554
	<u>\$ 12,142,034</u>	<u>\$ 10,355,492</u>	<u>\$ 8,850,554</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, 2023 and 2022:

Balances at June 30, 2023 and June 30, 2022

	<u>6/30/2023</u>	<u>6/30/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Collective Deferred Outflows of Resources	\$ 5,004,259,312	\$ 6,373,530,834
Collective Deferred Inflows of Resources	19,682,774,794	27,363,797,906
Collective Net Pension Liability	51,676,587,303	48,165,991,182
District's portion of the Plan's total Net Pension Liability	0.02007%	0.01988%

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, 2023 (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, 2023, employee contributions totaled \$3,171, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$1,729.

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, 2023 (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, 2022, was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. 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: \$ 50,646,462,966

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
	based on years of service	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-2021. 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-2021. 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-2021 for current disabilities. Future disabled retirees was based on the Pub-2010 “Safety” (PFRS), “General” (PERS), and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

GIBBSBORO SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023 (continued)

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 – June 30, 2021.

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, 2022 was \$11,992,883. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2022, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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, 2022, the State proportionate share of the OPEB Obligation attributable to the School District was 0.02368%, which was an increase of 0.00060% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized an OPEB expense in the amount of \$448,483 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, 2022 measurement date.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2023 through 2024 are reflected. For PPO the trend is initially -1.99% in fiscal year 2023, decreasing to -5.86% in fiscal year 2024 and increases to 4.50% after 11 years. For HMO the trend is initially -3.54% in fiscal year 2023, decreasing to -8.15% in fiscal year 2024 and increases to 4.50% after 11 years. For prescription drug benefits, the initial trend rate is 8.00% and decreases to 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2022 was 3.54%. 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, 2022, respectively, 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, 2023 (continued)**

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

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
State of New Jersey's Proportionate Share of Total Obligations Associated with the School District	\$ 14,096,372	\$ 11,992,883	\$ 10,307,041
State of New Jersey's Total Non- employer Liability	\$ 59,529,589,697	\$ 50,646,462,966	\$ 43,527,080,995

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, 2022, 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:

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 9,912,851	\$ 11,992,883	\$ 14,725,132
State of New Jersey's Total Nonemployer OPEB Liability	\$ 41,862,397,291	\$ 50,646,462,966	\$ 62,184,866,635

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

Collective balances of the Local Group at June 30, 2022 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ -	\$ -
Change in Assumptions	9,042,402,619	(15,462,950,679)
Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2022 Measurement Date **	8,765,620,577	(17,237,289,230)
	TBD	-
	<u>\$ 17,808,023,196</u>	<u>\$ (32,700,239,909)</u>

GIBBSBORO SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

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

** Employer Contributions made after June 30, 2022 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,	
2023	\$ (2,517,151,602)
2024	(2,517,151,602)
2025	(2,517,151,602)
2026	(2,175,449,761)
2027	(1,243,951,140)
Thereafter	(3,921,361,006)
	\$ (14,892,216,713)

Plan Membership

At June 30, 2021, the Program membership consisted of the following:

	June 30, 2021
Active Plan Members	213,148
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	151,669
	364,817

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2023 (measurement date June 30, 2022) is as follows:

Total OPEB Liability	
Service Cost	\$ 2,770,618,025
Interest Cost	1,342,187,139
Difference Between Expected & Actual Experience	1,399,200,736
Change in Benefit Tiers	-
Changes of Assumptions	(13,586,368,097)
Contributions: Member	42,650,252
Gross Benefit Payments	(1,329,476,059)
Net Change in Total OPEB Liability	(9,361,188,004)
Total OPEB Liability (Beginning)	60,007,650,970
Total OPEB Liability (Ending)	\$ 50,646,462,966
Total Covered Employee Payroll	\$ 14,753,355,408
Net OPEB Liability as a Percentage of Payroll	343%

GIBBSBORO SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (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, 2023, the on-behalf payments for post-retirement medical costs, normal costs, long-term disability and reimbursed social security were \$224,456, \$854,428, \$482 and \$216,660, 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 Annual Comprehensive 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, 2023 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, 2023 (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, 2023, the liability for compensated absences reported on the government-wide and on the proprietary fund Statement of Net Position was \$48,075 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, 2023 was \$200,691.

Note 17. Fund Balances

General Fund – Of the \$806,098 General Fund fund balance at June 30, 2023, \$231,773 has been restricted for the Capital Reserve Account; \$100,000 has been restricted for the Maintenance Reserve Account; \$21,722 has been restricted for the Emergency Reserve Account; \$200,691 has been restricted

GIBBSBORO SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 17. Fund Balances (continued):

for current year Excess Surplus; \$129,119 has been restricted for Excess Surplus Designated for Subsequent Year's Expenditures; \$1,740 has been assigned to Designated for Subsequent Year's Expenditures and \$121,053 has been unassigned.

Special Revenue Fund – Of the \$(140,336) Special Revenue Fund fund balance at June 30, 2023, \$5,363 has been restricted for Student Activities and \$(145,699) is unassigned.

Note 18. Deficit in Net Position

Unrestricted Net Position – The School District had a deficit in unrestricted net position in the amount of \$764,110 at June 30, 2023. 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, 2023.

Note 19. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2023 and November 14, 2023, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the School District that would require disclosure.

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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, 2023**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 3,524,276	\$ -	\$ 3,524,276	\$ 3,524,276	\$ -
Tuition From Individuals	10-1310	16,000	-	16,000	15,370	(630)
Tuition From Other LEAs Within the State	10-1320	51,000	-	51,000	-	(51,000)
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	19,592	(30,408)
Total Local Sources		3,642,001	-	3,642,001	3,559,238	(82,763)
State Sources:						
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	1,385,149	-	1,385,149	1,385,149	-
Categorical Security Aid	10-3177	25,761	-	25,761	25,761	-
Adjustment Aid	10-3178	245,443	-	245,443	245,443	-
Extraordinary Aid	10-3131	-	-	-	49,251	49,251
Nonpublic Transportation Aid	10-3xxx	-	-	-	2,808	2,808
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	854,428	854,428
On-Behalf TPAF Post Retirement Medical Contribution		-	-	-	224,456	224,456
On-Behalf TPAF Long-Term Disability Insurance Contribution		-	-	-	482	482
Reimbursed TPAF Social Security		-	-	-	216,660	216,660
Total State Sources		1,840,671	-	1,840,671	3,188,756	1,348,085
Total Revenues		5,482,672	-	5,482,672	6,747,994	1,265,322
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool	11-105-100-101	41,630	(15,270)	26,360	16,807	9,553
Kindergarten	11-110-100-101	234,129	14,674	248,803	246,953	1,850
Grades 1 - 5	11-120-100-101	871,777	(771)	871,006	868,004	3,002
Grades 6 - 8	11-130-100-101	622,169	(13,904)	608,265	607,995	270
Home Instruction - Regular	11-150-100-101	6,000	-	6,000	-	6,000
Regular Programs - Undistributed Instruction:						
Purchased Professional & Educational Services	11-190-100-320	67,280	(1,428)	65,852	59,031	6,821
Other Purchased Services	11-190-100-500	4,400	600	5,000	4,284	716
General Supplies	11-190-100-610	76,602	(5,015)	71,587	71,284	303
Textbooks	11-190-100-640	30,945	-	30,945	22,850	8,095
Total Regular Programs		1,954,932	(21,114)	1,933,818	1,897,208	36,610
Special Education:						
Multiple Handicapped:						
Salaries of Teachers	11-212-100-101	147,902	(500)	147,402	137,709	9,693
Other Salaries for Instruction	11-212-100-106	94,297	613	94,910	56,563	38,347
General Supplies	11-212-100-610	6,000	-	6,000	1,761	4,239
Textbooks	11-212-100-640	400	(113)	287	-	287
Total Multiple Handicapped		248,599	-	248,599	196,033	52,566
Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101	401,597	(6,123)	395,474	369,469	26,005
Other Salaries for Instruction	11-213-100-106	100,094	(11,872)	88,222	56,193	32,029
General Supplies	11-213-100-610	1,000	-	1,000	87	913
Textbooks	11-213-100-640	300	-	300	-	300
Total Resource Room/Resource Center		502,991	(17,995)	484,996	425,749	59,247

**GIBBSBORO SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Preschool Disabilities - Part Time:						
Salaries of Teachers	11-215-100-101	44,248	13,553	57,801	57,801	-
Other Salaries for Instruction	11-215-100-106	23,228	3,453	26,681	26,444	237
General Supplies	11-215-100-610	6,200	-	6,200	4,417	1,783
Total Preschool Disabilities - Part-Time		73,676	17,006	90,682	88,662	2,020
Total Special Education		825,266	(989)	824,277	710,444	113,833
School Sponsored Cocurricular Activities & Athletics:						
Salaries	11-401-100-100	89,830	13,353	103,183	103,183	-
Supplies and Materials	11-401-100-600	11,000	263	11,263	11,263	-
Salaries	11-402-100-100	10,000	2,891	12,891	10,117	2,774
Supplies and Materials	11-402-100-600	5,000	(1,437)	3,563	3,563	-
Total School Sponsored Cocurricular - Activities & Athletics		115,830	15,070	130,900	128,126	2,774
Total - Instruction		2,896,028	(7,033)	2,888,995	2,735,778	153,217
Undistributed Expenditures:						
Instruction:						
Tuition to Private Schools for Disabled Within the State - Special	11-000-100-566	100,000	(55,653)	44,347	34,065	10,282
Total Instruction		100,000	(55,653)	44,347	34,065	10,282
Attendance & Social Work Services:						
Salaries	11-000-211-100	8,975	-	8,975	6,964	2,011
Total Attendance Services		8,975	-	8,975	6,964	2,011
Health Services:						
Salaries	11-000-213-100	73,940	-	73,940	71,158	2,782
Purchased Professional & Technical Services	11-000-213-300	1,100	3,367	4,467	2,228	2,239
Supplies and Materials	11-000-213-600	3,000	1,217	4,217	4,191	26
Total Health Services		78,040	4,584	82,624	77,577	5,047
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	-	55,658	55,658	55,658	-
Purchased Professional - Educational Services	11-000-216-320	104,897	(35,173)	69,724	69,724	-
Supplies and Materials	11-000-216-600	250	199	449	449	-
Total Other Support Services - Students - Regular		105,147	20,684	125,831	125,831	-
Other Support Services - Students - Extra Services:						
Supplies and Materials	11-000-217-600	200	-	200	125	75
Total Other Support Services - Students - Extra Services		200	-	200	125	75
Other Support Services - Students - Related Services:						
Salaries	11-000-218-105	26,922	-	26,922	26,922	-
Purchased Professional & Educational Services	11-000-218-320	4,000	(1,950)	2,050	-	2,050
Supplies & Materials	11-000-218-600	2,000	(89)	1,911	-	1,911
Total Other Support Services-Students-Related Services		32,922	(2,039)	30,883	26,922	3,961

**GIBBSBORO SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	223,735	(33,059)	190,676	190,676	-
Salaries of Secretarial & Clerical Assistants	11-000-219-105	42,355	-	42,355	40,344	2,011
Other Purchased Professional & Educational Services	11-000-219-320	3,750	18,670	22,420	22,420	-
Other Purchased Professional & Technical Services	11-000-219-390	10,000	37,654	47,654	47,654	-
Supplies and Materials	11-000-219-600	3,000	(818)	2,182	1,958	224
Other Objects	11-000-219-800	845	-	845	845	-
Total Other Support Services-Students-Special Services		283,685	22,447	306,132	303,897	2,235
Improvement of Instruction Services/Other Support Services - Instruction Staff:						
Salaries	11-000-221-102	48,829	-	48,829	48,829	-
Salaries of Secretarial & Clerical Assistants	11-000-221-105	25,508	345	25,853	25,853	-
Purchases Professional & Educational Services	11-000-221-320	500	2,977	3,477	3,477	-
Other Purchased Services	11-000-221-500	300	-	300	204	96
Supplies and Materials	11-000-221-600	2,000	(1,845)	155	-	155
Total Improvement of Instruction Services/Other Support Services Instructional Staff		77,137	1,477	78,614	78,363	251
Educational Media Services/School Library:						
Salaries	11-000-222-100	35,046	(8,473)	26,573	17,930	8,643
Salaries of Technology Coordinators	11-000-222-177	42,000	-	42,000	41,000	1,000
Other Purchased Services	11-000-222-500	1,100	29	1,129	1,124	5
Supplies and Materials	11-000-222-600	1,000	(449)	551	-	551
Other Objects	11-000-222-800	250	-	250	-	250
Total Educational Media Services/School Library		79,396	(8,893)	70,503	60,054	10,449
Instructional Staff Training Services:						
Purchased Professional & Educational Services	11-000-223-320	500	-	500	40	460
Other Purchased Services	11-000-223-500	1,000	-	1,000	1,000	-
Total Instructional Staff Training Services		1,500	-	1,500	1,040	460
Support Services General Administration:						
Salaries	11-000-230-100	107,450	-	107,450	107,450	-
Legal Services	11-000-230-331	8,000	(7,128)	872	-	872
Audit Fees	11-000-230-332	24,000	4,920	28,920	28,920	-
Other Purchased Professional Services	11-000-230-339	5,500	-	5,500	5,440	60
Purchased Technical Services	11-000-230-340	3,200	(1,091)	2,109	2,097	12
Communications/Telephone	11-000-230-530	25,000	5,517	30,517	30,517	-
BOE Other Purchased Services	11-000-230-585	300	-	300	167	133
Other Purchased Services	11-000-230-590	19,000	-	19,000	18,445	555
General Supplies	11-000-230-610	4,000	36	4,036	4,036	-
BOE Meeting Supplies	11-000-230-630	200	-	200	-	200
Miscellaneous Expenditures	11-000-230-890	3,000	-	3,000	2,521	479
BOE Membership Dues & Fees	11-000-230-895	3,100	-	3,100	2,910	190
Total Support Services General Administration		202,750	2,254	205,004	202,503	2,501
Support Services School Administration:						
Salaries of Principals	11-000-240-103	122,528	-	122,528	121,528	1,000
Supplies and Materials	11-000-240-600	2,000	-	2,000	1,450	550
Total Support Services School Administration		124,528	-	124,528	122,978	1,550
Central Services:						
Salaries	11-000-251-100	93,829	-	93,829	91,818	2,011
Purchased Professional Services	11-000-251-330	24,600	-	24,600	18,551	6,049
Supplies and Materials	11-000-251-600	2,000	-	2,000	202	1,798
Other Objects	11-000-251-890	1,500	-	1,500	900	600
Total Central Services		121,929	-	121,929	111,471	10,458
Allowable Maintenance for School Facilities:						
Cleaning, Repair & Maintenance Services	11-000-261-420	40,000	18,224	58,224	45,681	12,543
General Supplies	11-000-261-610	1,500	-	1,500	1,500	-
Total Allowable Maintenance for School Facilities		41,500	18,224	59,724	47,181	12,543

**GIBBSBORO SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Other Operation & Maintenance of Plant:						
Salaries	11-000-262-100	145,305	(11,906)	133,399	123,771	9,628
Salaries of Non-Instructional Aides	11-000-262-107	-	12,755	12,755	12,414	341
Cleaning, Repair & Maintenance Services	11-000-262-420	45,000	(1,397)	43,603	31,756	11,847
Other Purchased Property Services	11-000-262-490	16,000	(1,465)	14,535	14,091	444
Insurance	11-000-262-520	24,000	3,211	27,211	27,211	-
General Supplies	11-000-262-610	35,000	(14,376)	20,624	16,140	4,484
Energy (Natural Gas)	11-000-262-621	35,000	5,512	40,512	40,512	-
Energy (Heat & Electricity)	11-000-262-622	20,000	25,048	45,048	45,048	-
Total Other Operation & Maintenance of Plant		320,305	17,382	337,687	310,943	26,744
Care and Upkeep of Grounds						
General Supplies	11-000-263-610	6,000	-	6,000	500	5,500
Total Care and Upkeep of Grounds		6,000	-	6,000	500	5,500
Student Transportation Services:						
Contracted Services (Between Home & School) - Vendors	11-000-270-511	7,000	-	7,000	-	7,000
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	20,000	3	20,003	20,003	-
Contracted Services (Special Education Students) - ESC'S	11-000-270-518	95,000	(22,388)	72,612	57,373	15,239
Total Student Transportation Services		122,000	(22,385)	99,615	77,376	22,239
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	65,000	11,853	76,853	76,853	-
Other Retirement Contribution - PERS	11-000-291-241	49,000	2,382	51,382	51,382	-
Other Contributions - D.C.R.P	11-000-291-249	2,000	-	2,000	743	1,257
Unemployment Compensation	11-000-291-250	12,000	2,971	14,971	14,971	-
Workmen's Compensation	11-000-291-260	36,250	1,646	37,896	37,896	-
Health Benefits	11-000-291-270	870,612	124,851	995,463	924,421	71,042
Tuition Reimbursement	11-000-291-280	8,000	-	8,000	7,954	46
Unused Sick Payment to Terminated/Retired Employees	11-000-291-299	6,000	2,107	8,107	8,107	-
Total Unallocated Benefits		1,048,862	145,810	1,194,672	1,122,327	72,345
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	854,428	(854,428)
On-Behalf TPAF Post Retirement Medical Contribution		-	-	-	224,456	(224,456)
On-Behalf TPAF Long-Term Disability Insurance Contribution		-	-	-	482	(482)
Reimbursed TPAF Social Security		-	-	-	216,660	(216,660)
Total Undistributed Expenditures		2,754,876	143,892	2,898,768	4,006,143	(1,107,375)
Interest Earned on Emergency Reserve	10-607	100	-	100	-	100
Interest Earned on Maintenance Reserve	10-606	375	-	375	-	375
Total Expenditures - Current Expense		5,651,379	136,859	5,788,238	6,741,921	(953,683)
Undistributed Expenditures:						
Custodial Services	12-000-262-730	10,000	-	10,000	9,775	225
Care and Upkeep of Grounds	12-000-263-730	10,000	-	10,000	7,500	2,500
Total Equipment Expenditures		20,000	-	20,000	17,275	2,725
Facilities Acquisitions & Construction Services:						
Other Purchased Professional & Technical Services	12-000-400-390	70,000	(16,859)	53,141	45,362	7,779
Assessment for Debt Service on SDA Funding	12-000-400-896	30,593	-	30,593	30,593	-
Total Facilities Acquisitions & Construction Services Expenditures		100,593	(16,859)	83,734	75,955	7,779
Interest Earned on Capital Reserve		250	-	250	-	250
Total Capital Outlay		120,843	(16,859)	103,984	93,230	10,754
Total Expenditures		5,772,222	120,000	5,892,222	6,835,151	(942,929)

**GIBBSBORO SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Excess/(Deficiency) of Revenues Over/(Under)					
Expenditures	(289,550)	(120,000)	(409,550)	(87,157)	322,393
Fund Balances, July 1	1,074,261	-	1,074,261	1,074,261	-
Fund Balances, June 30	<u>\$ 784,711</u>	<u>\$ (120,000)</u>	<u>\$ 664,711</u>	<u>\$ 987,104</u>	<u>\$ 322,393</u>

Utilization of Maintenance Reserve \$ 120,000

Total Budget Transfers \$ 120,000

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:

Capital Reserve Account	\$ 231,773
Maintenance Reserve Account	100,000
Emergency Reserve	21,722
Excess Surplus	200,691
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	129,119

Assigned Fund Balance

Designated for Subsequent Year's Expenditures	1,740
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Unassigned Fund Balance

302,059
987,104

Reconciliation to Governmental Fund Statements (GAAP):

Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(181,006)</u>
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Fund Balance Per Governmental Funds (GAAP)

\$ 806,098

**GIBBSBORO SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
REVENUES					
Local Sources	\$ 20,000	\$ -	\$ 20,000	\$ 58,729	38,729
State Sources	-	595,889	595,889	417,469	(178,420)
Federal Sources	465,371	97,105	562,476	347,093	(215,383)
Total Revenues	485,371	692,994	1,178,365	823,291	(355,074)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	304,215	93,243	397,458	239,636	157,822
Other Salaries for Instruction	4,686	24,833	29,519	23,768	5,751
General Supplies	125,584	97,554	223,138	131,958	91,180
Total Instruction	434,485	215,630	650,115	395,362	254,753
Support Services:					
Other Salaries	30,886	42,650	73,536	70,028	3,508
Personal Services - Employee Benefits	-	80,215	80,215	60,000	20,215
Purchased Professional Services	-	293,949	293,949	135,148	158,801
Other Purchased Services	-	47,443	47,443	24,992	22,451
Supplies & Materials	-	33,107	33,107	10,441	22,666
Student Activities	20,000	(20,000)	-	66,485	(66,485)
Total Support Services	50,886	477,364	528,250	367,094	161,156
Facilities Acquisition & Construction Services:					
Construction Services	-	-	-	68,591	(68,591)
Total Facilities Acquisition & Construction Services	-	-	-	68,591	(68,591)
Total Expenditures	485,371	692,994	1,178,365	831,047	347,318
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	(7,756)	(7,756)
Fund Balance, July 1	13,119	-	13,119	13,119	-
Fund Balance, June 30	\$ 13,119	\$ -	\$ 13,119	\$ 5,363	\$ (7,756)

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:

Student Activities

\$ 5,363

\$ 5,363

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, 2023**

**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)	\$ 6,747,994	\$ 823,291
Difference - Budget to GAAP:		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.		
Current Year	(181,006)	(145,699)
Prior Year	143,757	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 6,710,745	\$ 677,592
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 6,835,151	\$ 831,047
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 6,835,151	\$ 831,047

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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 TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00407455%	0.00463054%	0.00435413%	0.00433903%	0.00344695%	0.00338582%	0.00330588%	0.00323578%	0.003335814%	0.00322650%
School District's proportionate share of the net pension liability	\$ 614,905	\$ 548,547	\$ 710,045	\$ 781,828	\$ 678,687	\$ 788,165	\$ 979,108	\$ 726,367	\$ 628,735	\$ 616,648
School District's covered payroll	\$ 362,163	\$ 318,599	\$ 334,001	\$ 276,299	\$ 232,881	\$ 234,709	\$ 227,583	\$ 220,787	\$ 240,576	n/a
School District's proportionate share of the net pension liability as a percentage of its covered payroll	169.79%	172.17%	212.59%	282.96%	291.43%	335.81%	430.22%	328.99%	261.35%	n/a
Plan fiduciary net position as a percentage of the total pension liability	58.97%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	49%
										N/A

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 51,382	\$ 54,228	\$ 47,632	\$ 42,206	\$ 34,286	\$ 31,366	\$ 39,369	\$ 27,819	\$ 27,684	\$ 24,311
Contributions in relation to the contractually required contribution	(51,382)	(54,228)	(47,632)	(42,206)	(34,286)	(31,366)	(39,369)	(27,819)	(27,684)	(24,311)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 440,972	\$ 362,163	\$ 318,599	\$ 334,001	\$ 276,299	\$ 232,881	\$ 234,709	\$ 227,583	\$ 220,787	\$ 240,576
Contributions as a percentage of covered-employee payroll	11.65%	14.97%	14.95%	12.64%	12.41%	13.47%	16.77%	12.22%	12.54%	10.11%

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

	2023	2022	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%	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	10,355,492	9,558,807	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>\$ 10,355,492</u>	<u>\$ 9,558,807</u>	<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	\$ 2,938,484	\$ 2,621,022	\$ 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%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	47.68%	35.52%	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).

**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 SIX FISCAL YEARS*

	2023	2022	2021	2020	2019	2018
District's Total OPEB Liability						
Service Cost	\$ 601,541	\$ 670,237	\$ 383,698	\$ 335,186	\$ 374,805	\$ 451,377
Interest Cost	317,825	359,214	328,720	401,072	427,477	369,580
Difference between Expected & Actual Differences	748,128	(1,841,839)	2,612,931	(1,630,255)	(906,401)	-
Changes of Benefit Terms	-	(14,739)	-	-	-	-
Changes of Assumptions	(3,217,198)	13,661	2,728,028	136,178	(1,166,273)	(1,509,988)
Contributions: Member	10,099	9,183	7,881	8,311	9,392	9,975
Gross Benefit Payments	(314,815)	(282,960)	(259,998)	(280,365)	(271,759)	(270,902)
Net Change in District's Total OPEB Liability	(1,854,420)	(1,087,243)	5,801,260	(1,029,873)	(1,532,759)	(949,958)
District's Total OPEB Liability (Beginning)	13,847,303	14,934,546	9,133,286	10,163,159	11,695,918	12,645,876
District's Total OPEB Liability (Ending)	\$ 11,992,883	\$ 13,847,303	\$ 14,934,546	\$ 9,133,286	\$ 10,163,159	\$ 11,695,918
District's Covered Employee Payroll	\$ 3,300,647	\$ 2,939,621	\$ 2,851,995	\$ 2,483,916	\$ 2,352,179	\$ 2,139,930
District's Net OPEB Liability as a Percentage of Covered Payroll	363.35%	471.06%	523.65%	367.70%	432.07%	546.56%

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, 2023**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - None.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - None.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 2.16% as of June 30, 2021, to 3.54% as of June 30, 2022.

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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, 2023**

	EVERY STUDENT SUCCEEDS ACT (ESSA)		I.D.E.A. PART B BASIC		I.D.E.A. PART B PRESCHOOL PROGRAM		C.R.R.S.A. - ESSER II LEARNING ACCEL.		AMERICAN RESCUE PLAN LEARNING ACCEL.		PRESCHOOL EXPANSION AID		SDA EMERGENCY NEEDS		CLIMATE AWARENESS ACTIVITIES		STUDENT ACTIVITIES		TOTALS	
	TITLE I PART A	TITLE II PART A	TITLE I PART B	TITLE II PART B	TITLE I PART A	TITLE II PART A	TITLE I PART B	TITLE II PART B	TITLE I PART A	TITLE II PART A	TITLE I PART B	TITLE II PART B	TITLE I PART A	TITLE II PART A	TITLE I PART B	TITLE II PART B	TITLE I PART A	TITLE II PART A		
Revenues:																				
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	46,697	32,090	9,205	6,619	4,686	8,512	19,576	5,728	47,404	30,400	32,635	14,815	17,801	404,373	6,436	-	-	58,729	417,469	
Federal Sources																				347,095
Total Revenues	\$ 46,697	\$ 32,090	\$ 9,205	\$ 6,619	\$ 4,686	\$ 8,512	\$ 19,576	\$ 5,728	\$ 47,404	\$ 30,400	\$ 32,635	\$ 14,815	\$ 17,801	\$ 404,373	\$ 6,436	\$ -	\$ -	\$ 58,729	\$ 823,291	
Expenditures:																				
Instruction:																				
Salaries of Teachers	\$ 16,465	\$ 2,872	\$ 2,000	\$ 5,296	\$ -	\$ -	\$ 18,726	\$ 4,340	\$ 43,169	\$ -	\$ 12,635	\$ 14,815	\$ -	\$ 73,422	\$ -	\$ -	\$ -	\$ -	\$ 239,636	
Other Salaries for Instruction	-	-	-	-	4,686	-	-	-	-	-	-	-	-	19,082	-	-	-	-	23,768	
General Supplies	30,000	29,218	-	-	-	-	-	-	-	7,784	-	-	-	49,361	6,436	-	-	-	131,958	
Total Instruction	46,465	32,090	2,000	5,296	4,686	-	18,726	4,340	43,169	7,784	12,635	14,815	-	141,865	6,436	-	-	6,660	395,362	
Support Services:																				
Other Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	50,090	-	-	-	-	70,028	
Personal Services - Employee Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	60,000	-	-	-	-	60,000	
Purchased Professional Services	-	-	1,323	-	-	-	-	-	4,235	22,616	20,000	-	12,801	73,369	-	-	-	-	135,148	
Other Purchased Services	-	-	6,936	-	-	8,512	850	1,388	-	-	-	-	5,000	5,518	-	-	-	-	24,992	
Supplies & Materials	232	-	269	-	-	-	-	-	-	-	-	-	4,940	-	-	-	-	-	10,441	
Student Activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	66,485	
Total Support Services	232	-	7,205	1,323	22,530	8,512	850	1,388	4,235	22,616	20,000	-	17,801	193,917	-	-	-	66,485	367,094	
Facilities Acquisition & Construction Services:																				
Construction Services	-	-	-	-	-	-	-	-	-	-	-	-	-	68,591	-	-	-	-	68,591	
Total Facilities Acquisition & Const	-	-	-	-	-	-	-	-	-	-	-	-	-	68,591	-	-	-	-	68,591	
Total Expenditures	\$ 46,697	\$ 32,090	\$ 9,205	\$ 6,619	\$ 4,686	\$ 8,512	\$ 19,576	\$ 5,728	\$ 47,404	\$ 30,400	\$ 32,635	\$ 14,815	\$ 17,801	\$ 404,373	\$ 6,436	\$ -	\$ -	\$ 66,485	\$ 831,047	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,756)	-
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,119	13,119
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,363	\$ 5,363

**GIBBSBORO SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION EXPANSION AID
STATEMENT OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 100,493	\$ 73,422	\$ 27,071
Other Salaries for Instruction	24,833	19,082	5,751
Supplies	97,158	49,361	47,797
	<hr/>	<hr/>	<hr/>
Total Instruction	222,484	141,865	80,619
	<hr/>	<hr/>	<hr/>
Support Services:			
Salaries of Program Directors	7,574	7,574	-
Salaries of Other Professional Staff	21,080	21,080	-
Salaries Other	6,491	6,491	-
Salaries of Master Teachers	18,453	14,945	3,508
Other Employee Benefits	62,635	60,000	2,635
Purchased Educational Services	211,076	73,369	137,707
Other Purchased Services	27,969	5,518	22,451
Supplies & Materials	5,031	4,940	91
	<hr/>	<hr/>	<hr/>
Total Support Services	360,309	193,917	166,392
	<hr/>	<hr/>	<hr/>
Facilities Acquisition & Construction Services:			
Construction Services	-	68,591	(68,591)
	<hr/>	<hr/>	<hr/>
Total Facilities Acquisition & Construction Services	-	68,591	(68,591)
	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>\$ 582,793</u>	<u>\$ 404,373</u>	<u>\$ 178,420</u>

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2022-2023 Preschool Education Aid Allocation	\$ 582,793
Add: Actual Preschool Education Aid Carryover (June 30, 2022)	-
Add: Budgeted Transfer from the General Fund 2022-23	<hr/> -
Total Preschool Education Aid Funds Available for 2022-2023 Budget	582,793
Less: 2022-2023 Budgeted Preschool Education Aid (Prior Year Budget Carryover)	<hr/> (582,793)
Available & Unbudgeted Preschool Education Aid Funds June 30, 2023	-
Add: June 30, 2023 Unexpended Preschool Education Aid	<hr/> 178,420
Total Actual Preschool Education Aid Carryover	<hr/> <u>\$ 178,420</u>
2022-2023 Preschool Education Aid Carryover Budgeted in 2023-2024	<hr/> <u>\$ 178,420</u>

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, 2023**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTALS
	FOOD SERVICE	PALS PROGRAM	
Cash & Cash Equivalents	\$ 5,652	\$ 58,902	\$ 64,554
Accounts Receivable:			
State	38	-	38
Federal	1,158	-	1,158
Interfund	61,918	-	61,918
Total Assets	68,766	58,902	127,668
LIABILITIES			
Current Liabilities:			
Interfund Payable	-	50,863	50,863
Total Current Liabilities	-	50,863	50,863
NET POSITION			
Unrestricted	68,766	8,039	76,805
Total Net Position	\$ 68,766	\$ 8,039	\$ 76,805

**GIBBSBORO SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTALS
	FOOD SERVICE	PALS PROGRAM	
Operating Revenues:			
Operating Revenues:			
Daily Sales - Reimbursable Programs	\$ 21,104	\$ -	\$ 21,104
Miscellaneous	3,591	40,471	44,062
Total Operating Revenue	<u>24,695</u>	<u>40,471</u>	<u>65,166</u>
Operating Expenses:			
Salaries & Benefits	-	25,824	25,824
Cost of Sales - Reimbursable Programs	40,788	-	40,788
Cost of Sales - Non-Reimbursable Programs	2,222	-	2,222
Transportation	-	5,866	5,866
Supplies & Materials	9,820	742	10,562
Miscellaneous	2,215	-	2,215
Total Operating Expenses	<u>55,045</u>	<u>32,432</u>	<u>87,477</u>
Operating Income/(Loss)	<u>(30,350)</u>	<u>8,039</u>	<u>(22,311)</u>
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	883	-	883
Federal Sources:			
National School Lunch Program	30,627	-	30,627
National School Breakfast Program	1,069	-	1,069
Healthy Hunger-Free Kids Act	1,000	-	1,000
Supply Chain Assistance	27,809	-	27,809
Interest & Investment Revenue	106	-	106
Total Nonoperating Revenues	<u>61,494</u>	<u>-</u>	<u>61,494</u>
Change in Net Position	31,144	8,039	39,183
Total Net Position - Beginning	<u>37,622</u>	<u>-</u>	<u>37,622</u>
Total Net Position - Ending	<u>\$ 68,766</u>	<u>\$ 8,039</u>	<u>\$ 76,805</u>

**GIBBSBORO SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	FOOD SERVICE	PALS PROGRAM	TOTALS
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 24,695	\$ 40,471	\$ 65,166
Payments to Employees & Benefits	-	(25,824)	(25,824)
Payments to Suppliers	(55,045)	(6,608)	(61,653)
	<u>(30,350)</u>	<u>8,039</u>	<u>(22,311)</u>
Net Cash Provided/(Used) by Operating Activities			
Cash Flows From Noncapital Financing Activities:			
Operating Subsidies and Transfers to Other Funds	11,000	-	11,000
	<u>11,000</u>	<u>-</u>	<u>11,000</u>
Net Cash Provided by Noncapital Financing Activities			
Cash Flows From Investing Activities:			
Interest & Dividends	106	-	106
	<u>106</u>	<u>-</u>	<u>106</u>
Net Cash Provided/(Used) by Investing Activities			
Net Increase/(Decrease) in Cash & Cash Equivalents	(19,244)	8,039	(11,205)
Balances - Beginning of Year	24,896	50,863	75,759
	<u>24,896</u>	<u>50,863</u>	<u>75,759</u>
Balances - Ending of Year	\$ 5,652	\$ 58,902	\$ 64,554
	<u>\$ 5,652</u>	<u>\$ 58,902</u>	<u>\$ 64,554</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ (30,350)	\$ 8,039	\$ (22,311)
	<u>\$ (30,350)</u>	<u>\$ 8,039</u>	<u>\$ (22,311)</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (30,350)</u>	<u>\$ 8,039</u>	<u>\$ (22,311)</u>

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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, 2023**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2022	PAID	BALANCE JUNE 30, 2023
			DATE	AMOUNT				
Refunding Bonds, Series 2011	8/25/2011	\$ 2,755,000	9/1/23	180,000	4.000%	\$ 1,370,000	\$ 175,000	\$ 1,195,000
			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						\$ 1,370,000	\$ 175,000	\$ 1,195,000

**GIBBSBORO SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Local Sources:					
Local Tax Levy	\$ 226,300	\$ -	\$ 226,300	\$ 226,300	\$ -
Total Revenues	226,300	-	226,300	226,300	-
Expenditures:					
Regular Debt Service:					
Interest	51,300	-	51,300	51,300	-
Redemption of Principal	175,000	-	175,000	175,000	-
Total Regular Debt Service	226,300	-	226,300	226,300	-
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)

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 2,360,870	\$ 2,198,215	\$ 2,142,707	\$ 2,099,449	\$ 2,082,651	\$ 2,080,524	\$ 2,081,898	\$ 2,054,149	\$ 2,092,869	\$ 2,144,478
Restricted	688,668	834,190	1,035,611	981,373	955,255	891,785	646,875	375,874	253,666	251,701
Unrestricted	(764,110)	(701,281)	(771,841)	(769,794)	(676,175)	(640,662)	(649,609)	(584,457)	(562,610)	51,941
Total Governmental Activities	\$ 2,285,428	\$ 2,331,124	\$ 2,406,477	\$ 2,311,028	\$ 2,361,731	\$ 2,331,647	\$ 2,079,164	\$ 1,845,566	\$ 1,783,925	\$ 2,448,120
Business-Type Activities:										
Unrestricted	\$ 76,805	\$ 37,622	\$ 8,837	\$ 8,242	\$ 3,720	\$ 4,086	\$ 2,085	\$ 1,753	\$ 1,872	\$ 2,773
Total Business-Type Activities	\$ 76,805	\$ 37,622	\$ 8,837	\$ 8,242	\$ 3,720	\$ 4,086	\$ 2,085	\$ 1,753	\$ 1,872	\$ 2,773
District-Wide:										
Invested in Capital Assets,										
Net of Related Debt	\$ 2,360,870	\$ 2,198,215	\$ 2,142,707	\$ 2,099,449	\$ 2,082,651	\$ 2,080,524	\$ 2,081,898	\$ 2,054,149	\$ 2,092,869	\$ 2,144,478
Restricted	688,668	834,190	1,035,611	981,373	955,255	891,785	646,875	375,874	253,666	251,701
Unrestricted	(687,305)	(663,659)	(763,004)	(761,552)	(672,455)	(636,576)	(647,524)	(582,704)	(560,738)	54,714
Total District Net Position	\$ 2,362,233	\$ 2,368,746	\$ 2,415,314	\$ 2,319,270	\$ 2,365,451	\$ 2,335,733	\$ 2,081,249	\$ 1,847,319	\$ 1,785,797	\$ 2,450,893

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

	FISCAL YEAR ENDING JUNE 30.									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 2,292,570	\$ 1,916,193	\$ 1,742,183	\$ 1,644,438	\$ 3,078,363	\$ 3,353,328	\$ 1,687,676	\$ 1,728,217	\$ 1,630,988	\$ 1,627,882
Special Education	710,444	634,091	526,198	540,067	823,654	847,842	397,133	374,019	376,557	310,257
Other Instruction	128,126	160,592	105,173	102,664	195,906	189,062	84,095	81,515	80,461	81,287
Support Services:										
Tuition	-	-	-	-	26,626	20,022	-	-	-	-
Attendance/Social Work	6,964	8,713	9,263	9,023	-	-	8,328	7,941	7,563	7,370
Health Services	77,577	73,754	68,918	70,399	-	-	79,616	76,856	76,285	73,597
Student & Instruction Related Services	936,297	676,676	518,393	443,018	756,753	689,490	392,875	409,864	393,437	403,823
Educational Media/Library	60,054	48,055	65,512	63,834	-	-	3,256	4,491	6,489	1,112
Instructional Staff Training	1,040	29	275	858	-	-	858	226	1,080	273
General & Administrative Services	202,503	192,191	185,141	195,829	216,835	203,401	125,983	134,095	144,522	129,304
School Administrative Services	122,978	79,235	77,488	74,028	93,219	90,801	50,420	51,133	51,260	60,886
Central Services	111,471	143,172	140,937	135,628	144,511	125,823	99,935	88,888	89,803	84,146
Administrative Information Technology	-	-	-	-	-	-	-	-	-	1,489
Plant Operations & Maintenance	367,594	389,593	318,838	304,892	400,273	418,565	324,667	275,220	339,815	301,285
Pupil Transportation	77,376	71,014	33,337	49,964	154,014	108,546	53,248	54,856	71,156	101,858
Unallocated Benefits	1,999,471	2,090,618	2,662,720	1,963,717	-	-	2,293,904	2,021,761	1,857,541	1,318,515
Interest & Other Charges	82,433	89,399	95,899	100,866	105,641	111,594	76,492	115,631	105,337	119,068
Amortized Bond Issuance Costs	-	-	-	-	-	-	-	-	-	2,873
Unallocated Debt Absences	-	-	-	-	-	-	-	-	-	19,002
Adjustment Due to Appraisal	-	-	-	-	-	-	-	-	-	(192,986)
Unallocated Depreciation	131,729	130,900	129,455	140,329	-	-	157,723	183,720	191,609	199,239
Total Governmental Activities Expenses	7,308,627	6,704,225	6,679,730	5,839,554	5,995,795	6,158,474	5,836,209	5,608,433	5,423,903	4,650,280
Business-Type Activities:										
Food Service	55,045	97,125	63,600	32,732	55,162	54,123	51,807	50,837	53,557	55,946
PALS Program	32,432	42,759	1,855	58,265	59,205	54,594	47,660	46,087	34,294	13,633

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Business-Type Activities Expense	87,477	139,884	65,455	90,997	114,367	108,717	99,467	96,924	87,851	69,579
Total District Expenses	\$ 7,396,104	\$ 6,844,109	\$ 6,745,185	\$ 5,930,551	\$ 6,110,162	\$ 6,267,191	\$ 5,935,676	\$ 5,705,357	\$ 5,511,754	\$ 4,719,859
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Operating Grants & Contributions	\$ 1,621,912	\$ 1,611,534	\$ 1,904,410	\$ 1,122,250	\$ 1,394,165	\$ 1,749,377	\$ 1,436,467	\$ 1,064,996	\$ 920,206	\$ 92,482
Total Governmental Activities Program Revenues	1,621,912	1,611,534	1,904,410	1,122,250	1,394,165	1,749,377	1,436,467	1,064,996	920,206	92,482
Business-Type Activities:										
Charges for Services:										
Food Service	86,083	125,899	64,185	37,218	54,796	56,125	52,135	50,714	52,652	55,012
PALS	40,471	64,114	4,218	85,411	120,036	126,570	101,713	107,620	81,622	28,904
Total Business Type Activities Program Revenues	126,554	190,013	68,403	122,629	174,832	182,695	153,848	158,334	134,274	83,916
Total District Program Revenues	\$ 1,748,466	\$ 1,801,547	\$ 1,972,813	\$ 1,244,879	\$ 1,568,997	\$ 1,932,072	\$ 1,590,315	\$ 1,223,330	\$ 1,054,480	\$ 176,398
Net (Expense)/Revenue:										
Governmental Activities	\$ (5,686,715)	\$ (5,092,691)	\$ (4,775,320)	\$ (4,717,304)	\$ (4,601,630)	\$ (4,409,097)	\$ (4,399,742)	\$ (4,543,437)	\$ (4,503,697)	\$ (4,557,798)
Business-Type Activities	39,077	50,129	2,948	31,632	60,465	73,978	54,381	61,410	46,423	14,337
Total District-Wide Net Expense	\$ (5,647,638)	\$ (5,042,562)	\$ (4,772,372)	\$ (4,685,672)	\$ (4,541,165)	\$ (4,335,119)	\$ (4,345,361)	\$ (4,482,027)	\$ (4,457,274)	\$ (4,543,461)

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
FISCAL YEAR ENDING JUNE 30,										
General Revenues & Other Changes in Net Assets:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 3,524,276	\$ 3,275,926	\$ 3,275,926	\$ 3,010,446	\$ 2,834,520	\$ 2,834,520	\$ 2,834,520	\$ 2,778,943	\$ 2,709,377	\$ 2,580,359
Taxes Levied for Debt Service	226,300	228,200	224,100	229,000	228,725	227,737	225,875	228,775	226,625	224,374
Unrestricted Grants & Contributions	1,855,481	1,454,369	1,338,100	1,353,325	1,371,424	1,392,654	1,417,487	1,412,099	1,411,573	1,738,414
Tuition From Individuals	15,370	15,925	-	29,175	111,253	131,335	87,463	54,108	57,085	50,563
Tuition From Other LEAs Within the State	-	17,271	-	-	-	-	-	60,955	-	-
Miscellaneous Income	19,592	4,292	13,537	17,509	24,961	3,355	13,942	8,665	4,162	2,407
Transfers	-	21,355	2,363	27,146	60,831	71,977	54,053	61,533	47,328	15,271
Total Governmental Activities	\$ 5,641,019	\$ 4,854,026	\$ 4,631,714	\$ 4,666,601	\$ 4,631,714	\$ 4,661,578	\$ 4,633,340	\$ 4,605,078	\$ 4,456,150	\$ 4,611,388
Business-Type Activities:										
Interest Earnings	\$ 106	\$ 11	\$ 10	\$ 36	\$ -	\$ -	\$ 4	\$ 4	\$ 4	\$ 4
Transfers	-	(21,355)	(2,363)	(27,146)	(60,831)	(71,977)	(54,053)	(61,533)	(47,328)	(15,271)
Total Business-Type Activities	106	(21,344)	(2,353)	(27,110)	(60,831)	(71,977)	(54,049)	(61,529)	(47,324)	(15,267)
Total District-Wide	\$ 5,641,125	\$ 4,995,994	\$ 4,851,673	\$ 4,639,491	\$ 4,570,883	\$ 4,589,601	\$ 4,579,291	\$ 4,543,549	\$ 4,408,826	\$ 4,596,121
Change in Net Position:										
Governmental Activities	\$ (45,696)	\$ (75,353)	\$ 78,706	\$ (50,703)	\$ 30,084	\$ 252,481	\$ 233,598	\$ 61,641	\$ (47,547)	\$ 53,590
Business-Type Activities	39,183	28,785	595	4,522	(366)	2,001	332	(119)	(901)	(930)
Total District	\$ (6,513)	\$ (46,568)	\$ 79,301	\$ (46,181)	\$ 29,718	\$ 254,482	\$ 233,930	\$ 61,522	\$ (48,448)	\$ 52,660

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Restricted	\$ 683,305	\$ 821,071	\$ 1,019,473	\$ 981,373	\$ 955,255	\$ 891,785	\$ 643,639	\$ 401,923	\$ 280,891	\$ 279,825
Assigned	1,740	-	-	-	47,122	73,878	29,711	1,392	1,183	1,218
Unrestricted	121,053	109,433	123,233	117,897	117,063	115,172	112,689	113,386	113,386	113,703
Total General Fund	\$ 806,098	\$ 930,504	\$ 1,142,706	\$ 1,099,270	\$ 1,119,440	\$ 1,080,835	\$ 786,039	\$ 516,701	\$ 395,460	\$ 394,746
All Other Governmental Funds										
Restricted, Reported in:										
Special Revenue Fund	\$ 5,363	\$ 13,119	\$ 16,138	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned, Reported in:										
Special Revenue Fund	(145,699)	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ (140,336)	\$ 13,119	\$ 16,138	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Tax Levy	\$ 3,750,576	\$ 3,504,126	\$ 3,500,026	\$ 3,239,446	\$ 3,063,245	\$ 3,062,257	\$ 3,060,395	\$ 3,007,718	\$ 2,936,002	\$ 2,804,733
Tuition From Individuals	15,370	15,925	-	29,175	111,253	131,335	87,463	54,108	57,085	50,563
Tuition - Other LEAs Within State	-	17,271	-	-	-	-	-	60,955	-	-
Miscellaneous	78,321	40,409	24,560	17,509	24,961	3,355	13,942	8,665	4,162	2,407
State Sources	3,423,277	2,667,832	2,288,729	2,097,529	2,048,064	2,009,512	1,923,790	1,858,240	1,786,821	1,738,414
Federal Sources	347,093	373,311	200,079	132,279	118,658	114,151	107,757	112,889	98,108	92,482
Total Revenue	7,614,637	6,618,874	6,013,394	5,515,938	5,366,181	5,320,610	5,193,347	5,102,575	4,882,178	4,688,599
Expenditures:										
Instruction:										
Regular Instruction	2,292,570	1,916,193	1,742,183	1,644,438	1,625,739	1,593,359	1,687,676	1,728,217	1,630,988	1,627,882
Special Education Instruction	710,444	634,091	526,198	540,067	434,987	402,859	397,133	374,019	376,557	310,257
Other Instruction	128,126	160,592	105,173	102,664	103,461	89,834	84,095	81,515	80,461	81,287
Support Services:										
Tuition	-	-	-	-	20,416	15,160	-	-	-	-
Attendance/Social Work	6,964	8,713	9,263	9,023	8,760	8,506	8,328	7,941	7,563	7,370
Health Services	77,577	73,754	68,918	70,399	83,829	83,417	79,616	76,856	76,285	73,597
Student & Instruction Related Services	936,297	676,676	518,393	443,018	487,678	430,149	392,875	409,864	393,437	403,823
Educational Media/Library	60,054	48,055	65,512	63,834	-	-	3,256	4,491	6,489	1,112
Instructional Staff Training	1,040	29	275	858	-	-	858	226	1,080	273
General & Administration Services	202,503	192,191	185,141	195,829	166,266	154,013	125,983	134,095	144,522	129,304
School Administrative Services	122,978	79,235	77,488	74,028	71,479	68,753	50,420	51,133	51,260	60,886
Central Services	111,471	143,172	140,937	135,628	110,809	95,272	99,935	88,888	89,803	84,146
Administrative Information Technology	-	-	-	-	-	-	-	-	-	1,489
Plant Operations & Maintenance	358,624	364,083	272,539	304,892	306,923	319,920	324,667	275,220	339,815	301,285
Pupil Transportation	77,376	71,014	33,337	49,964	118,095	82,189	53,248	54,856	71,156	101,858
Unallocated Benefits	1,122,327	970,606	960,362	924,815	1,586,660	1,490,067	1,405,098	1,496,178	1,402,158	1,318,515
On-Behalf TPAF & FICA Reimb.	1,296,026	1,213,463	950,629	744,204	-	-	-	-	-	-
Capital Outlay	131,228	44,790	61,885	-	3,985	5,963	38,999	30,593	30,593	30,593
Debt Service:										
Principal	175,000	170,000	160,000	160,000	155,000	150,000	145,000	145,000	140,000	135,000
Interest & Other Charges	81,893	88,793	94,693	99,593	104,318	108,330	80,875	83,775	86,625	89,375
Total Expenditures	7,892,498	6,855,450	5,972,926	5,563,254	5,388,405	5,097,791	4,978,062	5,042,867	4,928,792	4,758,052
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(277,861)	(236,576)	40,468	(47,316)	(22,224)	222,819	215,285	59,708	(46,614)	(69,453)
Other Financing Sources/(Uses):										
Transfers In/(Out)	-	21,355	2,363	27,146	60,831	71,977	54,053	61,553	47,328	15,271
Total Other Financing Sources/(Uses)	-	21,355	2,363	27,146	60,831	71,977	54,053	61,553	47,328	15,271
Net Change in Fund Balances	\$ (277,861)	\$ (215,221)	\$ 42,831	\$ (20,170)	\$ 38,607	\$ 294,796	\$ 269,338	\$ 121,261	\$ 714	\$ (54,182)
Debt Service as a Percentage of Noncapital Expenditures	3.36%	3.92%	4.45%	4.89%	5.06%	5.34%	4.75%	4.75%	4.82%	4.95%

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
2023	\$ 9,263	\$ -	\$ 15,370	\$ 10,329	\$ 34,962
2022	2,212	-	15,925	2,080	20,217
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

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
2023	\$ 6,686,400	\$ 176,158,000	\$ -	\$ 2,800	\$ 39,290,600	\$ 7,032,100	\$ 282,000	\$ 229,451,900	-	\$ 229,451,900	2.300	\$ 276,814,935
2022	7,439,600	175,800,300	-	2,700	43,300,600	7,220,400	282,000	234,045,600	-	234,045,600	2.237	256,677,090
2021	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
2020	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
2019	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
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	5,796,600	124,630,800	-	16,600	27,918,700	4,848,800	192,700	163,404,200	-	163,404,200	2.649	Unavailable
2016	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
2015	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
2014	5,467,400	126,125,000	-	16,600	26,847,000	9,172,000	192,700	167,820,700	-	167,820,700	2.403	Unavailable
2013	5,658,700	126,312,000	-	16,600	27,171,200	9,172,000	192,700	168,523,200	414,838	168,938,038	2.311	Unavailable

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	
2023	2.300	2.300	1.062	0.873	4.235
2022	2.237	2.237	1.021	0.894	4.152
2021	2.056	2.056	0.987	0.967	4.010
2020	1.835	1.835	0.937	0.827	3.599
2019	2.626	2.626	1.299	1.193	5.118
2018	2.626	2.626	1.299	1.193	5.118
2017	2.649	2.649	1.248	1.162	5.036
2016	2.624	2.624	1.197	1.211	5.057
2015	2.522	2.522	1.165	1.180	4.969
2014	2.403	2.403	1.121	1.199	4.842
2013	2.311	2.311	1.074	1.110	4.587

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	2023		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
Brandywine/Operat Part	\$ 8,093,600	1	3.46%
59-63 N. Lakeview R. LLC	2,509,700	2	1.07%
4 S. Lakeview Dr., LLC	2,447,700	3	1.05%
Tahmed LLC	2,409,700	4	1.03%
Eureka Stone Quarry, Inc.	2,009,000	5	0.86%
20 E. Clementon LLC	2,000,000	6	0.85%
DC Gibbs c/o CVS	1,956,400	7	0.84%
Square Circle Sportsman	1,475,700	8	0.63%
Parisi Enterprises, LLC	1,200,000	9	0.51%
Brandywine 55 US Ave. LLC	1,145,500	10	0.49%
Total	\$ 25,247,300		10.79%

TAXPAYER	2014		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
Brandywine Realty	\$11,931,900	1	7.11%
CIT Lending Serv. Corp	2,100,000	2	1.25%
Taxpayer #1	1,700,000	3	1.01%
Eureka Stone Quarry Inc.	1,426,800	4	0.85%
Parisi Enterprises, LLC	1,375,000	5	0.82%
DG Gibbs, LLC	1,250,000	6	0.74%
Square Circle Sportsmen	1,185,700	7	0.71%
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%
Total	\$23,389,000		13.94%

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	
2023	\$ 3,750,576	\$ 3,750,576	100.00%	
2022	3,504,126	3,504,126	100.00%	\$ -
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%	-

Source: Municipal audit report

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

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	BOND ANTICIPATION NOTES (BANs)			
2023	\$ 1,195,000	-	\$ 1,195,000	Unavailable	Unavailable
2022	1,370,000	-	1,370,000	Unavailable	615
2021	1,540,000	-	1,540,000	1.12%	692
2020	1,700,000	-	1,700,000	1.31%	770
2019	1,860,000	-	1,860,000	1.53%	839
2018	2,015,000	-	2,015,000	1.71%	905
2017	2,165,000	-	2,165,000	1.90%	971
2016	2,310,000	-	2,310,000	2.09%	1,034
2015	2,455,000	-	2,455,000	2.29%	1,098
2014	2,595,000	-	2,595,000	2.51%	1,158
2013	2,730,000	-	2,730,000	2.73%	1,213

**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		
2023	\$ 229,451,900	\$ 1,195,000	0.52%	Unavailable
2022	226,543,200	1,370,000	0.60%	615
2021	226,969,400	1,540,000	0.68%	692
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

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2023**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Gibbsboro Borough	\$ 4,779,950	100.00%	\$ 4,779,950
Eastern Regional School District	6,720,000	5.30%	356,008
Local School District	1,195,000	100.00%	1,195,000
Camden County	376,137,881	0.66%	2,474,118
Total Overlapping Debt			<u>\$ 8,805,076</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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt Limit	\$ 7,852,269	\$ 7,731,723	\$ 6,960,910	\$ 6,959,929	\$ 6,470,003	\$ 6,527,556	\$ 6,615,159	\$ 6,838,383	\$ 6,866,255	\$ 7,073,772
Total Net Debt Applicable to Limit	1,195,000	1,370,000	1,540,000	1,700,000	1,860,000	2,015,000	2,165,000	2,310,000	2,455,000	2,595,000
Legal Debt Margin	\$ 6,657,269	\$ 6,361,723	\$ 5,420,910	\$ 5,259,929	\$ 4,610,003	\$ 4,512,556	\$ 4,450,159	\$ 4,528,383	\$ 4,411,255	\$ 4,478,772
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	15.22%	17.72%	22.12%	24.43%	28.75%	30.87%	32.73%	33.78%	35.75%	36.68%

Legal Debt Margin Calculation

Equalized Valuation Basis	
2022	\$ 273,305,827
2021	257,159,982
2020	<u>254,761,102</u>
	<u>\$ 785,226,911</u>
Average Equalized Valuation of Taxable Property	\$ 261,742,304
Debt Limit (3 % of Average Equalization Value)	7,852,269
Net Bonded School Debt	<u>1,195,000</u>
Legal Debt Margin	<u>\$ 6,657,269</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)
2022	2,228	Unavailable	Unavailable	3.8%
2021	2,224	137,091,808	61,642	5.1%
2020	2,207	129,837,810	58,830	7.8%
2019	2,218	121,896,844	54,958	2.8%
2018	2,227	118,088,902	53,026	4.5%
2017	2,229	113,892,984	51,096	4.5%
2016	2,235	110,391,120	49,392	4.4%
2015	2,236	107,332,472	48,002	5.8%
2014	2,241	103,518,513	46,193	7.4%
2013	2,250	100,028,250	44,457	5.3%

Source:

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

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

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

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

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

NOT AVAILABLE

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

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction:										
Regular	26.0	24.0	23.0	23.0	23.0	22.0	21.9	22.9	24.2	21.5
Special Education	7.0	6.0	5.0	5.0	5.3	5.3	4.5	4.5	5.2	4.3
Other Special Education	12.0	11.0	11.0	11.0	11.0	9.5	9.6	8.2	7.6	8.0
Support Services:										
Student & Instruction Related Services	2.5	2.5	2.5	2.5	2.4	2.4	3.0	2.2	4.0	4.0
School Administrative Services	3.8	3.8	3.8	3.8	1.6	1.6	1.0	2.8	1.5	1.4
General & Business Administrative Services	2.0	2.0	2.0	2.0	3.9	3.9	4.3	4.0	4.3	4.3
Plant Operations & Maintenance	3.7	3.7	3.7	3.7	3.7	3.2	3.7	2.2	3.9	3.9
Total	57.0	53.0	51.0	51.0	50.9	47.9	48.0	46.8	50.7	47.4

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 DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						TEACHER RATIO	ELEMENTARY				
2023	298	\$ 6,208,351	20,833	12.00%	33	9.03	9.03	294.91	279.58	-0.67%	94.80%
2022	287	5,338,404	18,601	8.70%	30	9.567	9.567	296.9	266.2	8.56%	89.66%
2021	275	4,705,719	17,112	0.58%	27	10.185	10.185	273.5	265.0	2.67%	96.89%
2020	268	4,559,457	17,013	5.17%	27	9.926	9.926	266.4	252.7	0.34%	94.86%
2019	275	4,448,464	16,176	0.89%	27	10.185	10.185	265.5	253.3	0.00%	95.40%
2018	263	4,216,640	16,033	-12.92%	27	9.741	9.741	265.5	253.3	3.43%	95.40%
2017	256	4,713,188	18,411	-1.85%	28	9.143	9.143	256.7	245.7	0.12%	95.71%
2016	255	4,783,499	18,759	10.22%	33	7.727	7.727	256.4	244.9	-6.05%	95.51%
2015	273	4,646,493	17,020	5.07%	31	8.806	8.806	272.9	260.9	-1.48%	95.60%
2014	278	4,503,084	16,198	0.97%	32	8.688	8.688	277.0	266.0	3.75%	96.03%

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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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	298	287	275	268	275	263	256	255	273	278

Number of Schools at June 30, 2023:
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
2023	\$ 47,181
2022	38,770
2021	23,830
2020	18,163
2019	32,148
2018	33,900
2017	53,883
2016	22,428
2015	73,828
2014	23,242

Source: District records

INSURANCE SCHEDULE

	COVERAGE	DEDUCTIBLE
School Package Policy - School Boards:		
Property - Blank Building & Contents	\$ 500,000,000	\$ 1,000
Comprehensive General Liability	11,000,000	1,000
Comprehensive Automobile Liability	11,000,000	
Umbrella Liability - School Boards:		
Umbrella Policy	11,000,000	
School Board Legal Liability:		
Directors and Officers Policy	1,000,000	5,000
NJ School Board:		
Worker's Compensation - Professional	3,000,000	
- Nonprofessional	3,000,000	

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, 2023, 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 November 14, 2023.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control that we consider to be a material weakness, described in the accompanying schedule of findings and questioned costs as finding 2023-001.

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Report on 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 an instance 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 and are described in the accompanying schedules of findings and questioned costs as finding 2023-001.

The Gibbsboro School District's Response to Findings

The School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the 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.
Certified Public Accountants & Advisors

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

Medford, New Jersey
November 14, 2023



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR 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

Opinion on 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, 2023. 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.

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, 2023.

Basis for Opinion on Each Major State Program

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; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); 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. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School District and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the School District’s compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School District's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted 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 audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individual or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted accounting standards, *Government Auditing Standards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, but not for the purpose of expressing an opinion on the effectiveness of School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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
Certified Public Accountants & Advisors

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

Medford, New Jersey
November 14, 2023

EXHIBIT K-3
SCHEDULE A

GIBBSBORO SCHOOL DISTRICT
SCHEDULE OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2023

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, 2022	CARRY-OVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2023
U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:											
Child Nutrition Cluster											
National School Lunch Program	10.555	231NJ304N1099	100-010-3350-028	\$ 30,627	7/1/22-6/30/23	\$ -	-	29,507	\$ (30,627)	\$ -	\$ (1,120)
COVID-19 National School Lunch Program	10.555	221NJ304N1099	100-010-3350-028	110,617	7/1/21-6/30/22	(7,159)	-	7,159	-	-	-
Healthy Hunger-Free Kids Act	10.555	211NJ304N1099	100-010-3350-026	1,000	7/1/22-6/30/23	-	-	962	(1,000)	-	(38)
Supply Chain Assistance	10.555	231NJ304N1099	100-010-3350-118	27,809	7/1/22-6/30/23	-	-	27,809	(27,809)	-	-
						(7,159)	-	65,437	(59,436)	-	(1,158)
School Breakfast Program	10.553	231NJ304N1099	100-010-3350-028	1,069	7/1/22-6/30/23	-	-	1,069	(1,069)	-	-
COVID-19 School Breakfast Program	10.553	221NJ304N1099	100-010-3350-028	5,288	7/1/21-6/30/22	(182)	-	182	-	-	-
						(182)	-	1,251	(1,069)	-	-
Total Child Nutrition Cluster						(7,341)	-	66,688	(60,505)	-	(1,158)
Total U.S. Department of Agriculture						(7,341)	-	66,688	(60,505)	-	(1,158)
U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:											
Title I, Part A	84.010	S011A220030	100-034-5064-194	36,218	7/1/22-9/30/23	-	10,479	34,575	(46,697)	-	(1,643)
Title I, Part A	84.010	S011A210030	100-034-5064-194	44,702	7/1/21-9/30/22	(23,010)	(10,479)	10,479	-	-	(23,010)
Title I, Part A - SIA	84.010	S01A220030	100-034-5064-194	28,400	7/1/22-9/30/23	-	3,690	28,400	(32,090)	-	-
Title I, Part A - SIA	84.010	S010A210030	100-034-5064-194	25,914	7/1/21-9/30/22	(16,727)	(3,690)	4,505	-	-	(15,912)
						(39,737)	-	77,959	(78,787)	-	(40,565)
Title II - Part A, Supporting Effective Instruction	84.367	S367A220029	100-034-5063-290	6,836	7/1/22-9/30/23	-	2,369	6,836	(9,205)	-	-
Effective Instruction	84.367	S367A210029	100-034-5063-290	7,144	7/1/21-9/30/22	(4,628)	(2,369)	2,764	-	-	(4,233)
						(4,628)	-	9,600	(9,205)	-	(4,233)
Title IV - Student Support and Enrichment (ESSA)	84.424	S424A220031	100-034-5064-187	10,000	7/1/22-9/30/23	-	3,381	3,238	(6,619)	-	-
Title IV - Student Support and Enrichment (ESSA)	84.424	S424A210031	100-034-5064-187	17,300	7/1/21-9/30/22	(13,000)	(3,381)	6,381	-	-	(10,000)
						(13,000)	-	9,619	(6,619)	-	(10,000)
Special Education Cluster											
I.D.E.A. Part B, Basic Regular	84.027	H027A220100	100-034-5065-016	80,108	7/1/22-9/30/23	-	-	63,133	(70,925)	-	(7,792)
I.D.E.A. Part B, Basic Regular	84.027	H027A210100	100-034-5065-016	78,221	7/1/21-9/30/22	(13,583)	-	13,583	-	-	-
COVID-19 ARP-IDEA Basic	84.027X	H027X210100	100-034-5065-094	12,438	7/1/21-9/30/22	(255)	-	1,438	-	-	-
						(13,838)	-	78,154	(70,925)	-	(7,792)
I.D.E.A. Preschool	84.173A	H173A210114	100-034-5065-020	4,686	7/1/21-9/30/22	-	-	4,221	(4,686)	-	(465)
COVID-19 ARP-IDEA Preschool	84.173X	H173X210114	100-034-5065-095	1,061	7/1/21-9/30/22	(17)	-	261	-	-	(465)
						(17)	-	4,482	(4,686)	-	(465)
Total Special Education Cluster						(13,855)	-	82,636	(75,611)	-	(8,257)
Education Stabilization Fund											
COVID-19 Coronavirus Response & Relief Suppl. Appr. Act:											
CRSA - ESSER II	84.425D	S425D210027	100-034-5120-518	75,558	3/13/20-9/30/23	(8,545)	-	8,512	(8,512)	-	(8,545)
CR Learning Acceleration	84.425D	S425D210027	100-034-5120-518	25,000	3/13/20-9/30/23	-	-	11,835	(19,576)	-	(7,741)
CR Mental Health	84.425D	S425D210027	100-034-5120-518	45,000	3/13/20-9/30/23	-	-	5,728	(5,728)	-	-
COVID-19 American Rescue Plan:											
ARP - ESSER III	84.425U	S425U210027	100-034-5120-523	169,812	3/13/20-9/30/24	-	-	37,221	(47,404)	-	(10,183)
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	100-034-5120-523	50,000	3/13/20-9/30/24	-	-	28,272	(30,400)	-	(2,128)
Evidence Based Summer Learning & Enrichment	84.425U	S425U210027	100-034-5120-523	40,000	3/13/20-9/30/24	-	-	14,815	(14,815)	-	-
Beyond the School Day	84.425U	S425U210027	100-034-5120-523	40,000	3/13/20-9/30/24	-	-	28,804	(32,635)	-	(3,831)
Mental Health	84.425U	S425U210027	100-034-5120-523	45,000	3/13/20-9/30/24	(4,235)	-	22,036	(17,801)	-	-
Total Education Stabilization Fund						(12,780)	-	157,223	(176,871)	-	(32,428)
Total U.S. Department of Education						(84,000)	-	337,037	(347,093)	-	(95,483)
Total Expenditures of Federal Awards						(91,341)	\$ -	403,725	(407,598)	\$ -	(96,641)

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, 2023**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	UNEARNED REVENUE AT JUNE 30, 2023	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2023	DUE TO GRANTOR AT JUNE 30, 2023	MEMO	
											BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:												
General Fund:												
State Aid Public:												
Equalization Aid	495-034-5120-078	\$ 1,385,149	7/1/22-6/30/23	\$ -	\$ 1,385,149	\$ (1,385,149)	\$ -	\$ -	\$ -	\$ -	\$ 136,211	\$ 1,385,149
Security Aid	495-034-5120-084	25,761	7/1/22-6/30/23	-	25,761	(25,761)	-	-	-	-	2,534	25,761
Adjustment Aid	495-034-5120-085	245,443	7/1/22-6/30/23	-	245,443	(245,443)	-	-	-	-	24,136	245,443
Special Education Categorical Aid	495-034-5120-089	163,500	7/1/22-6/30/23	-	163,500	(163,500)	-	-	-	-	16,078	163,500
Total State Aid Public					1,819,853	(1,819,853)					178,959	1,819,853
Transportation Aid	495-034-5120-014	20,818	7/1/22-6/30/23	-	20,818	(20,818)	-	-	-	-	2,047	20,818
Extraordinary Aid	495-034-5120-044	49,251	7/1/22-6/30/23	-	-	(49,251)	-	-	(49,251)	-	-	49,251
Additional Nonpublic School Transportation Aid	495-034-5120-014	2,808	7/1/22-6/30/23	-	-	(2,808)	-	-	(2,808)	-	-	2,808
Additional Nonpublic School Transportation Aid	495-034-5120-014	1,740	7/1/21-6/30/22	(1,740)	-	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	495-034-5094-003	216,660	7/1/22-6/30/23	-	195,147	(216,660)	-	-	(21,513)	-	-	216,660
Reimbursed TPAF Social Security Contributions	495-034-5094-003	179,281	7/1/21-6/30/22	(8,983)	8,983	-	-	-	-	-	-	-
On-Behalf TPAF Pension Contributions (Noncash Assistance)	495-034-5094-001	854,428	7/1/22-6/30/23	-	854,428	(854,428)	-	-	-	-	-	854,428
On-Behalf TPAF Post-Retirement	495-034-5094-002	224,456	7/1/22-6/30/23	-	224,456	(224,456)	-	-	-	-	-	224,456
Medical Contributions (Noncash Assistance)	495-034-5094-002	482	7/1/22-6/30/23	-	482	(482)	-	-	-	-	-	482
On-Behalf TPAF Long-Term Disability Insurance Contributions (Noncash Assistance)	495-034-5120-004			(10,723)	3,125,907	(3,188,756)	-	-	(73,572)	-	181,006	3,188,756
Total General Fund					3,125,907	(3,188,756)			(73,572)		181,006	3,188,756
Special Revenue Fund:												
Emergent and Capital Maintenance Needs	Unavailable	6,436	7/1/22-6/30/23	-	6,436	(6,436)	-	-	-	-	-	6,436
Climate Awareness Education Grant	N/A	6,660	7/1/22-6/30/23	-	6,660	(6,660)	-	-	-	-	-	6,660
Preschool Expansion Aid	495-034-5120-086	582,793	7/1/22-6/30/23	-	582,793	(404,373)	-	178,420	-	-	145,698	404,373
Total Special Revenue Fund					595,889	(417,469)		178,420			145,698	417,469
New Jersey Department of Agriculture:												
Enterprise Fund:												
National School Lunch Program (State Share)	495-010-3350-001	737	7/1/22-6/30/23	-	780	(810)	-	-	(30)	-	-	810
National School Lunch Program - Reduced (State Share)	495-010-3350-002	73	7/1/22-6/30/23	-	65	(73)	-	-	(8)	-	-	73
National School Lunch Program (State Share)	495-010-3350-001	2,806	7/1/21-6/30/22	(165)	165	-	-	-	-	-	-	-
Total New Jersey Department of Agriculture				(165)	1,010	(883)			(38)			883
Total State Financial Assistance				(10,888)	3,722,806	(3,607,108)		178,420	(73,610)		326,704	3,607,108

State Financial Assistance Programs not subject to Calculation for Major Program Determination:
 On-Behalf TPAF Pension Contributions 495-034-5094-001 \$ 854,428
 On-Behalf TPAF Post-Retirement Medical Contributions 495-034-5094-002 224,456
 On-Behalf TPAF Long-Term Disability Insurance Contributions 495-034-5120-004 482
Total State Financial Assistance Subject to Major Program Determination
\$ (2,527,742)

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, 2023

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, 2023. 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, 2023.

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, 2023**

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 \$(37,249) for the general fund and \$(145,699) 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	\$ -	\$ 3,151,507	\$ 3,151,507
Special Revenue Fund	347,093	271,770	618,863
Food Service Fund	60,505	883	61,388
	<u> </u>	<u> </u>	<u> </u>
Total State & Federal Expenditures	<u>\$ 407,598</u>	<u>\$ 3,424,160</u>	<u>\$ 3,831,758</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, 2023.

**GIBBSBORO SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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? X yes no

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

Noncompliance material to financial statements noted? X yes 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:

Assistance Listing Number(s) FAIN Number(s) Name of Federal Program or Cluster

NOT APPLICABLE

Dollar threshold used to determine Type A programs _____

Auditee qualified as low-risk auditee? yes no

**GIBBSBORO SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results (continued)

State Financial Assistance

Dollar threshold used to distinguish between Type A and Type B programs: _____ \$ 750,000

Auditee qualified as low-risk auditee? yes no

Internal control over major programs:

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

2) Significant deficiency(ies) identified? _____ yes no

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

Any audit findings disclosed that are required to be reported
 in accordance with New Jersey OMB's Circular 15-08? _____ yes no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
_____ 495-034-5120-078	State Aid Public: Equalization Aid
_____ 495-034-5120-084	Security Aid
_____ 495-034-5120-085	Adjustment Aid
_____ 495-034-5120-089	Special Education Categorical Aid
_____	_____
_____	_____
_____	_____

**GIBBSBORO SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

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

Finding No. 2023-001:

Criteria of Specific Requirement:

N.J.S.A 18A:17-9 requires the preparation of accurate monthly reconciliations of all bank accounts.

Condition:

The District cash reconciliations for the bank accounts were not prepared accurately, on a monthly basis, in accordance with N.J.S.A. 18A:17-9 during the current fiscal year.

Context:

The bank account reconciliations listed above contained various inaccurate reconciling items.

Cause:

Unknown.

Effect or Potential Effect:

The District did not comply with N.J.S.A 18A:17-9 requirements.

Recommendation:

That the District accurately reconcile all cash accounts on a monthly basis in accordance with N.J.S.A. 18A:17-9.

Management Response:

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

**GIBBSBORO SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023**

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