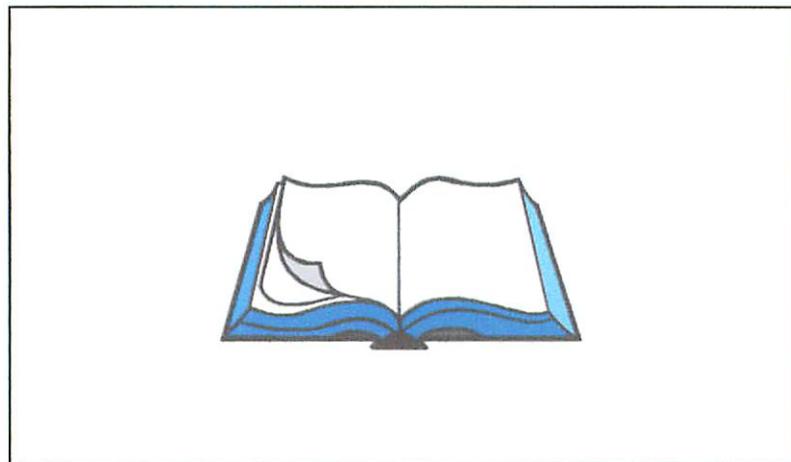


SCHOOL DISTRICT
OF
GLOUCESTER CITY



Gloucester City Board of Education
Gloucester City, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2010

**Comprehensive Annual
Financial Report**

of the

Gloucester City Board of Education

Gloucester City, New Jersey

For the Fiscal Year Ended June 30, 2010

**Prepared by
Gloucester City Board of Education
Finance Department**

GLOUCESTER CITY SCHOOL DISTRICT

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Introductory Section

Gloucester City Board of Education
520 Cumberland Street
Gloucester City, New Jersey 08030

Paul A. Spaventa
Superintendent

Margaret M. McDonnell
Board Secretary/Business Administrator

September 30, 2010

Honorable President and
Members of the Board of Education
Gloucester City Public Schools
Camden County, New Jersey 08030

Dear Board Members:

The comprehensive annual financial report of the Gloucester City School District (District) for the fiscal year ended June 30, 2010 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and accounting groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES:**

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

The District provides a full range of educational services appropriate to grade levels Preschool 3 year old through Adult High School. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2009-10 fiscal year with a PK-12 enrollment of 2038 students. The following details the changes in student enrollment of the District over the last ten years:

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2000-01	2135	+2.3
2001-02	2158	+1.1
2002-03	2169	+0.5
2003-04	2099	-3.2
2004-05	2088	-0.5
2005-06	2128	+1.9
2006-07	2097	-1.5
2007-08	2115	+0.9
2008-09	2080	-1.6
2009-10	2137	+1.0

2) ECONOMIC CONDITION AND OUTLOOK:

The City of Gloucester has a major marine terminal and is populated with many small businesses. The City is aggressive in its efforts to redevelop its former industrial area known as Southport. Gloucester City and the surrounding communities are essentially developed with regard to housing though a major homebuilder, Beazer Homes, is nearing completion of construction on a development of sixty-eight single family homes at the site of the old Starlite Drive-in movie theatre. Over the past decade, Gloucester City real estate values increased substantially as is reflected in the equalized value of property.

3) MAJOR INITIATIVES:

The \$24 million improvement project at the High School is essentially completed. In addition, the new gym and media center are now being used; the old gym and the auditorium have been refurbished. The district's Long Range Facilities Plan includes approval of the new middle school. The district is excited that the Governor and the State of New Jersey recently approved funding of the new middle school. The project is in the planning stage and it is currently hopeful that planning and construction can be completed in time for a Fall 2013 opening. The new improvements and anticipation of the new middle school create an exciting environment for both staff and students, and contribute to a greatly improved learning environment.

The major issue facing the Gloucester City School District, and all other school districts, especially Abbott Districts, is the future funding stream. In the Spring of 2008, the State of New Jersey approved the 'School Funding Reform Act of 2008'. Under the new funding formula, school aid is distributed through a foundation formula. Calculations are based on a per-pupil

adequacy budget, which represents the amount necessary to allow each student to attain New Jersey's educational standards. The base amount is set for elementary school students and increased for middle school students, high school students and vocational school students because it grows more expensive to meet student's needs as they progress through school. Additional weights are added to the basic formula for at-risk students and students with limited English proficiency. A number of other factors are recognized in the formula including poverty concentration, geographic cost differences, special education costs and providing of kindergarten. In order to get legislative approval for the new funding formula, all districts were to receive at least a 2% increase in aid relative to 2007-2008 for the 2008-2009 and the 2009-2010 budget years even if calculations under the new formula resulted in a lower "adequacy budget". Gloucester City School District received the minimum state aid proposed for 2008-2009 and 2009-2010, though 2009-2010 state aid was later reduced about \$754 thousand by Governor Christie's Administration. It was anticipated that beginning with the 2010-2011 budget year, the State would provide aid in accordance with its new funding formula, however with the current state financial difficulties, the Christie Administration reduced funding for the 2010-2011 school year by about \$2 million. No information has been provided from the state on projected school funding for the 2011-2012 school year.

4) **INTERNAL ACCOUNTING CONTROLS:**

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

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

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

5) **BUDGETARY CONTROLS:**

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Approved Capital Projects are 100% funded by the State through the Schools Development Authority.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2010.

6) **ACCOUNTING SYSTEM AND REPORTS:**

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

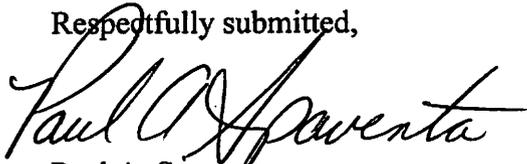
7) **RISK MANAGEMENT:**

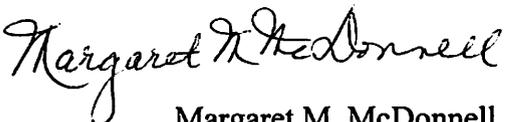
The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, an umbrella policy, fidelity bonds, student accident and workmen's compensation.

8) **OTHER INFORMATION:**

A) **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Inverso & Stewart was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

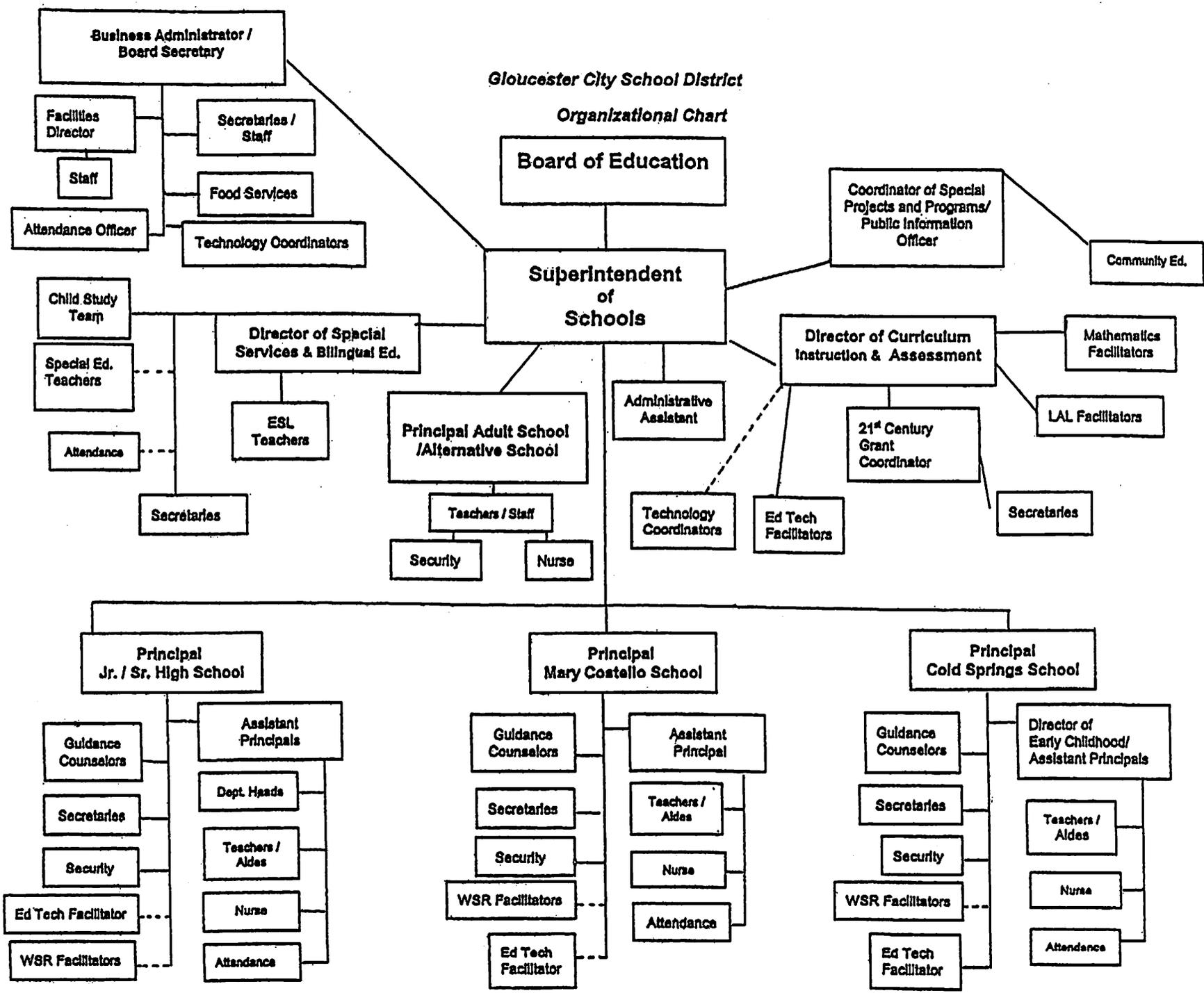
Respectfully submitted,


Paul A. Spaventa
Superintendent


Margaret M. McDonnell
Board Secretary/Business Administrator

Gloucester City School District

Organizational Chart



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GLOUCESTER CITY SCHOOL DISTRICT

Roster of Officials June 30, 2010

Members of the Board of Education:

Term Expires

Louisa W. Llewellyn, President	2012
Edward C. Hubbs, Vice President	2012
Robert Bennett, Sr.	2011
Jacqueline Borger	2011
Kathleen McHugh	2011
Linda Bittmann	2012
Patrick R. Hagan	2013
W. Bruce Marks	2013
Adam Baker	2013
Bruce Darrow	Brooklawn Representative

Other Officials:

Paul A. Spaventa, Superintendent
Margaret M. McDonnell, Business Administrator/Board Secretary
Frank Robertson, Treasurer
Parker McCay, P.A., Solicitor

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**GLOUCESTER CITY SCHOOL DISTRICT
Consultants and Advisors**

Audit Firm

Inverso & Stewart, LLC
12000 Lincoln Drive West, Suite 402
Marlton, NJ 08053

Attorney

Parker McCay, P.A.
7001 Lincoln Drive., WE5
Marlton, NJ 08053

Architects

Becica Associates
16000 Horizon Way
Mount Laurel, NJ 08054

Official Depository

PNC Bank
Monmouth Street
Gloucester City, NJ 08030

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Financial Section

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

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American Institute of CPAs
New Jersey Society of CPAs**

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Gloucester City School District, in the County of Camden, State of New Jersey (School District), as of and for the fiscal year ended June 30, 2010, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Gloucester City School District, in the County of Camden, State of New Jersey, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2010 on our consideration of the School District's internal control over financial reporting and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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The accompanying management's discussion and analysis and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and State of New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. In addition, the introductory section, combining statements and related major fund supporting statements and schedules, and statistical section listed in the table of contents are also presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedules of Expenditures of Federal Awards and State Financial Assistance, combining statements and related major fund supporting statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert A. Stewart
Public School Accountant

Marlton, New Jersey
September 24, 2010

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INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

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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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Gloucester City School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated September 24, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Gloucester City School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Gloucester City School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

We noted certain matters that we reported to management of the Gloucester City School District in a separate report entitled, *Auditors Management Report on Administrative Findings - Financial, Compliance and Performance* dated September 24, 2010.

This report is intended solely for the information and use of the management and others within the Gloucester City School District, the Division of Finance, Department of Education, State of New Jersey, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert A. Stewart
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
September 24, 2010

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Required Supplementary Information - Part I

Management's Discussion and Analysis

**Gloucester City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010**

As management of the Board of Education of the City of Gloucester, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$36,269,187 (*net assets*).
- Governmental activities have an unrestricted net assets deficit of \$3,697,897. The last two state aid payments deferral and state statutes that prohibit the school district from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.
- The total net assets of the School District increased by \$891,729 from the prior fiscal year-end balance. The majority of this increase is attributable to the limiting budgetary expenditures to 87.82%.
- Fund balance of the School District's governmental funds increased by \$1,002,660 resulting in an ending fund balance of \$6,155,078. A much greater amount of fund balance was used to support the 2009-2010 budget than was used to support the 2008-2009 budget and a limitation on budgetary expenditures was the main reason for this increase.
- Business-type activities have unrestricted net assets of \$286,220, which may be used to meet the School District's ongoing obligations of the enterprise-related activities.
- The School District's long-term obligations decreased by \$650,000, which is the direct result of current year payments on existing debt obligations.

Overview of the Basic Financial Statements

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

District-wide Financial Statements

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net assets and the statement of activities.

The *statement of net assets* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net assets of the School District changed during the current fiscal year. Changes in net assets are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover all or most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities include only the Food Service Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains one type of proprietary fund - the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the district-wide financial statements, only in more detail.

The School District's one enterprise fund (Food Service Fund) is listed individually and is considered to be a major fund.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the School District's programs.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

District-wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Capital assets are used in the operations of the School District. These assets are land, buildings, improvements and equipment. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2010. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2010.

The assets of the primary government activities exceeded liabilities by \$35,840,762 with an unrestricted deficit balance of \$3,697,897. As mentioned earlier, deficit unrestricted net assets are primarily due to the accounting treatment for accrued interest payable and the deferral of the last two state aid payments. The net assets of the primary government do not include internal balances.

A net investment of \$30,909,513 in land, improvements, buildings and equipment which provide the services to the School District's public school students, represents 85.22% of the School District's net assets. Net assets of \$8,771,351 have been restricted as follows:

Capital Reserve	\$ 1,941,283
Tuition Reserve	285,776
Maintenance Reserve	1,512,500
Emergency Reserve	639,000
Designated for the 2010/11 budget	3,750,000
Reserved for encumbrances	642,792

**Comparative Summary of Net Assets
As of June 30, 2010 and 2009**

	Governmental Activities		Business-Type Activities		District-Wide	
	2010	2009	2010	2009	2010	2009
Assets:						
Current assets	\$ 7,312,020	\$ 6,114,362	\$ 286,220	\$ 232,677	\$ 7,598,240	\$ 6,347,039
Capital assets	<u>42,987,308</u>	<u>43,937,690</u>	<u>142,205</u>	<u>146,881</u>	<u>43,129,513</u>	<u>44,084,571</u>
Total assets	<u>50,299,328</u>	<u>50,052,052</u>	<u>428,425</u>	<u>379,558</u>	<u>50,727,753</u>	<u>50,431,610</u>
Liabilities:						
Current Liabilities	1,921,573	1,642,454			1,921,573	1,642,454
Noncurrent Liabilities	<u>12,536,993</u>	<u>13,411,698</u>			<u>12,536,993</u>	<u>13,411,698</u>
Total liabilities	<u>14,458,566</u>	<u>15,054,152</u>			<u>14,458,566</u>	<u>15,054,152</u>
Net assets	<u>\$ 35,840,762</u>	<u>\$ 34,997,900</u>	<u>\$ 428,425</u>	<u>\$ 379,558</u>	<u>\$ 36,269,187</u>	<u>\$ 35,377,458</u>

	Governmental Activities		Business-Type Activities		District-Wide	
	2010	2008	2010	2008	2010	2008
Net assets consist of:						
Invested in capital						
Assets	\$ 30,767,308	\$ 31,173,049	\$ 142,205	\$ 165,647	\$ 30,909,513	\$ 31,338,696
Restricted net assets	8,771,351	4,727,404			8,771,351	4,727,404
Unrestricted net assets	<u>(3,697,897)</u>	<u>(1,817,838)</u>	<u>286,220</u>	<u>204,795</u>	<u>(3,411,677)</u>	<u>(1,613,043)</u>
Net assets	<u>\$ 35,840,762</u>	<u>\$ 34,082,615</u>	<u>\$ 428,425</u>	<u>\$ 370,442</u>	<u>\$ 36,269,187</u>	<u>\$ 34,453,057</u>

**Comparative Schedule of Changes in Net Assets
As of and for the Fiscal Year Ended June 30, 2010 and 2009**

	Governmental Activities		Business-Type Activities		District-Wide	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues						
Charges for services			\$ 376,663	\$ 415,326	\$ 376,663	\$ 415,326
Operating grants and Contributions	\$ 9,164,350	\$ 8,333,292	783,766	671,606	9,948,116	9,004,898
General Revenues:						
Property Taxes	3,582,478	3,499,320			3,582,478	3,499,320
Unrestricted State Aid	30,145,563	27,838,203			30,145,563	27,838,203
Tuition	1,108,520	860,752			1,108,520	860,752
Other Revenues	<u>220,206</u>	<u>161,260</u>			<u>220,206</u>	<u>161,260</u>
Total Revenues	<u>44,221,117</u>	<u>40,692,827</u>	<u>1,160,429</u>	<u>1,086,932</u>	<u>45,381,546</u>	<u>41,779,759</u>
Expenses:						
Governmental Activities:						
Instruction	18,408,579	16,811,596			18,408,579	16,811,596
Tuition	1,082,411	1,285,931			1,082,411	1,285,931
Related Services	5,962,736	5,702,922			5,962,736	5,702,922
Administrative Services	2,524,379	2,554,557			2,524,379	2,554,557
Operations and Maintenance	4,794,795	3,991,713			4,794,795	3,991,713
Transportation	945,914	897,593			945,914	897,593
Unallocated benefits	8,553,156	7,426,835			8,553,156	7,426,835
Special Schools	207,878	194,371			207,878	194,371
Interest on long-term Debt	557,974	590,313			557,974	590,313
Unallocated Depreciation	311,183	321,711			311,183	321,711
Business-Type Activities:						
Food Service Operations			<u>1,125,448</u>	<u>1,077,816</u>	<u>1,125,448</u>	<u>1,077,816</u>
Total Expenses	<u>43,349,005</u>	<u>39,777,542</u>	<u>1,125,448</u>	<u>1,077,816</u>	<u>44,474,453</u>	<u>40,855,358</u>

	Governmental Activities		Business-Type Activities		District-Wide	
	2010	2009	2010	2009	2010	2009
Increase in net assets						
Before transfers	872,112	915,285	34,981	9,116	907,093	924,401
Donation of Assets			13,886		13,886	
Loss on Disposal of Assets	(29,250)				(29,250)	
Changes in net assets	842,862	915,285	48,867	9,116	891,729	924,401
State Aid Contrib to F.A.						
Net assets, July 1,	34,997,900	34,082,615	379,558	370,442	35,377,458	34,453,057
Net assets, June 30,	\$ 35,840,762	\$ 34,997,900	\$ 428,425	\$ 379,558	\$ 36,269,187	\$ 35,377,458

Governmental Activities

Revenues from Governmental activities increased \$3,528,290 compared to last year, while expenditures increased \$3,571,463, the net effect of current year revenues over current year expenditures is an increase in operations.

- Unrestricted federal and state aid increased \$2,307,360 or about 8.29%.
- Instructional services spending saw an increase of \$1,596,983, while benefits saw an increase of \$1,126,321.

Business-type Activities

Business-type activities increased the School District's net assets by \$48,867 compared to a \$9,116 increase the previous year. Overall the cafeteria is in sound financial condition. Key elements of the increase in net assets for business-type activities are as follows:

- Revenues increased \$73,497 during the fiscal year.
- The expenses associated with the cafeteria program increased \$47,632 during the current fiscal year.
- The District will continue to monitor the need for any increase in meal prices in future years.

Financial Analysis of the Governmental Funds

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

Governmental Funds - The focus of the School 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 School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$6,155,078, an increase of \$1,002,660 in comparison with the prior year. The increase in fund balance comes as a result of limiting budgetary expenditures to 87.82% of the total budget. Due to the large amount of fund balance appropriated it is anticipated that fund balance will decrease this year and probably into next year.

The unreserved deficit fund balance for the School District at the end of the fiscal year includes a combination of an unreserved deficit fund balance for the General Fund of \$2,326,651 and an unreserved deficit fund balance of \$289,622 for the Special Revenue Fund. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) to liquidate contracts and purchase orders of the prior period (\$642,792), 2) appropriated as a revenue source in the subsequent year's budget (\$3,750,000) or 3) reserved for capital expenditures (\$1,941,283) or 4) reserved for tuition expenditures (\$285,776) or 5) reserved for maintenance expenditures (\$1,512,500) or 6) reserved for emergency expenditures (\$639,000).

The general fund is the chief operating fund of the School District. As discussed earlier, the deficit balance in the unreserved fund balance is due, in part, to the accounting treatment of the last two state aid payments as discussed in the notes to the basic financial statements.

The special revenue fund reflects a deficit fund balance of \$289,622, as a result of the accounting treatment for the last two state aid payments. See the notes to the basic financial statements for further clarification of this treatment. Revenue is generally recognized at the time that the outlays are identified; therefore no fund balances are normally generated in the special revenue fund.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$309,956, which is the net effect of prior year encumbrances of \$516,517 carried over to this budget year offset by a change in revenues due to loss of state aid in the amount of \$347,992.

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was \$668,230, while total fund balance (budgetary basis) was \$9,242,874. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$35,746,643. Unreserved fund balance (budgetary basis) represents 1.86% of expenditures while total fund balance (budgetary basis) represents 25.85% of that same amount.

Capital Asset and Debt Administration

The School District's capital assets for its governmental and business-type activities as of June 30, 2010, totaled \$43,129,513 (net of accumulated depreciation). The capital assets of the School District includes land, improvements, buildings and equipment. The total decrease in the School District's investment in capital assets for the current fiscal year was \$955,058, or a 2.16% decrease. The decrease is primarily due to depreciation expenses.

Gloucester City School District Capital Asset (net of accumulated depreciation) June 30, 2010 and 2009

	Governmental Activities		Business-Type Activities		District-Wide	
	2010	2009	2010	2009	2010	2009
Land	\$ 2,799,583	\$ 2,799,583			\$ 2,799,583	\$ 2,799,583
Construction in Progress	0	0			0	0
Site Improvements	639,199	719,261			639,199	719,261
Buildings and Building Improvements	38,176,797	39,379,555			38,176,797	39,379,555
Equipment	1,307,961	987,117	\$ 142,205	\$ 146,881	1,450,166	1,133,998
Vehicles	63,768	52,174			63,768	52,174
Net assets	<u>\$ 42,987,308</u>	<u>\$ 43,937,690</u>	<u>\$ 142,205</u>	<u>\$ 146,881</u>	<u>\$ 43,129,513</u>	<u>\$ 44,084,571</u>

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 7) of this report.

Long-term debt – During the fiscal year ended June 30, 2010, the School District had \$12,220,000 in serial bonds payable and \$1,096,993 in compensated absences.

State statutes limit the amount of general obligation debt that the School District may issue. At the end of the current fiscal year, the legal debt limit was \$25,676,858 with a remaining borrowing capacity of \$13,458,858.

The School District continues to maintain its AA rating from Standard & Poor's Corporation for its general obligation bond issues.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 8) of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered and incorporated into the preparation of the School District's budget for the 2010-2011 fiscal year:

The State of New Jersey approved the 'School Funding Reform Act of 2008' in Spring 2008. In order to get legislative approval for the new funding formula, all districts were to receive at least a 2% increase in aid relative to 2008 for the 2009 budget year, then flat funding for 2010 and 2011 budget years. Gloucester City School District did receive the minimum state aid increase of 2% for 2009 and the same level of funding for 2010 as was proposed. For fiscal year 2011, due to the severe global and domestic economic crisis, the guidance provided by Governor Christie's office was for districts to prepare alternative budget scenarios with flat funding, and alternatives at 5%, 10%, 15% and 20% reductions in state aid. The actual state aid funding figures, which were provided to districts just days before a final budget submission was required, reduced state aid more than the district predicted but the district was able to compensate for the funding gap and minimize loss of staff by budgeting withdrawal from various reserves.

The general fund tax rate increased about 3.92% or about \$23 per year for a homeowner with a house valued at the district average. This is a function of the amount of money awarded to the School District by the State, an increase in the General Fund tax levy by 4%, and the favorable impact of a higher tax base.

The 2010-2011 Budget includes appropriations for several major facilities projects included in the Long Range Facilities Plan which have not been appropriated in previous years due to insufficient funding from the State.

The amount of State Aid funding for the School District's 2012 school year budget is not yet available. However, in order to get legislative approval for the new funding formula, it was proposed that State Aid Funding to the Gloucester City School District would remain flat at the 2009 funding level through 2011 and then, beginning with 2012 school year, the new funding formula would be applied. Since the State did not hold to its previous proposal for the 2011 budget year, but instead reduced state aid by about \$2 million, the district has no information on what to anticipate for the budget year 2012 but will try to prepare a budget in the event of another major decrease in state aid from Governor Christie's administration.

The Gloucester City School District has committed itself to strong financial controls. The School District continually monitors its budget and scrutinizes spending requests as well as implementing ever stronger internal controls. The District commits itself to constantly reviewing the ways in which it conducts business, and making improvements whenever possible, in order to operate efficiently and to meet future challenges.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Gloucester City School District Business Administrator, 520 Cumberland Street, Gloucester City, New Jersey, 08030, telephone number (856) 456-4250.

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Basic Financial Statements

District-Wide Financial Statements

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Elimination's have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business type activities of the District.

GLOUCESTER CITY SCHOOL DISTRICT
Statement of Net Assets
June 30, 2010

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 5,460,258	\$ 206,874	\$ 5,667,132
Receivables, net	1,652,133	59,209	1,711,342
Inventory		20,137	20,137
Deferred bond issuance costs - net	199,629		199,629
Capital assets, net (Note 7)	<u>42,987,308</u>	<u>142,205</u>	<u>43,129,513</u>
Total Assets	<u>50,299,328</u>	<u>428,425</u>	<u>50,727,753</u>
LIABILITIES:			
Accounts payable	886,691		886,691
Intergovernmental payable:			
State	70,553		70,553
Federal	69		69
Accrued Interest	184,260		184,260
Noncurrent liabilities (Note 8):			
Due within one year	780,000		780,000
Due beyond one year	<u>12,536,993</u>		<u>12,536,993</u>
Total Liabilities	<u>14,458,566</u>		<u>14,458,566</u>
NET ASSETS:			
Invested in capital assets, net of related debt	30,767,308	142,205	30,909,513
Restricted for:			
Encumbrances	642,792		642,792
Other purposes	8,128,559		8,128,559
Unrestricted (Deficit)	<u>(3,697,897)</u>	<u>286,220</u>	<u>(3,411,677)</u>
Total Net Assets	<u>\$ 35,840,762</u>	<u>\$ 428,425</u>	<u>\$ 36,269,187</u>

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

GLOUCESTER CITY SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 14,316,288		\$ 3,949,991		\$ (10,366,297)		\$ (10,366,297)
Special Education	3,385,910				(3,385,910)		(3,385,910)
Other instruction	706,381				(706,381)		(706,381)
Support Services:							
Tuition	1,082,411				(1,082,411)		(1,082,411)
Student & instruction related services	5,962,736		2,066,705		(3,896,031)		(3,896,031)
General administrative services	608,638				(608,638)		(608,638)
School administrative services	1,372,722				(1,372,722)		(1,372,722)
Central services	543,019				(543,019)		(543,019)
Plant operations and maintenance	4,794,795		81,554		(4,713,241)		(4,713,241)
Pupil transportation	945,914				(945,914)		(945,914)
Unallocated benefits	8,553,156		2,335,158		(6,217,998)		(6,217,998)
Special schools	166,877				(166,877)		(166,877)
Transfer to Chrter Schools	41,001				(41,001)		(41,001)
Interest on long-term debt	557,974		730,942		172,968		172,968
Unallocated depreciation and amortization	311,183				(311,183)		(311,183)
Total Governmental Activities	<u>43,349,005</u>		<u>9,164,350</u>		<u>(34,184,655)</u>		<u>(34,184,655)</u>
Business-Type Activities:							
Food service	1,125,448	\$ 376,663	783,766			\$ 34,981	34,981
Total Business-Type Activities	<u>1,125,448</u>	<u>376,663</u>	<u>783,766</u>			<u>34,981</u>	<u>34,981</u>
Total Primary Government	<u>\$44,474,453</u>	<u>\$376,663</u>	<u>\$9,948,116</u>		<u>(34,184,655)</u>	<u>34,981</u>	<u>(34,149,674)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net					3,095,058		3,095,058
Taxes levied for debt service					487,420		487,420
Federal and State aid not restricted					30,145,563		30,145,563
Tuition received					1,108,520		1,108,520
Transportation fees					9,959		9,959
Miscellaneous Income					210,247		210,247
Special items:							
Donation of Assets						13,886	13,886
Gain/(Loss) on Disposal of Capital Assets					(29,250)		(29,250)
Transfers							
Total general revenues, special items, extraordinary items and transfers					<u>35,027,517</u>	<u>13,886</u>	<u>35,041,403</u>
Change in Net Assets					842,862	48,867	891,729
Net Assets - July 1, 2009					<u>34,997,900</u>	<u>379,558</u>	<u>35,377,458</u>
Net Assets - June 30, 2010					<u>\$ 35,840,762</u>	<u>\$ 428,425</u>	<u>\$ 36,269,187</u>

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

Fund Financial Statements

The Individual Fund statements and schedules present more detailed information for the Individual Fund in a format that segregates information by fund type.

GLOUCESTER CITY SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2010

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Assets:					
Cash and cash equivalents	\$ 6,662,614	\$ (1,202,356)			\$ 5,460,258
Receivables, net	449,984	1,202,149			1,652,133
Total Assets	<u>\$ 7,112,598</u>	<u>\$ (207)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>7,112,391</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 864,605	\$ 22,086			886,691
Intergovernmental payable:					
State		70,553			70,553
Federal		69			69
Total Liabilities	<u>864,605</u>	<u>92,708</u>			<u>957,313</u>
Fund Balances:					
Reserved for:					
Encumbrances	446,085	196,707			642,792
Capital reserve	1,941,283				1,941,283
Tuition reserve	285,776				285,776
Maintenance reserve	1,512,500				1,512,500
Emergency reserve	639,000				639,000
Unreserved (Deficit)	(2,326,651)	(289,622)			(2,616,273)
Unreserved - designated for subsequent year's expenditures	3,750,000				3,750,000
Total Fund Balances	<u>6,247,993</u>	<u>(92,915)</u>			<u>6,155,078</u>
Total Liabilities and Fund Balances	<u>\$ 7,112,598</u>	<u>\$ (207)</u>	<u>\$ -</u>	<u>\$ -</u>	

Amounts reported for governmental activities in the statement of net assets (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 \$62,645,522 and the accumulated depreciation is \$19,658,214. 42,987,308

Bond issuance costs are amortized over the life of the bonds on the statement of net assets. 199,629

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

General Obligation Bonds	\$ (12,220,000)	
Compensated Absences Payable	(1,096,993)	
Accrued Interest Payable	(184,260)	
		<u>(13,501,253)</u>

Net assets of governmental activities \$ 35,840,762

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

GLOUCESTER CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 3,095,058			\$ 487,420	\$ 3,582,478
Tuition	1,108,520				1,108,520
Transportation fees	9,959				9,959
Miscellaneous	210,247				210,247
Total local sources	4,423,784			487,420	4,911,204
State sources	28,846,460	\$ 3,373,905		730,942	32,951,307
Federal sources	3,634,261	2,724,345			6,358,606
Total Revenues	36,904,505	6,098,250		1,218,362	44,221,117
EXPENDITURES:					
Current expense:					
Regular instruction	9,340,302	4,105,193			13,445,495
Special education instruction	3,385,910				3,385,910
Other instruction	706,381				706,381
Support services and undistributed costs:					
Tuition	1,082,411				1,082,411
Student & instruction related services	3,896,031	2,066,705			5,962,736
General administrative services	535,745				535,745
School administrative services	1,372,722				1,372,722
Central services	470,126				470,126
Plant operations and maintenance	4,135,811				4,135,811
Pupil transportation	945,914				945,914
Unallocated employee benefits	8,553,156				8,553,156
Capital outlay	1,114,256	81,554			1,195,810
Special schools	166,877				166,877
Transfer to charter schools	41,001				41,001
Debt service:					
Principal				650,000	650,000
Interest and other charges				568,362	568,362
Total Expenditures	35,746,643	6,253,452		1,218,362	43,218,457
Excess (deficiency) of revenues over (under) expenditures	1,157,862	(155,202)			1,002,660
Other Financing Sources (Uses):					
Transfers in		303,451			303,451
Transfers out	(303,451)				(303,451)
Total Other Financing Sources (Uses)	(303,451)	303,451			
Net Change in Fund Balance	854,411	148,249			1,002,660
Fund balance - July 1, 2009 (Deficit)	5,393,582	(241,164)			5,152,418
Fund balance - June 30, 2010 (Deficit)	\$ 6,247,993	\$ (92,915)	\$ -	\$ -	\$ 6,155,078

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

GLOUCESTER CITY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2010

Total net change in fund balances - governmental funds (from B-2)		\$ 1,002,660
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p>Capital outlays are reported in the governmental funds as expenditures. However, on 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 current fiscal year.</p>		
Depreciation expense	\$ (1,457,958)	
Fixed assets additions	<u>536,826</u>	(921,132)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to decrease net assets</p>		
		(29,250)
<p>Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>		
General Obligation Bonds		650,000
<p>Bond issuance costs are reported in the governmental fund as expenditures in year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds.</p>		
		(19,509)
<p>Some expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:</p>		
Compensated Absences	149,705	
Accrued Interest	<u>10,388</u>	
		<u>160,093</u>
Change in Net Assets of Governmental Activities		<u>\$ 842,862</u>

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

GLOUCESTER CITY SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2010

	Business-Type Activities Enterprise Funds Food Service
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 206,874
Intergovernmental receivables:	
State	2,355
Federal	48,780
Other	8,074
Inventories	<u>20,137</u>
Total Current Assets	<u>286,220</u>
Noncurrent Assets:	
Machinery and equipment (net of accumulated depreciation)	<u>142,205</u>
Total Noncurrent Assets	<u>142,205</u>
Total Assets	<u>428,425</u>
 LIABILITIES:	
Current Liabilities:	
Accounts payable	<u> </u>
Total Current Liabilities	<u> </u>
 NET ASSETS:	
Invested in capital assets	142,205
Unrestricted	<u>286,220</u>
Total Net Assets	<u>\$ 428,425</u>

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

GLOUCESTER CITY SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2010

	<u>Business-Type Activities Enterprise Funds Food Service</u>
Operating Revenues:	
Charges for services:	
Daily sales - reimbursable programs	\$ 198,372
Daily sales - non-reimbursable programs	178,291
Total Operating Revenues	<u>376,663</u>
Operating Expenses:	
Cost of sales	550,616
Salaries	438,478
Management fee	48,742
Maintenance and repairs	13,272
Supplies	35,019
Other costs	20,759
Depreciation	18,562
Total Operating Expenses	<u>1,125,448</u>
Operating Income (Loss)	<u>(748,785)</u>
Non-Operating Revenues (Expenses):	
State sources:	
State school lunch program	20,575
State school breakfast program	10,437
Federal sources:	
National school lunch program	488,883
National school breakfast program	145,761
After school snack program	24,535
Fresh fruit and vegetable program	49,363
Food distribution program	44,212
Total Non-Operating Revenues	<u>783,766</u>
Income (Loss) before Contributions and Transfers	34,981
Contribution of capital assets	<u>13,886</u>
Change in Net Assets	48,867
Net Assets - July 1, 2009	<u>379,558</u>
Net Assets - June 30, 2010	<u>\$ 428,425</u>

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

GLOUCESTER CITY SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2010

	Business-Type Activities Enterprise Funds Food Service
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 380,312
Cash payments to employees for services	(438,478)
Cash payments to suppliers for goods and services	(663,522)
	(721,688)
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	31,072
Cash received from federal sources	751,627
Cash received from operating transfer in	
	782,699
Cash Flows Used by Capital and Related Financing Activities:	
Purchase of equipment	
Cash Flow Provided by Investing Activities:	
Interest on cash equivalents	
	61,011
Net increase (decrease) in cash and cash equivalents	61,011
Cash and cash equivalents - July 1, 2009	145,863
Cash and cash equivalents - June 30, 2010	\$ 206,874
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ (748,785)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:	
Depreciation	18,562
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	3,649
(Increase) decrease in inventory	4,886
Increase (decrease) in accounts payable	
	(721,688)
Net cash provided by (used for) operating activities	\$ (721,688)
Noncash Noncapital Financing Activities:	
During the year the District received \$44,212 of food commodities from the U.S. Department of Agriculture.	

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

GLOUCESTER CITY SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	<u>Trust Funds</u>		<u>Agency Funds</u>
	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>	
ASSETS:			
Cash and cash equivalents	<u>\$ 801,186</u>	<u>\$ 82,961</u>	<u>\$ 58,303</u>
 Total Assets	 <u>801,186</u>	 <u>82,961</u>	 <u>\$ 58,303</u>
 LIABILITIES:			
Payroll deductions and withholdings			\$ 13,638
Due to student groups			<u>44,665</u>
 Total Liabilities			 <u>\$ 58,303</u>
 NET ASSETS:			
Held in trust for unemployment claims and other purposes	<u>\$ 801,186</u>		
Reserved for scholarships		<u>\$ 82,961</u>	

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

GLOUCESTER CITY SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2010

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
ADDITIONS:		
Contributions:		
Board contributions	\$ 250,000	\$ 2,000
Employee	37,659	
Donations		13,127
Total Contributions	<u>287,659</u>	<u>15,127</u>
Investment earnings:		
Interest	<u>653</u>	<u>757</u>
Total Additions	<u>288,312</u>	<u>15,884</u>
DEDUCTIONS:		
Unemployment claims	56,715	
Scholarships awarded		6,000
Total Deductions	<u>56,715</u>	<u>6,000</u>
Change in Net Assets	231,597	9,884
Net Assets - July 1, 2009	<u>569,589</u>	<u>73,077</u>
Net Assets - June 30, 2010	<u>\$ 801,186</u>	<u>\$ 82,961</u>

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

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

1. DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

Description of Reporting Entity

The Gloucester City School District (School District) is a Type II district located in the County of Camden County, State of New Jersey. As a Type II district, it functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for resident students in grades K through 12. In addition, the School District provides educational services for students in grades 9 through 12 received from the Brooklawn School District, on a tuition basis. The Gloucester City School District has an approximate enrollment at June 30, 2010 of 1,825 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 the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units

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 Components Units*. There are no organizations that are considered to be component units.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989 to its governmental and business-type activities and to its proprietary funds, provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

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

District-wide Statements - The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net assets presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Fund Accounting

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General Fund - The general fund is the general operating fund of the School 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 classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities states 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, district taxes and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenues from the state and federal governments, other than major capital projects, debt service, or the enterprise funds, and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by Proprietary Funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of, general-long-term debt principal, interest and related costs.

Proprietary Funds - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those in the private sector.

Enterprise Funds - The enterprise funds are used to account for operations that are financed in a manner similar to private business enterprises, where the intent of the School District is that all costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The School District's enterprise funds are:

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

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

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

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

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has four fiduciary funds; an unemployment compensation trust fund, a private purpose scholarship fund, a student activity fund, and a payroll fund.

Measurement Focus

District-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the Statement of Net Assets.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e. revenues) and decreases (i.e. expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within thirty days of fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. There were no restricted formula aids.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end; tuition, grants, fees, and rentals.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year, if any, is reported in the operating statement as an expense. Unused donated commodities are reported as deferred revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2.2(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 fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund, 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 budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets/Budgetary Control (Continued)

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances – governmental funds. Note that the School District does not report encumbrances outstanding at 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 one or more June state aid payments.

Encumbrance Accounting

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

Open encumbrances in the special revenue fund, for which the School District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

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

Cash, Cash Equivalents and Investments

Cash and cash equivalents 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. All other investments are stated at fair value.

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

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

Tuition Receivable

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

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2010 and 2009 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed, and is not recorded since any amounts are considered immaterial to the basic financial statements.

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

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

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2010.

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

Deferred Expenditures

Deferred expenditures are disbursements that are made in one period, but are more accurately reflected as an expenditure/expenses in the next fiscal period. Unlike prepaid expenses, deferred expenditures are not regularly recurring cost of operations.

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and/or interfunds payable.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and the proprietary fund statement of net assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are valued at their estimated fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal repairs and maintenance that do not add to the value of the asset or materially extend asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business -Type Activities Estimated Lives</u>
School Buildings	50 years	N/A
Building Improvements	50 years	N/A
Site Improvements	20 years	N/A
Machinery and Equipment	5-20 years	12 years

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Salaries and Wages

Certain School District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2010, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

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 School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Accrued Liabilities and Long-term Obligations

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

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance Reserves

The School District reserves portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation for expenditures. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Fund balance reserves are established for encumbrances, legally restricted appropriations, tuition, excess surplus, capital reserve, maintenance reserve and emergency reserves.

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating and Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for food service, tuition fees for the latchkey school program and transportation (substitute teacher) fees for the internal service fund. Non-operating revenues principally consist of interest income earned on various interest bearing accounts and federal and state subsidy reimbursements for the food service program. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

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

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.

Estimates

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

3. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. The School District's formal policy regarding custodial credit risk is in compliance with N.J.S.A. 17:9-41. et seq. which requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. Of the School District's bank balance of \$8,879,155.74 as of June 30, 2010, \$750,000.00 was insured by the Federal Deposit Insurance Corporation and \$8,129,155.74 was collateralized under the Governmental Unit Deposit Protection Act.

4. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2010 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
Intergovernmental	\$ 449,984	\$ 1,202,149	\$ 51,135	\$ 1,703,268
Other			8,074	8,074
Total Accounts Receivable	<u>\$ 449,984</u>	<u>\$ 1,202,149</u>	<u>\$ 59,209</u>	<u>\$ 1,711,342</u>

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

5. CAPITAL RESERVE ACCOUNT

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 New Jersey Department of Education, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end 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 to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2009 to June 30, 2010 fiscal year is as follows:

Balance – July 1, 2009		\$ 1,540,540
Increased by:		
Interest earned	\$ 5,400	
Board resolution	<u>395,343</u>	
		<u>400,743</u>
		1,941,283
Decreased by:		
Budgeted Withdrawal		<u> </u>
Balance – June 30, 2010		<u>\$ 1,941,283</u>

The June 30, 2010 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

6. INVENTORY

Inventory in the Food Service Fund at June 30, 2010 consisted of the following:

Food		\$ 15,412
Supplies	<u>4,725</u>	
		<u>\$ 20,137</u>

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
Governmental Activities:				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 2,799,583			\$ 2,799,583
Construction in progress	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total capital assets, not being Depreciated	<u>2,799,583</u>	<u> </u>	<u> </u>	<u>2,799,583</u>
<i>Capital Assets, being depreciated:</i>				
Site Improvements	1,715,706			1,715,706
Building and Building Improvements	51,217,832	\$ 4,150		51,221,982
Equipment	6,466,864	513,602	\$ (275,974)	6,704,492
Vehicles	184,685	19,074		203,759
Totals at historical cost	<u>59,585,087</u>	<u>536,826</u>	<u>(275,974)</u>	<u>59,845,939</u>
<i>Less Accumulated Depreciation:</i>				
Site Improvements	(996,445)	(80,062)		(1,076,507)
Building and Building Improvements	(11,838,277)	(1,206,908)		(13,045,185)
Equipment	(5,479,747)	(163,508)	246,724	(5,396,531)
Vehicles	(132,511)	(7,480)		(139,991)
Totals accumulated depreciation	<u>(18,446,980)</u>	<u>(1,457,958)</u>	<u>246,724</u>	<u>(19,658,214)</u>
Total Capital Assets, being depreciated, net	<u>41,138,107</u>	<u>(921,132)</u>	<u>(29,250)</u>	<u>40,187,725</u>
Governmental Activities Capital Assets, Net	<u>\$ 43,937,690</u>	<u>\$ (921,132)</u>	<u>\$ (29,250)</u>	<u>\$ 42,987,308</u>
Business-Type Activities:				
<i>Capital Assets, being depreciated:</i>				
Equipment	\$ 557,375	\$ 20,950	\$ (7,064)	\$ 571,261
Less accumulated depreciation	<u>(410,494)</u>	<u>(20,575)</u>	<u>2,013</u>	<u>(429,056)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 146,881</u>	<u>\$ 375</u>	<u>\$ (5,051)</u>	<u>\$ 142,205</u>

Depreciation expense in the amount of \$1,457,958 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 1,020,498
Administration	72,893
Central Services	72,893
Unallocated	<u>291,570</u>
Total depreciation expense	<u>\$ 1,457,854</u>

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

8. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2010, the following changes occurred in long-term obligations:

Governmental Activities:	<u>Principal Outstanding July 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2010</u>	<u>Due Within One Year</u>
Compensated Absences	\$ 1,246,698		\$ 149,705	\$ 1,096,993	
General Obligation Bonds	<u>12,870,000</u>		<u>650,000</u>	<u>12,220,000</u>	<u>\$ 780,000</u>
	<u>\$ 14,116,698</u>	<u>\$ 0</u>	<u>\$ 799,705</u>	<u>\$ 13,316,993</u>	<u>\$ 780,000</u>

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

1994 Refunding Bonds dated August 15, 1994 in the amount of \$6,390,000 due in annual installments through August 15, 2024, bearing interest rate of 4.95%.

2005 Refunding Bonds dated June 15, 2005 in the amount of \$5,830,000 due in annual installments through August 15, 2023, bearing interest rate of 4.95%.

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 780,000	\$ 538,368	\$ 1,318,368
2012	775,000	509,193	1,284,193
2013	790,000	476,754	1,266,754
2014	810,000	440,618	1,250,618
2015	805,000	403,552	1,208,552
2016-2020	4,250,000	1,436,265	5,686,265
2021-2025	4,010,000	428,584	4,438,584
	<u>\$ 12,220,000</u>	<u>\$ 4,233,334</u>	<u>\$ 16,453,334</u>

As of June 30, 2010 the School District had no authorizations to issue additional bonded debt.

Compensated Absences

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

Capital Leases Payable

As of June 30, 2010 the School District had no capital leases.

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

9. OPERATING LEASES

At June 30, 2010, the School District had operating lease agreements in effect for copy machines, swimming pool and postage meters. Rental payments under operating leases for the fiscal year ended June 30, 2010 were \$68,304.

Future minimum rental payments under operating lease agreements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2011	\$ 90,300
2012	90,300
2013	90,300
2014	<u>52,675</u>
Total future minimum lease payments	<u>\$ 323,575</u>

10. PENSION PLANS

Description of Plans - Substantially all of the School District's employees participate in one of the following defined benefit pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits: the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

Teachers' Pension and Annuity Fund (TPAF)

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007 however, in accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

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

Public Employees' Retirement System (PERS)

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the PERS were required to contribute 5% of their annual covered salary. Effective July 1, 2007 however, in accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

10. PENSION PLANS (Continued)

The School District is billed annually for its normal contribution plus any accrued liability.

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

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Total Liability</u>	<u>Funded by Excess Pension Asset Credit</u>	<u>Paid by School District</u>
2010	\$ 142,167	\$ 182,668	\$ 45,047	\$ 369,882		\$ 369,882
2009	140,605	162,627	37,692	340,924		340,924
2008	176,996	136,400		313,396	\$ 62,679	250,717

11. POST-RETIREMENT BENEFITS

Plan Description – The School District contributes to the New Jersey State Health Benefits Program (SHBP), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP provides medical, prescription-drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in the New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625.

Funding Policy – P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2009 there were 84,590 retirees eligible for postemployment medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State's contribution rate is based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

12. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2010, the School District has recognized as revenues and expenditures on-behalf payments made by the State of New Jersey for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement medical costs were \$54,822 and \$1,029,640, respectively. In addition, the State of New Jersey reimbursed the School District \$1,250,696 during the fiscal year ended June 30, 2010 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has also been included as a revenue and expenditure in the basic financial statements, and the combining and individual fund statements and schedules in accordance with GASB 24.

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

13. DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by an outside organization, approved by the School District, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The School District has very little administrative involvement, performs no investing function, and has no fiduciary responsibility for these plans. All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, are solely the property and rights of the participants and are not subject to claims of the School District's creditors. Accordingly, the plan assets are not reported as a part of these financial statements.

14. 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; employee health and accident claims; and natural disasters.

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

Joint Insurance Pool - The School District is a member of the School Alliance Insurance Pool Joint Insurance Fund, a public entity risk pool currently operating as a common risk management and insurance program. Insurance coverage as provided by the Fund can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

The Fund publishes its own financial report which can be obtained by writing to: School Alliance Insurance Fund, 51 Everett Drive, Suite B-40, West Windsor, New Jersey, 08550.

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

The following is a summary of School District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two fiscal years:

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2009-2010	\$ 250,653	\$ 37,659	\$ 56,715	\$ 801,186
2008-2009	50,000	37,367	55,532	569,589
2007-2008	115,000	0	82,932	537,754

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

15. 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 vacation and sick leave in varying amounts in accordance with the School District's personnel policies. Unused sick leave may be accumulated carried forward to the subsequent years. Employees who retire from the School District shall be paid for unused sick leave in accordance with the School District's agreement or personnel policy.

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2010, the liability for compensated absences in the governmental fund was \$1,096,993.

16. CONTINGENCIES

The School District participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Management believes that the amount from future audits, if any, would not be material.

17. ECONOMIC DEPENDENCY

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

18. DEFICIT FUND BALANCE

The School District has a deficit fund balance of \$2,326,651 in the General Fund and \$289,622 in the Special Revenue Fund as of June 30, 2010 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last two state aid payments as revenues, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the School District can not recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last two state aid payments, the General Fund fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The deficit in the GAAP fund statements of \$2,616,273 is equal to or less than the last state aid payment.

**Gloucester City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010**

19. DEFICIT UNRESTRICTED NET ASSETS

As reflected on Exhibit A-1, Statement of Net Assets, a deficit in unrestricted net assets of \$3,697,897 existed as of June 30, 2010 for governmental activities. The primary causes of this deficit are the School District not recognizing the receivable for the last two state aid payments and the recording of the long-term liability for compensated absences and accrued interest payable. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net Assets, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the School District in the formulation of their annual budget (see Note 1), compensated absences and accrued interest payable that relate to future services, or that are contingent on a specific event outside the control of the School District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net assets for governmental activities does not indicate that the School District is facing financial difficulties.

20. FUND BALANCES

Reserved

Reservations of fund balances of governmental funds are established to either (1) satisfy legal covenants that require a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures. Specific reservations of fund balance are summarized below:

Encumbrances – The reserve for encumbrances was created to represent encumbrances outstanding at the end of the fiscal year based on purchase orders and contracts signed by the School District but not completed as of the close of the fiscal year. At June 30, 2010 \$446,085 has been reserved for this purpose in the General Fund and \$196,707 has been reserved for this purpose in the Special Revenue Fund..

Capital Reserve – As of June 30, 2010, the balance in the capital reserve account is \$1,941,283. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan.

Maintenance Reserve Account – As of June 30, 2010, the balance in the maintenance reserve account is \$1,512,500. Of this amount \$612,500 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2011 and \$900,000 is restricted for the future required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

Tuition Reserve – In accordance with N.J.A.C. 6A:23-3.1(f)(8), the School District has restricted fund balance at June 30, 2010 in the amount of \$285,776 in a legal reserve for tuition adjustments. Of this amount \$197,120 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2011 and \$88,656 is restricted for the future tuition adjustments.

Emergency Reserve – As of June 30, 2010, the balance in the emergency reserve is \$639,000. Of this amount \$250,000 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2011 and \$389,000 is restricted for the future financing of unanticipated general fund expenditures required for a through and efficient education in accordance with N.J.S.A. 18A:7F-41c(1).

Unreserved

General Fund – Of the \$4,418,230 unreserved General Fund, fund balance at June 30, 2010, \$3,750,000 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2011 and \$668,230 is undesignated.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local Tax Levy	\$ 3,095,058		\$ 3,095,058	\$ 3,095,058	
Tuition from other LEA's	1,005,988		1,005,988	1,108,520	\$ 102,532
Transportation fees	4,000		4,000	9,959	5,959
Unrestricted misc. revenues	100,000		100,000	210,247	110,247
Total local sources	4,205,046		4,205,046	4,423,784	218,738
State sources:					
Categorical special education aid	948,494		948,494	948,494	
Equalization aid	19,342,551	\$ (3,509,630)	15,832,921	15,832,921	
Categorical security aid	544,898		544,898	544,898	
Adjustment aid	9,427,770	(686,805)	8,740,965	8,740,965	
Categorical transportation aid	154,548		154,548	154,548	
Extraordinary aid		250,445	250,445	250,445	
Adult Education Local aid		88,368	88,368	88,368	
On-behalf TPAF pension contributions (non-budgeted)				1,084,462	1,084,462
Reimbursed TPAF social security contri. (non-budgeted)				1,250,696	1,250,696
Total state sources	30,418,261	(3,857,622)	26,560,639	28,895,797	2,335,158
Federal sources:					
ARRA - Educational Stabilization aid		3,378,830	3,378,830	3,378,830	
ARRA - Government Services aid		130,800	130,800	130,800	
Medicaid reimbursement	79,466		79,466	124,631	45,165
Total federal sources	79,466	3,509,630	3,589,096	3,634,261	45,165
TOTAL REVENUES	34,702,773	(347,992)	34,354,781	36,953,842	2,599,061
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Preschool/Kindergarten	484,310		484,310	384,269	100,041
Grades 1-5	3,880,379	(157,430)	3,722,949	3,452,147	270,802
Grades 6-8	1,742,377	32,122	1,774,499	1,735,067	39,432
Grades 9-12	2,857,905		2,857,905	2,752,090	105,815
Regular Programs - Home Instruction:					
Salaries of teachers	65,000	(26,000)	39,000	36,103	2,897
Other purchased services	55,000	26,000	81,000	80,501	499
Regular Programs - Undistributed Instruction:					
Other salaries	306,185	(31,954)	274,231	229,529	44,702
Purchased prof. - educ. services	14,985	208	15,193	8,355	6,838
Purchased technical services	3,000	(3,000)			
Other purchased services	142,325	38,302	180,627	127,219	53,408
General supplies	449,599	(49,531)	400,068	325,997	74,071
Textbooks	117,962	68,850	186,812	184,740	2,072
Other objects	41,780	2,200	43,980	24,285	19,695
Total regular programs - instruction	10,160,807	(100,233)	10,060,574	9,340,302	720,272

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education					
Cognitive Mild:					
Salaries of teachers	\$ 57,292	\$ (57,292)			
Other salaries for instruction	25,482	(25,482)			
General supplies		500	\$ 500	\$ 410	\$ 90
Textbooks	500	(500)			
Total cognitive mild	83,274	(82,774)	500	410	90
Learning and/or Language Disabilities:					
Salaries of teachers	389,013		389,013	389,013	
Other salaries for instruction	206,206	27,057	233,263	231,656	1,607
General supplies	5,000	(29)	4,971	4,041	930
Textbooks	1,500	1,029	2,529	2,029	500
Other objects	1,985		1,985		1,985
Total learning and/or language disabilities	603,704	28,057	631,761	626,739	5,022
Behavioral Disabilities:					
Salaries of teachers	290,841	(70,775)	220,066	212,052	8,014
Other salaries for instruction	180,079	(50,352)	129,727	104,019	25,708
General supplies	3,700		3,700	3,138	562
Textbooks	1,450	(250)	1,200	750	450
Other objects	990		990	303	687
Total behavioral disabilities	477,060	(121,377)	355,683	320,262	35,421
Multiple Disabilities:					
Salaries of teachers	304,017	(68,972)	235,045	210,940	24,105
Other salaries for instruction	184,574	(27,007)	157,567	155,067	2,500
General supplies	3,500	(500)	3,000	1,832	1,168
Textbooks	1,450	(700)	750	750	
Other objects	1,230	(240)	990	126	864
Total multiple disabilities	494,771	(97,419)	397,352	368,715	28,637
Resource Room/Resource Center:					
Salaries of teachers	1,428,244	123,576	1,551,820	1,540,108	11,712
Other salaries for instruction	429,016	(57,466)	371,550	342,265	29,285
Other purchased services	4,000	292	4,292	3,824	468
General supplies	17,454	(1,000)	16,454	12,679	3,775
Textbooks	2,822	(500)	2,322	1,822	500
Other objects	1,770		1,770		1,770
Total resource room/resource center	1,883,306	64,902	1,948,208	1,900,698	47,510

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Autism:					
Salaries of teachers		\$ 54,000	\$ 54,000	\$ 51,200	\$ 2,800
Other salaries for instruction		130,010	130,010	117,886	12,124
General supplies		500	500		\$500
Textbooks		500	500		\$500
Other objects		240	240		\$240
Total autism		185,250	185,250	169,086	16,164
Preschool Disabilities - Full Time:					
Salaries of teachers		2,700	2,700		2,700
Other salaries for instruction		1,300	1,300		1,300
Total Preschool Disabilities - Full Time:		4,000	4,000		4,000
Total Special Education - Instruction	\$ 3,542,115	(19,361)	3,522,754	3,385,910	136,844
Bilingual Education - Instruction:					
Salaries of teachers	101,495		101,495	101,495	
General supplies	750		750	50	700
Textbooks	1,250	(500)	750	194	556
Other objects	1,200		1,200		1,200
Total bilingual education - instruction	104,695	(500)	104,195	101,739	2,456
School - Sponsored Cocurricular Activities:					
Salaries	79,219		79,219	62,557	16,662
Purchased services	11,360		11,360	3,726	7,634
General supplies	23,568		23,568	10,596	12,972
Other objects	14,300		14,300	9,081	5,219
Total school sponsored cocurricular activities	128,447		128,447	85,960	42,487
School - Sponsored Athletics:					
Salaries	362,795		362,795	355,089	7,706
Other purchased services	70,200		70,200	47,223	22,977
General supplies	121,863	(5,420)	116,443	104,769	11,674
Other objects	19,100		19,100	11,601	7,499
Total school sponsored athletics	573,958	(5,420)	568,538	518,682	49,856
Total Instruction	14,510,022	(125,514)	14,384,508	13,432,593	951,915
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - regular	50,000	26,063	76,063	67,621	8,442
Tuition to other LEAs within the state - special	47,000	(8,063)	38,937	27,058	11,879
Tuition to county voc. School - regular	68,500	(18,000)	50,500	40,000	10,500
Tuition to county voc. School - special	18,375	(8,375)	10,000		10,000
Tuition to CSSD & reg. day schools	821,884	(260,000)	561,884	554,058	7,826
Tuition to priv. sch. for the disabled w/ state	896,000	(474,415)	421,585	288,400	133,185
Tuition - state facilities	105,274		105,274	105,274	
Total undistributed expenditures - instruction	2,007,033	(742,790)	1,264,243	1,082,411	181,832
Attendance and Social Work:					
Salaries	39,621		39,621	39,402	219
Salaries of drop-out prevention officer	51,445		51,445	51,211	
Purchased professional and technical services	60,825		60,825	57,169	3,656
General Supplies	1,200		1,200	185	1,015
Total attendance and social work	153,091		153,091	147,967	4,890
Health Services					
Salaries	254,415	1,856	256,271	241,941	14,330
Purchased professional and technical services	275	7,000	7,275	6,197	1,078
Other purchased services	300		300	100	200
General supplies	11,800	13,382	25,182	24,920	262
Other objects	1,500	(700)	800	282	518
Total health services	268,290	21,538	289,828	273,440	16,388

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Speech, OT, PT & Related Services:					
Purchased professional - educ services		\$ 2,392	\$ 2,392	\$ 2,392	
Total speech, ot, pt, & related services		2,392	2,392	2,392	
Guidance:					
Salaries of other professional staff	\$ 728,684	54,628	783,312	658,983	\$ 124,329
Salaries of secretarial and clerical assistants	31,310		31,310	31,310	
Purchased professional - educ services	5,000	(4,000)	1,000		1,000
Purchased professional and tech. services	800	5,223	6,023	5,223	800
Other purchased services	6,000		6,000	6,000	
Supplies and materials	11,300	(3,400)	7,900	4,208	3,692
Other objects	400		400	283	117
Total Guidance:	783,494	52,451	835,945	706,007	129,938
Child Study Teams:					
Salaries of other professional staff	857,600	64,100	921,700	862,761	58,939
Salaries of secretarial and clerical assistants	139,026		139,026	136,442	2,584
Purchased professional - educ services	8,000		8,000	2,449	5,551
Purchased professional and tech. services	251,884	(125,786)	126,098	116,452	9,646
Misc. pur. serv. (400-500 series o/than resid. costs)	9,200	10,086	19,286	8,697	10,589
Supplies and materials	21,326		21,326	4,870	16,456
Other objects	7,500		7,500	820	6,680
Total Child Study Team	1,294,536	(51,600)	1,242,936	1,132,491	110,445
Improvement of Instructional Services:					
Salaries of supervisor of instruction	17,110		17,110	16,759	351
Salaries of other professional staff	88,018	(57,018)	31,000	31,000	
Salaries of secretarial and clerical assistants	84,346		84,346	81,988	2,358
Other salaries	185,637	(38,353)	147,284	133,769	13,515
Salaries of facilitators, math & literacy coaches	547,777	209,461	757,238	699,309	57,929
Purchased professional - educ services	42,425		42,425	19,382	23,043
Other purchased services	5,580	1,750	7,330	2,660	4,670
Supplies and materials	71,960	(4,424)	67,536	10,702	56,834
Other objects	4,581		4,581	3,144	1,437
Total improvement of instructional services	1,047,434	111,416	1,158,850	998,713	160,137
Educational Media Services/School Library:					
Salaries	281,057	(66,725)	214,332	214,332	
Salaries of technology coordinators	125,921	14,600	140,521	132,248	8,273
Purchased professional and tech. services	121,500	11,559	133,059	123,765	9,294
Other purchased services	63,760	(11,642)	52,118	37,266	14,852
Supplies and materials	112,815	5,478	118,293	113,787	4,506
Other objects	7,310	(2,871)	4,439	1,994	2,445
Total educational media services/school library	712,363	(49,601)	662,762	623,392	39,370

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Instructional Staff Training Services:					
Purchased professional - educ services	\$ 28,500	\$ (6,779)	\$ 21,721	\$ 11,629	\$ 10,092
Other purchased services	2,000	(2,000)			
Supplies and materials	1,600	(1,600)			
Total instructional staff training services	32,100	(10,379)	21,721	11,629	10,092
General Administration:					
Salaries	218,544	29,258	247,802	247,675	127
Legal services	75,000	2,257	77,257	41,504	35,753
Audit fees	29,000		29,000	28,500	500
Architectural/engineering services	45,000		45,000	2,834	
Other purchased professional services	28,000	(4,369)	23,631	8,262	15,369
Purchased technical services	10,800	1,204	12,004	12,004	
Communications / telephone	148,900		148,900	122,625	26,275
BOE Other purchased services	11,200		11,200	1,093	10,107
Other purchased services	50,700		50,700	41,033	9,667
Supplies and materials	22,000	746	22,746	3,804	18,942
BOE in house training/meeting supplies	4,000		4,000	125	3,875
Misc. expenditures	21,000		21,000	7,348	13,652
BOE membership dues and fees	25,000		25,000	18,938	6,062
Total general administration	689,144	29,096	718,240	535,745	140,329
School Administration:					
Salaries of principals/assist. principals	893,207	21,367	914,574	846,683	67,891
Salaries of secretarial and clerical assistants	444,347	5,652	449,999	447,308	2,691
Other purchased services	102,250	(986)	101,264	33,447	67,817
Supplies and materials	67,500	(3,000)	64,500	25,032	39,468
Other objects	21,545	3,936	25,481	20,252	5,229
Total school administration	1,528,849	26,969	1,555,818	1,372,722	183,096
Central Services:					
Salaries	349,593		349,593	317,423	32,170
Purchased professional services	12,000		12,000	3,440	8,560
Purchased technical services	65,000	(6,009)	58,991	18,093	40,898
Misc. purchased services	6,000	3,009	9,009	6,751	2,258
Supplies and materials	29,000		29,000	11,355	17,645
Interest for lease purchase agreements	4,500		4,500		4,500
Miscellaneous expenditures	4,000	3,000	7,000	5,230	1,770
Total central services	470,093		470,093	362,292	107,801
Admin. Info. Technology					
Salaries					
Purchased technical services	45,031	36,000	81,031	81,031	
Other purchased services (400 - 500 series)	62,100	(42,400)	19,700	17,147	2,553
Supplies and materials	7,240	8,935	16,175	9,656	6,519
Total admin. info. technology	114,371	2,535	116,906	107,834	9,072

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Required Maintenance School Facilities:					
Cleaning, repair, and maintenance services	\$ 413,050	\$ (6,692)	\$ 406,358	\$ 372,010	\$ 34,348
General supplies	220,100	(78,502)	143,598	124,829	18,769
Total required maintenance school facilities	633,150	(83,194)	549,956	496,839	53,117
Custodial Services:					
Salaries	1,363,858	(10,763)	1,353,095	1,200,205	152,890
Salaries of non-instructional aides	148,183		148,183	131,721	
Purchased professional - tech. services	31,740	3,748	35,488	14,193	21,295
Cleaning, repair, and maintenance services	144,750	52,509	197,259	166,321	30,938
Other purchased property services	106,000		106,000	82,247	23,753
Insurance	180,000	(5,000)	175,000	156,473	18,527
Misc. purchased services	5,800		5,600	2,594	3,006
General supplies	102,500	75,700	178,200	173,494	4,706
Energy (Electricity)	1,111,500	(730,112)	381,388	250,086	131,302
Energy (natural gas)	370,000	851,055	1,221,055	1,190,000	31,055
Energy (oil)	7,000	10,300	17,300	13,220	4,080
Other objects	1,675		1,675	555	1,120
Total custodial services	3,572,806	247,437	3,820,243	3,381,109	422,672
Care and Upkeep of Grounds:					
Salaries	114,710	562	115,272	111,543	3,729
Security:					
Salaries	175,930	1,053	176,983	146,320	30,663
Total Operation & Maintenance of Plant Services	4,486,596	165,858	4,662,454	4,135,811	510,181
Student Transportation Services:					
Contr. serv. (between home & sch.) - Vendors	351,000	(35,519)	315,481	238,364	77,117
Contr. serv. (other than between home & sch.) - Vendors	93,750	13,028	106,778	83,612	23,166
Contr. serv. (between home & sch.) - jointure	25,000		25,000	23,145	1,855
Contr. serv. (special ed. students.) - ESCs & CTSA's	750,000	(145,700)	604,300	597,257	7,043
Contr. serv. (aid in lieu of pym'ts) - Charter school	3,656		3,656	3,536	120
Total student transportation services	1,223,406	(168,191)	1,055,215	945,914	109,301
Regular Programs - Instruction Employee Benefits:					
Health benefits	4,300,000	(374,143)	3,925,857	3,879,000	46,857
Regular Programs - Instructional Staff Training - Employee Benefits:					
Tuition reimbursements	116,000	(116,000)			
Total regular programs - instruction - employee benefits	4,416,000	(490,143)	3,925,857	3,879,000	46,857
Unallocated Benefits - Employee Benefits:					
Group Insurance	31,200	(31,200)			
Social security contributions	650,000	3,012	653,012	461,866	191,146
Other retirement contributions - regular	450,000	(72,627)	377,373	377,373	
Unemployment Compensation	50,000	200,000	250,000	250,000	
Workmen's compensation	250,000	80,000	330,000	321,622	8,378
Health benefits	1,070,000	50,931	1,120,931	826,823	294,108
Tuition reimbursements		116,596	116,596	94,690	21,906
Other employee benefits	12,000		12,000	6,624	5,376
Total unallocated benefits - employee benefits	2,513,200	346,712	2,859,912	2,338,998	520,914
On-behalf TPAF pension contributions (non-budgeted)				1,084,462	(1,084,462)
Reimbursed TPAF social security contri. (non-budgeted)				1,250,696	(1,250,696)
Total Undistributed Expenditures	21,750,000	(753,737)	20,996,263	20,991,916	(54,515)
Total General Current Expense	36,260,022	(879,251)	35,380,771	34,424,509	897,400

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<u>CAPITAL OUTLAY:</u>					
Equipment:					
Grades 1-5		\$ 85,600	\$ 85,600	\$ 85,554	\$ 46
Grades 9-12	\$ 14,922	67,450	82,372	62,848	19,524
Schools sponsored and other instructional programs		32,335	32,335	32,335	
Special education - autism		9,100	9,100	9,075	25
Undist. expend. - support services - students - reg.	41,136	(661)	40,475	38,906	1,569
Undist. expend. - admin. info. tech.	2,800	93,418	96,218	82,338	13,880
Undist. expend. - required maint for school facilities	24,100	14,071	38,171	37,517	654
Total equipment	82,958	301,313	384,271	348,573	35,652
Facilities Acquisition and Construction Services					
Other purchased professional & tech serv.		89,499	89,499	84,575	4,924
Construction services	2,015,489	449,402	2,464,891	681,108	1,783,783
Total Facilities Acquisition and Construction Services	2,015,489	538,901	2,554,390	765,683	1,788,707
Total Capital Outlay	2,098,447	840,214	2,938,661	1,114,256	1,824,359
<u>SPECIAL SCHOOLS</u>					
Adult Evening/Adult High School/post-graduate:					
Instruction:					
Salaries of teachers	153,662		153,662	149,323	4,339
General supplies	13,911		13,911	1,383	12,528
Total instruction	167,573		167,573	150,706	16,867
Support Services:					
Salaries	12,220	(448)	11,772	723	11,049
Total support services	12,220	(448)	11,772	723	11,049
Total adult evening/adult high school/post-grad.	179,793	(448)	179,345	151,429	27,916

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<u>SPECIAL SCHOOLS</u>					
Adult Education - Local:					
Support Services:					
Salaries	\$ 15,000	\$ (172)	\$ 14,828	\$ 14,828	
Purchased prof. and technical services		620	620	620	
Total support services	<u>15,000</u>	<u>448</u>	<u>15,448</u>	<u>15,448</u>	
Total adult education - local	<u>15,000</u>	<u>448</u>	<u>15,448</u>	<u>15,448</u>	
Total Special Schools	<u>194,793</u>		<u>194,793</u>	<u>166,877</u>	\$ 27,916
Transfer to Charter Schools	<u>40,000</u>	<u>1,001</u>	<u>41,001</u>	<u>41,001</u>	
TOTAL EXPENDITURES	<u>38,593,262</u>	<u>(38,036)</u>	<u>38,555,226</u>	<u>35,746,643</u>	<u>2,749,675</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>(3,890,489)</u>	<u>(309,956)</u>	<u>(4,200,445)</u>	<u>1,207,199</u>	<u>5,348,736</u>
Other Financing Sources (Uses):					
Operating Transfer Out:					
Transfer to Special Revenue Fund	<u>(375,000)</u>		<u>(375,000)</u>	<u>(303,451)</u>	<u>71,549</u>
Total Other Financing Sources (Uses)	<u>(375,000)</u>		<u>(375,000)</u>	<u>(303,451)</u>	<u>71,549</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	<u>(4,265,489)</u>	<u>(309,956)</u>	<u>(4,575,445)</u>	<u>903,748</u>	<u>5,420,285</u>
Fund Balance - July 1, 2009	<u>8,339,126</u>		<u>8,339,126</u>	<u>8,339,126</u>	
Fund Balance - June 30, 2010	<u>\$ 4,073,637</u>	<u>\$ (309,956)</u>	<u>\$ 3,763,681</u>	<u>\$ 9,242,874</u>	<u>\$ 5,420,285</u>
Recapitulation:					
Reserve for:					
Encumbrances				\$ 446,085	
Capital Reserve				1,941,283	
Maintenance Reserve				1,512,500	
Tuition Reserve				285,776	
Emergency Reserve				639,000	
Unreserved:					
Designated for Subsequent Year's Expenditures				3,750,000	
Undesignated Fund Balance				<u>668,230</u>	
				<u>9,242,874</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				<u>(2,994,881)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 6,247,993</u>	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	ORIGINAL BUDGET			BUDGET TRANSFERS		
	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund
REVENUES:						
Local sources:						
Local Tax Levy	\$ 3,095,058		\$ 3,095,058			
Tuition	1,005,988		1,005,988			
Transportation fees	4,000		4,000			
Unrestricted misc. revenues	100,000		100,000			
Total local sources	4,205,046		4,205,046			
State sources:						
Categorical special education aid	948,494		948,494			
Equalization aid	19,342,551		19,342,551	\$ (3,509,630)		\$ (3,509,630)
Categorical security aid	544,898		544,898			
Adjustment aid	9,427,770		9,427,770	(686,805)		(686,805)
Categorical transportation aid	154,548		154,548			
Extraordinary aid				250,445		250,445
Adult Education Aid				88,368		88,368
TPAF Pension (On-Behalf - Non-Budgeted)						
TPAF Social Security (Reimbursed - Non-Budgeted)						
Total state sources	30,418,261		30,418,261	(3,857,622)		(3,857,622)
Federal sources:						
ARRA - Educational stabilization aid				3,378,830		3,378,830
ARRA - Government services aid				130,800		130,800
Medicaid reimbursement	79,466		79,466			
Total federal sources	79,466		79,466	3,509,630		3,509,630
TOTAL REVENUES	34,702,773		34,702,773	(347,992)		(347,992)
EXPENDITURES:						
CURRENT EXPENSE:						
Regular Programs - Instruction:						
Salaries of teachers						
Preschool/Kindergarten		\$ 484,310	484,310			
Grades 1-5		3,880,379	3,880,379	\$ (157,430)		(157,430)
Grades 6-8		1,742,377	1,742,377	32,122		32,122
Grades 9-12	291,459	2,566,446	2,857,905			
Regular Programs - Home Instruction:						
Salaries of teachers	65,000		65,000	(26,000)		(26,000)
Other purchased services	55,000		55,000	26,000		26,000
Regular Programs - Undistributed Instruction:						
Other salaries for instruction	50,015	256,170	306,185		(31,954)	(31,954)
Purchased professional educational services		14,985	14,985		208	208
Purchased technical services		3,000	3,000		(3,000)	(3,000)
Other purchased services	3,500	138,825	142,325	2,518	35,784	38,302
General supplies	29,260	420,339	449,599	(2,405)	(47,126)	(49,531)
Textbooks	6,754	111,208	117,962		68,850	68,850
Other objects	6,850	34,930	41,780		2,200	2,200
Total regular programs - instruction	507,838	9,652,969	10,160,807	113	(100,346)	(100,233)

FINAL BUDGET			ACTUALS		
Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund
\$ 3,095,058		\$ 3,095,058	\$ 3,095,058		\$ 3,095,058
1,005,988		1,005,988	1,108,520		1,108,520
4,000		4,000	9,959		9,959
100,000		100,000	210,247		210,247
<u>4,205,046</u>		<u>4,205,046</u>	<u>4,423,784</u>		<u>4,423,784</u>
948,494		948,494	948,494		948,494
15,832,921		15,832,921	15,832,921		15,832,921
544,898		544,898	544,898		544,898
8,740,965		8,740,965	8,740,965		8,740,965
154,548		154,548	154,548		154,548
250,445		250,445	250,445		250,445
88,368		88,368	88,368		88,368
			1,084,462		1,084,462
			<u>1,250,696</u>		<u>1,250,696</u>
<u>26,560,639</u>		<u>26,560,639</u>	<u>28,895,797</u>		<u>28,895,797</u>
3,378,830		3,378,830	3,378,830		3,378,830
130,800		130,800	130,800		130,800
79,466		79,466	124,631		124,631
<u>3,589,096</u>		<u>3,589,096</u>	<u>3,634,261</u>		<u>3,634,261</u>
<u>34,354,781</u>		<u>34,354,781</u>	<u>36,953,842</u>		<u>36,953,842</u>
	\$ 484,310	484,310		\$ 384,269	384,269
	3,722,949	3,722,949		3,452,147	3,452,147
	1,774,499	1,774,499		1,735,067	1,735,067
291,459	2,566,446	2,857,905	233,827	2,518,263	2,752,090
39,000		39,000	36,103		36,103
81,000		81,000	80,501		80,501
50,015	224,216	274,231	47,785	181,744	229,529
	15,193	15,193		8,355	8,355
6,018	174,609	180,627	6,018	121,201	127,219
26,855	373,213	400,068	19,334	306,663	325,997
6,754	180,058	186,812	5,705	179,035	184,740
6,850	37,130	43,980	4,863	19,422	24,285
<u>507,951</u>	<u>9,552,623</u>	<u>10,060,574</u>	<u>434,136</u>	<u>8,906,166</u>	<u>9,340,302</u>

GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	ORIGINAL BUDGET			BUDGET TRANSFERS		
	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund
Special Education						
Cognitive Mild:						
Salaries of teachers		\$ 57,292	\$ 57,292		\$ (57,292)	\$ (57,292)
Other salaries for instruction		25,482	25,482		(25,482)	(25,482)
General supplies					500	500
Textbooks		500	500		(500)	(500)
Total cognitive mild		83,274	83,274		(82,774)	(82,774)
Learning and/or Language Disabilities:						
Salaries of teachers		389,013	389,013			
Other salaries for instruction		206,206	206,206		27,057	27,057
General supplies		5,000	5,000		(29)	(29)
Textbooks		1,500	1,500		1,029	1,029
Other objects		1,985	1,985			
Total learning and/or language disabilities		603,704	603,704		28,057	28,057
Behavioral Disabilities:						
Salaries of teachers		290,841	290,841		(70,775)	(70,775)
Other salaries for instruction		180,079	180,079		(50,352)	(50,352)
General supplies		3,700	3,700			
Textbooks		1,450	1,450		(250)	(250)
Other objects		990	990			
Total behavioral disabilities		477,060	477,060		(121,377)	(121,377)
Multiple Disabilities:						
Salaries of teachers		304,017	304,017		(68,972)	(68,972)
Other salaries for instruction		184,574	184,574		(27,007)	(27,007)
General supplies		3,500	3,500		(500)	(500)
Textbooks		1,450	1,450		(700)	(700)
Other objects		1,230	1,230		(240)	(240)
Total multiple disabilities		494,771	494,771		(97,419)	(97,419)
Resource Room/Resource Center:						
Salaries of teachers		1,428,244	1,428,244		123,576	123,576
Other salaries for instruction		429,016	429,016		(57,466)	(57,466)
Other purchased services		4,000	4,000		292	292
General supplies		17,454	17,454		(1,000)	(1,000)
Textbooks		2,822	2,822		(500)	(500)
Other objects		1,770	1,770			
Total resource room/resource center		1,883,306	1,883,306		64,902	64,902
Autism:						
Salaries of teachers					54,000	54,000
Other salaries for instruction					130,010	130,010
General supplies					500	500
Textbooks					500	500
Other objects					240	240
Total autism					185,250	185,250
Preschool Disabilities - Full Time:						
Salaries of teachers					2,700	2,700
Other salaries for instruction					1,300	1,300
Total Preschool Disabilities - Full Time					4,000	4,000
Total Special Education - Instruction		3,542,115	3,542,115		(19,381)	(19,381)

FINAL BUDGET			ACTUAL		
Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund
	\$ 500	\$ 500		\$ 410	\$ 410
	500	500		410	410
	389,013	389,013		389,013	389,013
	233,263	233,263		231,656	231,656
	4,971	4,971		4,041	4,041
	2,529	2,529		2,029	2,029
	1,985	1,985			
	631,761	631,761		626,739	626,739
	220,066	220,066		212,052	212,052
	129,727	129,727		104,019	104,019
	3,700	3,700		3,138	3,138
	1,200	1,200		750	750
	990	990		303	303
	355,683	355,683		320,262	320,262
	235,045	235,045		210,940	210,940
	157,567	157,567		155,067	155,067
	3,000	3,000		1,832	1,832
	750	750		750	750
	990	990		126	126
	397,352	397,352		368,715	368,715
	1,551,820	1,551,820		1,540,108	1,540,108
	371,550	371,550		342,265	342,265
	4,292	4,292		3,824	3,824
	16,454	16,454		12,679	12,679
	2,322	2,322		1,822	1,822
	1,770	1,770			
	1,948,208	1,948,208		1,900,698	1,900,698
	54,000	54,000		51,200	51,200
	130,010	130,010		117,886	117,886
	500	500			
	500	500			
	240	240			
	185,250	185,250		169,086	169,086
	2,700	2,700			
	1,300	1,300			
	4,000	4,000			
	3,522,754	3,522,754		3,385,910	3,385,910

GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	ORIGINAL BUDGET			BUDGET TRANSFERS		
	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund
Bilingual Education - Instruction:						
Salaries of teachers		\$ 101,495	\$ 101,495			
General supplies		750	750			
Textbooks		1,250	1,250		\$ (500)	\$ (500)
Other objects		1,200	1,200			
Total bilingual education - instruction		104,695	104,695		(500)	(500)
School - Sponsored Cocurricular Activities:						
Salaries		79,219	79,219			
Purchased services		11,360	11,360			
General supplies		23,568	23,568			
Other objects		14,300	14,300			
Total school sponsored cocurricular activities		128,447	128,447			
School - Sponsored Athletics:						
Salaries		362,795	362,795			
Purchased services		70,200	70,200			
General supplies		121,863	121,863		(5,420)	(5,420)
Other objects		19,100	19,100			
Total school sponsored athletics		573,958	573,958		(5,420)	(5,420)
Total Instruction	\$ 507,838	14,002,184	14,510,022	\$ 113	(125,627)	(125,514)
Undistributed Expenditures - Instruction						
Tuition to other LEAs within the state - regular	50,000		50,000	26,063		26,063
Tuition to other LEAs within the state - special	47,000		47,000	(8,063)		(8,063)
Tuition to county voc. school - regular	68,500		68,500	(18,000)		(18,000)
Tuition to county voc. school - special	18,375		18,375	(8,375)		(8,375)
Tuition to CSSD & reg. day schools	821,884		821,884	(260,000)		(260,000)
Tuition to priv. sch. for the disabled w/ state	896,000		896,000	(474,415)		(474,415)
Tuition - state facilities	105,274		105,274			
Total undistributed expenditures - instruction	2,007,033		2,007,033	(742,790)		(742,790)
Attendance and Social Work:						
Salaries		39,621	39,621			
Salaries of drop-out prevention officer		51,445	51,445			
Purchased professional and technical services		60,825	60,825			
Supplies and materials		1,200	1,200			
Total attendance and social work		153,091	153,091			
Health Services						
Salaries	50,150	204,265	254,415	(1)	1,857	1,856
Purchased professional and technical services		275	275	7,000		7,000
Other purchased services		300	300			
Supplies and materials		11,800	11,800	1,591	11,791	13,382
Other objects		1,500	1,500		(700)	(700)
Total health services	50,150	218,140	268,290	8,590	12,948	21,538

FINAL BUDGET			ACTUAL		
Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund
	\$ 101,495	\$ 101,495		\$ 101,495	\$ 101,495
	750	750		50	50
	750	750		194	194
	1,200	1,200			
	104,195	104,195		101,739	101,739
	79,219	79,219		62,557	62,557
	11,360	11,360		3,726	3,726
	23,568	23,568		10,596	10,596
	14,300	14,300		9,081	9,081
	128,447	128,447		85,960	85,960
	362,795	362,795		355,089	355,089
	70,200	70,200		47,223	47,223
	116,443	116,443		104,769	104,769
	19,100	19,100		11,601	11,601
	568,538	568,538		518,682	518,682
\$ 507,951	13,876,557	14,384,508	\$ 434,136	12,998,457	13,432,593
76,063		76,063	67,621		67,621
38,937		38,937	27,058		27,058
50,500		50,500	40,000		40,000
10,000		10,000			
561,884		561,884	554,058		554,058
421,585		421,585	288,400		288,400
105,274		105,274	105,274		105,274
1,264,243		1,264,243	1,082,411		1,082,411
	39,621	39,621		39,402	39,402
	51,445	51,445		51,211	51,211
	60,825	60,825		57,169	57,169
	1,200	1,200		185	185
	153,091	153,091		147,967	147,967
50,149	206,122	256,271	50,113	191,828	241,941
7,000	275	7,275	5,954	243	6,197
	300	300		100	100
1,591	23,591	25,182	1,591	23,329	24,920
	800	800		282	282
58,740	231,088	289,828	57,658	215,782	273,440

GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	ORIGINAL BUDGET			BUDGET TRANSFERS		
	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund
Speech, OT, PT & Related Services:						
Purchased prof. - educational services				\$ 2,392		\$ 2,392
Guidance:						
Salaries of other professional staff	\$ 110,164	\$ 618,520	\$ 728,684		\$ 54,628	54,628
Salaries of secretarial and clerical assistants		31,310	31,310			
Purchased prof. - educational services		5,000	5,000		(4,000)	(4,000)
Purchased professional and technical services		800	800		5,223	5,223
Other purchased services		6,000	6,000			
Supplies and materials		11,300	11,300		(3,400)	(3,400)
Other objects		400	400			
Total guidance	110,164	673,330	783,494		52,451	52,451
Child Study Teams:						
Salaries of other professional staff	857,600		857,600	64,100		64,100
Salaries of secretarial and clerical assistants	139,026		139,026			
Purchased professional - educ services	8,000		8,000			
Purchased professional and tech. services	251,884		251,884	(125,786)		(125,786)
Misc. pur. serv. (400-500 series o/than resid. costs)	9,200		9,200	10,086		10,086
Supplies and materials	21,326		21,326			
Other objects	7,500		7,500			
Total child study teams	1,294,536		1,294,536	(51,600)		(51,600)
Improvement of Instructional Services:						
Salaries of supervisor of instruction		17,110	17,110			
Salaries of other professional staff		88,018	88,018		(57,018)	(57,018)
Salaries of secretarial and clerical assistants	84,346		84,346			
Other salaries	185,637		185,637	(38,353)		(38,353)
Salaries of facilitators, math & literacy coaches	22,286	525,491	547,777	40	209,421	209,461
Purchased professional - educ services	37,425	5,000	42,425			
Other purchased services	5,580		5,580	1,750		1,750
Supplies and materials	20,500	51,460	71,960	(1,233)	(3,191)	(4,424)
Other objects	4,581		4,581			
Total improvement of instructional services	360,355	687,079	1,047,434	(37,786)	149,212	111,416
Educational Media Services/School Library:						
Salaries		281,057	281,057		(66,725)	(66,725)
Salaries of technology coordinators		125,921	125,921		14,600	14,600
Purchased professional and tech. services	20,000	101,500	121,500		11,559	11,559
Other purchased services	4,885	59,075	63,760	(1,591)	(10,051)	(11,642)
Supplies and materials	12,235	100,580	112,815		5,478	5,478
Other objects		7,310	7,310		(2,871)	(2,871)
Total educational media services/school library	36,920	675,443	712,363	(1,591)	(48,010)	(49,601)

FINAL BUDGET			ACTUAL		
Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund
\$ 2,392		\$ 2,392	\$ 2,392		\$ 2,392
110,164	\$ 673,148	783,312	109,275	\$ 549,708	658,983
	31,310	31,310		31,310	31,310
	1,000	1,000			
	6,023	6,023		5,223	5,223
	6,000	6,000		6,000	6,000
	7,900	7,900		4,208	4,208
	400	400		283	283
110,164	725,781	835,945	109,275	596,732	706,007
921,700		921,700	862,761		862,761
139,026		139,026	136,442		136,442
8,000		8,000	2,449		2,449
126,098		126,098	116,452		116,452
19,286		19,286	8,697		8,697
21,326		21,326	4,870		4,870
7,500		7,500	820		820
1,242,936		1,242,936	1,132,491		1,132,491
	17,110	17,110		16,759	16,759
	31,000	31,000		31,000	31,000
84,346		84,346	81,988		81,988
147,284		147,284	133,769		133,769
22,326	734,912	757,238	22,326	676,983	699,309
37,425	5,000	42,425	19,382		19,382
7,330		7,330	2,660		2,660
19,267	48,269	67,536	7,449	3,253	10,702
4,581		4,581	3,144		3,144
322,559	836,291	1,158,850	270,718	727,995	998,713
	214,332	214,332		214,332	214,332
	140,521	140,521		132,248	132,248
20,000	113,059	133,059	20,000	103,765	123,765
3,094	49,024	52,118	3,094	34,172	37,266
12,235	106,058	118,293	10,805	102,982	113,787
	4,439	4,439		1,994	1,994
35,329	627,433	662,762	33,899	589,493	623,392

GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	ORIGINAL BUDGET			BUDGET TRANSFERS		
	Operating Fund 11-13	Blended Resources Fund 15	Total General Fund	Operating Fund 11-13	Blended Resources Fund 15	Total General Fund
Instructional Staff Training Services:						
Purchased prof. - educational services	\$ 10,500	\$ 18,000	\$ 28,500		\$ (6,779)	\$ (6,779)
Other purchased services		2,000	2,000		(2,000)	(2,000)
Supplies and materials		1,600	1,600		(1,600)	(1,600)
Total instructional staff training services	10,500	21,600	32,100		(10,379)	(10,379)
General Administration:						
Salaries	218,544		218,544	\$ 29,258		29,258
Legal services	75,000		75,000	2,257		2,257
Audit Fees	29,000		29,000			
Architectural/engineering services	45,000		45,000			
Other purchased professional services	28,000		28,000	(4,369)		(4,369)
Purchased technical services	10,800		10,800	1,204		1,204
Communications / telephone	148,900		148,900			
BOE Other Purchased Services	11,200		11,200			
Misc. purchased services	50,700		50,700			
Supplies and materials	22,000		22,000	746		746
BOE In-house training/meeting supplies	4,000		4,000			
Miscellaneous expenditures	21,000		21,000			
BOE Membership dues and fees	25,000		25,000			
Total general administration	689,144		689,144	29,096		29,096
School Administration:						
Salaries of principals/assist. principals	124,199	769,008	893,207	21,367		21,367
Salaries of secretarial and clerical assistants	24,082	420,265	444,347		5,652	5,652
Other purchased services	2,700	99,550	102,250		(986)	(986)
Supplies and materials	3,000	64,500	67,500		(3,000)	(3,000)
Other objects	1,375	20,170	21,545	36	3,900	3,936
Total school administration	155,356	1,373,493	1,528,849	21,403	5,566	26,969
Central Services:						
Salaries	349,593		349,593			
Purchased professional services	12,000		12,000			
Purchased technical services	65,000		65,000	(6,009)		(6,009)
Misc. purchased services	6,000		6,000	3,009		3,009
Supplies and materials	29,000		29,000			
Interest for lease purchase agreements	4,500		4,500			
Miscellaneous expenditures	4,000		4,000	3,000		3,000
Total central services	470,093		470,093			
Admin. Info, Technology:						
Salaries						
Purchased technical services	45,031		45,031	36,000		36,000
Other purchased services (400-500)	62,100		62,100	(42,400)		(42,400)
Supplies and materials	7,240		7,240	8,935		8,935
Total admin info. technology	114,371		114,371	2,535		2,535
Required Maintenance School Facilities:						
Cleaning, repair, and maintenance services	413,050		413,050	(6,692)		(6,692)
General supplies	220,100		220,100	(76,502)		(76,502)
Total required maintenance school facilities	633,150		633,150	(83,194)		(83,194)
Custodial Services:						
Salaries	1,363,858		1,363,858	(10,763)		(10,763)
Salaries of non-instructional aides	148,183		148,183			
Purchased professional - tech. services	31,740		31,740	3,748		3,748
Cleaning, repair, and maintenance services	144,750		144,750	52,509		52,509
Other purchased property services	106,000		106,000			
Insurance	180,000		180,000	(5,000)		(5,000)
Misc. purchased services	5,600		5,600			
General supplies	102,500		102,500	75,700		75,700
Energy (Electricity)	1,111,500		1,111,500	(730,112)		(730,112)
Energy (Natural Gas)	370,000		370,000	851,055		851,055
Energy (Oil)	7,000		7,000	10,300		10,300
Other objects	1,675		1,675			
Total custodial services	3,572,806		3,572,806	247,437		247,437

FINAL BUDGET			ACTUAL		
Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund
\$ 10,500	\$ 11,221	\$ 21,721	\$ 5,695	\$ 5,934	\$ 11,629
<u>10,500</u>	<u>11,221</u>	<u>21,721</u>	<u>5,695</u>	<u>5,934</u>	<u>11,629</u>
247,802		247,802	247,675		247,675
77,257		77,257	41,504		41,504
29,000		29,000	28,500		28,500
45,000		45,000	2,834		2,834
23,631		23,631	8,262		8,262
12,004		12,004	12,004		12,004
148,900		148,900	122,625		122,625
11,200		11,200	1,093		1,093
50,700		50,700	41,033		41,033
22,746		22,746	3,804		3,804
4,000		4,000	125		125
21,000		21,000	7,348		7,348
25,000		25,000	18,938		18,938
<u>718,240</u>		<u>718,240</u>	<u>535,745</u>		<u>535,745</u>
145,566	769,008	914,574	145,565	701,118	846,683
24,082	425,917	449,999	24,082	423,226	447,308
2,700	98,564	101,264		33,447	33,447
3,000	61,500	64,500	200	24,832	25,032
1,411	24,070	25,481	1,386	18,866	20,252
<u>176,759</u>	<u>1,379,059</u>	<u>1,555,818</u>	<u>171,233</u>	<u>1,201,489</u>	<u>1,372,722</u>
349,593		349,593	317,423		317,423
12,000		12,000	3,440		3,440
58,991		58,991	18,093		18,093
9,009		9,009	6,751		6,751
29,000		29,000	11,355		11,355
4,500		4,500			
7,000		7,000	5,230		5,230
<u>470,093</u>		<u>470,093</u>	<u>362,292</u>		<u>362,292</u>
81,031		81,031	81,031		81,031
19,700		19,700	17,147		17,147
16,175		16,175	9,656		9,656
<u>116,906</u>		<u>116,906</u>	<u>107,834</u>		<u>107,834</u>
406,358		406,358	372,010		372,010
143,598		143,598	124,829		124,829
<u>549,956</u>		<u>549,956</u>	<u>496,839</u>		<u>496,839</u>
1,353,095		1,353,095	1,200,205		1,200,205
148,183		148,183	131,721		131,721
35,488		35,488	14,193		14,193
197,259		197,259	166,321		166,321
106,000		106,000	82,247		82,247
175,000		175,000	156,473		156,473
5,600		5,600	2,594		2,594
178,200		178,200	173,494		173,494
381,388		381,388	250,086		250,086
1,221,055		1,221,055	1,190,000		1,190,000
17,300		17,300	13,220		13,220
1,675		1,675	555		555
<u>3,820,243</u>		<u>3,820,243</u>	<u>3,381,109</u>		<u>3,381,109</u>

GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	ORIGINAL BUDGET			BUDGET TRANSFERS		
	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund
Care and Upkeep of Grounds:						
Salaries	\$ 114,710		\$ 114,710	\$ 562		\$ 562
Total care and upkeep of grounds	114,710		114,710	562		562
Security:						
Salaries	59,350	\$ 116,580	175,930	1,053		1,053
Total care and upkeep of grounds	59,350	116,580	175,930	1,053		1,053
Total Operation & Maintenance of Plant Services	4,380,016	116,580	4,496,596	165,858		165,858
Student Transportation Services:						
Contr. serv. (between home & sch.) - Vendors	351,000		351,000	(35,519)		(35,519)
Contr. serv. (other than between home & sch.) - Vendors	5,800	87,950	93,750		\$ 13,028	13,028
Contr. serv. (bet. home and school) - jointure	25,000		25,000			
Contr. serv. (special ed. ed students) - ESC	750,000		750,000	(145,700)		(145,700)
Contr. serv. (aid in lieu of pym'ts) - Charter School	3,656		3,656			
Total student transportation services	1,135,456	87,950	1,223,406	(181,219)	13,028	(168,191)
Regular Programs - Instruction - Employee Benefits:						
Health benefits	200,000	4,100,000	4,300,000	(200,000)	(174,143)	(374,143)
Regular Programs - Instructional Staff Training - Employee Benefits:						
Tuition reimbursement	116,000		116,000	(116,000)		(116,000)
Total allocated employee benefits	316,000	4,100,000	4,416,000	(316,000)	(174,143)	(490,143)
Unallocated Benefits - Employee Benefits:						
Group insurance	31,200		31,200	(31,200)		(31,200)
Social security contributions	650,000		650,000	3,012		3,012
Other retirement contributions - regular	450,000		450,000	(72,627)		(72,627)
Unemployment compensation	50,000		50,000	200,000		200,000
Workmen's compensation	250,000		250,000	80,000		80,000
Health benefits	1,070,000		1,070,000	50,931		50,931
Tuition reimbursements				116,596		116,596
Other employee benefits	12,000		12,000			
Total unallocated benefits - employee benefits	2,513,200		2,513,200	346,712		346,712
On-behalf TPAF pension contributions (non-budgeted)						
Reimbursed TPAF social security contri. (non-budgeted)						
Total Undistributed Expenditures	13,643,294	8,106,706	21,750,000	(754,410)	673	(753,737)
Total General Current Expense	14,151,132	22,108,890	36,260,022	(754,297)	(124,954)	(879,251)
CAPITAL OUTLAY:						
Equipment:						
Grades 1-5					85,600	85,600
Grades 9-12		14,922	14,922		67,450	67,450
School sponsored and other instructional programs					32,335	32,335
Special education - autism				9,100		9,100
Undist. expend. - support services - instruc. staff		41,136	41,136		(661)	(661)
Undist. expend. - admin. info. tech.	2,800		2,800	93,418		93,418
Undist. expend. - required maint for school facilities	24,100		24,100	14,071		14,071
Total equipment	26,900	56,058	82,958	116,589	184,724	301,313
Facilities Acquisition and Construction Services						
Other purchased prof. & tech. services				89,499		89,499
Construction services	2,015,489		2,015,489	449,402		449,402
Total Facilities Acquisition and Construction Services	2,015,489		2,015,489	538,901		538,901
Total Capital Outlay	2,042,389	56,058	2,098,447	655,490	184,724	840,214

FINAL BUDGET			ACTUAL		
Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund	Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund
\$ 115,272		\$ 115,272	\$ 111,543		\$ 111,543
115,272		115,272	111,543		111,543
60,403	\$ 116,580	176,983	57,058	\$ 89,262	146,320
60,403	116,580	176,983	57,058	89,262	146,320
4,545,874	116,580	4,662,454	4,046,549	89,262	4,135,811
315,481		315,481	238,364		238,364
5,800	100,978	106,778	4,413	79,199	83,612
25,000		25,000	23,145		23,145
604,300		604,300	597,257		597,257
3,656		3,656	3,536		3,536
954,237	100,978	1,055,215	866,715	79,199	945,914
	3,925,857	3,925,857		3,879,000	3,879,000
	3,925,857	3,925,857		3,879,000	3,879,000
653,012		653,012	461,866		461,866
377,373		377,373	377,373		377,373
250,000		250,000	250,000		250,000
330,000		330,000	321,622		321,622
1,120,931		1,120,931	826,823		826,823
116,596		116,596	94,690		94,690
12,000		12,000	6,624		6,624
2,859,912		2,859,912	2,338,998		2,338,998
			1,084,462		1,084,462
			1,250,696		1,250,696
12,888,884	8,107,379	20,996,263	13,459,063	7,532,853	20,991,916
13,396,835	21,983,936	35,380,771	13,893,199	20,531,310	34,424,509
	85,600	85,600		85,554	85,554
	82,372	82,372		62,848	62,848
	32,335	32,335		32,335	32,335
9,100		9,100	9,075		9,075
	40,475	40,475		38,906	38,906
96,218		96,218	82,338		82,338
38,171		38,171	37,517		37,517
143,489	240,782	384,271	128,930	219,643	348,573
89,499		89,499	84,575		84,575
2,464,891		2,464,891	681,108		681,108
2,554,390		2,554,390	765,683		765,683
2,697,879	240,782	2,938,661	894,613	219,643	1,114,256

GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	<u>ORIGINAL BUDGET</u>			<u>BUDGET TRANSFERS</u>		
	<u>Operating Fund Fund 11-13</u>	<u>Blended Resources Fund 15</u>	<u>Total General Fund</u>	<u>Operating Fund Fund 11-13</u>	<u>Blended Resources Fund 15</u>	<u>Total General Fund</u>
Adult Evening/Adult High School/post-graduate:						
Instruction:						
Salaries of teachers	\$ 153,662		\$ 153,662			
General supplies	13,911		13,911			
Total instruction	<u>167,573</u>		<u>167,573</u>			
Support Services:						
Salaries	12,220		12,220	\$ (448)		\$ (448)
Total support services	<u>12,220</u>		<u>12,220</u>	<u>(448)</u>		<u>(448)</u>
Total adult evening/adult high school/post-grad.	<u>179,793</u>		<u>179,793</u>	<u>(448)</u>		<u>(448)</u>
Adult Education - Local:						
Support Services:						
Salaries	15,000		15,000	(172)		(172)
Purchased prof. - tech. services				620		620
Total support services	<u>15,000</u>		<u>15,000</u>	<u>448</u>		<u>448</u>
Total adult education - local	<u>15,000</u>		<u>15,000</u>	<u>448</u>		<u>448</u>
Total Special Schools	<u>194,793</u>		<u>194,793</u>			
Transfer to Charter Schools	40,000		40,000	1,001		1,001
TOTAL EXPENDITURES	<u>16,428,314</u>	<u>\$ 22,164,948</u>	<u>38,593,262</u>	<u>(97,806)</u>	<u>\$ 59,770</u>	<u>(38,036)</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures:	<u>18,274,459</u>	<u>(22,164,948)</u>	<u>(3,890,489)</u>	<u>(250,186)</u>	<u>(59,770)</u>	<u>(309,956)</u>
Other Financing Sources (Uses):						
Operating Transfer Out:						
Transfer to Special Revenue Fund	(375,000)		(375,000)			
Contrib. to School-Based Budgets	<u>(22,164,948)</u>	<u>22,164,948</u>		<u>(59,770)</u>	<u>59,770</u>	
Total Other Financing Sources (Uses)	<u>(22,539,948)</u>	<u>22,164,948</u>	<u>(375,000)</u>	<u>(59,770)</u>	<u>59,770</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	<u>(4,265,489)</u>		<u>(4,265,489)</u>	<u>(309,956)</u>		<u>(309,956)</u>
Fund Balance - July 1, 2009	8,339,126		8,339,126			
Fund Balance - June 30, 2010	<u>\$ 4,073,637</u>	<u>\$ -</u>	<u>\$ 4,073,637</u>	<u>\$ (309,956)</u>	<u>\$ -</u>	<u>\$ (309,956)</u>

FINAL BUDGET			ACTUAL		
Operating Fund Fund 11-13	Blended Resources Fund 15	Total General Fund	Operating Fund Fund 11-13	Blended Resources Fund 16	Total General Fund
\$ 153,662		\$ 153,662	\$ 149,323		\$ 149,323
13,911		13,911	1,383		1,383
167,573		167,573	150,706		150,706
11,772		11,772	723		723
11,772		11,772	723		723
179,345		179,345	151,429		151,429
14,828		14,828	14,828		14,828
620		620	620		620
15,448		15,448	15,448		15,448
15,448		15,448	15,448		15,448
194,793		194,793	166,877		166,877
41,001		41,001	41,001		41,001
16,330,508	\$ 22,224,718	38,555,226	14,995,690	\$ 20,750,953	35,746,643
18,024,273	(22,224,718)	(4,200,445)	21,958,152	(20,750,953)	1,207,199
(375,000)		(375,000)	(303,451)		(303,451)
(22,224,718)	22,224,718		(20,750,953)	20,750,953	
(22,599,718)	22,224,718	(375,000)	(21,054,404)	20,750,953	(303,451)
(4,575,445)		(4,575,445)	903,748		903,748
8,339,126		8,339,126	8,339,126		8,339,126
\$ 3,763,681	\$ -	\$ 3,763,681	\$ 9,242,874	\$ -	\$ 9,242,874

GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
American Recovery & Reinvestment Act - Education Stabilization Funds
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources		\$ 3,378,830	\$ 3,378,830	\$ 3,378,830	
Total Revenues		3,378,830	3,378,830	3,378,830	
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers:					
Kindergarten		94,081	94,081	94,081	
Grades 1-5		806,947	806,947	806,947	
Grades 6-8		366,393	366,393	366,393	
Grades 9-12		557,673	557,673	557,673	
Regular Programs - Undistributed Instruction					
Other salaries for instruction		36,244	36,244	36,244	
Total - regular programs - instruction		1,861,338	1,861,338	1,861,338	
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of teachers		77,801	77,801	77,801	
Other salaries for instruction		46,336	46,336	46,336	
Total - learning and/or language disabilities		124,137	124,137	124,137	
Behavioral Disabilities:					
Salaries of teachers		43,778	43,778	43,778	
Other salaries for instruction		19,410	19,410	19,410	
Total - behavioral disabilities		63,188	63,188	63,188	
Multiple Disabilities:					
Salaries of teachers		46,704	46,704	46,704	
Other salaries for instruction		31,212	31,212	31,212	
Total - multiple disabilities		77,916	77,916	77,916	
Resource Room/Resource Center:					
Salaries of teachers		383,797	383,797	383,797	
Other salaries for instruction		70,642	70,642	70,642	
Total - resource room		454,439	454,439	454,439	
Autism:					
Salaries of teachers		10,240	10,240	10,240	
Other salaries for instruction		25,187	25,187	25,187	
Total - autism		35,427	35,427	35,427	
Total - Special Education - Instruction		755,107	755,107	755,107	
Bilingual Education - Instruction:					
Salaries of teachers		20,299	20,299	20,299	
School-Sponsored Athletics - Instruction:					
Salaries		47,011	47,011	47,011	
Total Instruction		2,683,755	2,683,755	2,683,755	

(CONTINUED TO NEXT PAGE)

GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
American Recovery & Reinvestment Act - Education Stabilization Funds
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures:					
Attendance and Social Work Services					
Salaries of teachers		\$ 7,880	\$ 7,880	\$ 7,880	
Salaries of drop out prevention officer		9,789	9,789	9,789	
Total - attendance and social work services		<u>17,669</u>	<u>17,669</u>	<u>17,669</u>	
Health Services:					
Salaries		34,679	34,679	34,679	
Guidance:					
Salaries of other professional staff		126,397	126,397	126,397	
Salaries of secretarial & clerical assts.		10,436	10,436	10,436	
Total - guidance		<u>136,833</u>	<u>136,833</u>	<u>136,833</u>	
Improvement of Instructional Services:					
Salaries of supervisors of instruction		3,683	3,683	3,683	
Salaries of facilitators, math & literacy coaches		37,977	37,977	37,977	
Total - improvement of instructional services		<u>41,660</u>	<u>41,660</u>	<u>41,660</u>	
Educational Media Svcs - School Library:					
Salaries		42,865	42,865	42,865	
Salaries of technology coordinators		40,511	40,511	40,511	
Total - improvement of instructional services		<u>83,376</u>	<u>83,376</u>	<u>83,376</u>	
School Administration:					
Salaries of principals/asst. principals		224,741	224,741	224,741	
Salaries of secretarial & clerical assts.		138,266	138,266	138,266	
Total - school administration		<u>363,007</u>	<u>363,007</u>	<u>363,007</u>	
Security:					
Salaries		17,851	17,851	17,851	
Total Undistributed Expenditures		<u>695,075</u>	<u>695,075</u>	<u>695,075</u>	
Total Expenditures		<u>3,378,830</u>	<u>3,378,830</u>	<u>3,378,830</u>	
Excess of revenues over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

**GLOUCESTER CITY SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 American Recovery & Reinvestment Act - Government Service Funds
 General Fund
 For the Fiscal Year Ended June 30, 2010**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources		\$ 130,800	\$ 130,800	\$ 130,800	
Total Revenues		130,800	130,800	130,800	
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures:					
Improvement of Instructional Services:					
Salaries of facilitators, math & literacy coaches		130,800	130,800	130,800	
Total undistributed expenditures		130,800	130,800	130,800	
Total Expenditures		130,800	130,800	130,800	
Excess of revenues over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

GLOUCESTER CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State sources	\$ 3,463,024		\$ 3,463,024	\$ 3,392,471	\$ (70,553)
Federal sources	3,375,212		3,375,212	2,724,345	(650,867)
Total Revenues	6,838,236		6,838,236	6,116,816	(721,420)
EXPENDITURES:					
Instruction:					
Salaries of teachers	1,934,181		1,934,181	1,728,416	205,765
Other salaries for instruction	723,723		723,723	680,648	43,075
Purchased professional - tech. services	27,632		27,632	21,580	6,052
Purchased professional - educ. services	717,351		717,351	610,219	107,132
Other purchased services	57,558		57,558	57,558	
Tuition	1,205,181		1,205,181	1,000,120	205,061
Travel	1,013		1,013	164	849
General supplies	196,459		196,459	112,039	84,420
Textbooks	61,650		61,650	59,884	1,766
Other objects	2,380		2,380	1,380	1,000
Total instruction	4,927,128		4,927,128	4,272,008	655,120
Support services:					
Salaries of principals	126,523		126,523	126,523	
Salaries of program directors	43,317		43,317	43,317	
Salaries of supervisor of instruction	19,863		19,863	19,028	835
Salaries of other professional staff	300,466		300,466	300,466	
Salaries of secretaries & clerical assistants	101,572		101,572	101,155	417
Other salaries for instruction	126,110		126,110	116,943	9,167
Personal services - employee benefits	986,780		986,780	971,873	14,907
Purchased professional - tech. services	45,083		45,083	45,083	
Purchased professional - educ. services	134,906		134,906	121,193	13,713
Other purchased services	18,985		18,985	16,965	2,020
Contracted services - transportation	96,845		96,845	96,845	
Travel	557		557	557	
Class trips	3,940		3,940	3,940	
Supplies and materials	128,058		128,058	102,817	25,241
Total support services	2,133,005		2,133,005	2,066,705	66,300
Facilities acquisition and construction services:					
Noninstructional equipment	81,554		81,554	81,554	
Total facilities acq. and const. services	81,554		81,554	81,554	
Total Expenditures	7,141,687		7,141,687	6,420,267	721,420
Other Financing Sources (Uses):					
Transfer in from General Fund	303,451		303,451	303,451	
Total Outflows	6,838,236		6,838,236	6,116,816	721,420
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	---	---	---	---	---

GLOUCESTER CITY SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended June 30, 2010

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 36,953,842	\$ 6,116,816
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
The June State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received in July 2009	2,945,544	271,056
The June State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received in July 2010	<u>(2,994,881)</u>	<u>(289,622)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 36,904,505</u>	<u>\$ 6,098,250</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 35,746,643	\$ 6,420,267
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior Year		29,892
Current Year		<u>(196,707)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 35,746,643</u>	<u>\$ 6,253,452</u>

Other Supplementary Information

School Level Schedules

GLOUCESTER CITY SCHOOL DISTRICT
General Fund
Combining Balance Sheet
June 30, 2010

	Operating Fund Fund 11-13 and 16-17	Blended Resource Fund 15	Total General Fund
ASSETS:			
Cash and cash equivalents	\$ 6,581,886	\$ 80,728	\$ 6,662,614
Receivables from other governments	449,984		449,984
Total Assets	\$ 7,031,870	\$ 80,728	\$ 7,112,598
 LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ 828,962	\$ 35,643	\$ 864,605
Total Liabilities	828,962	35,643	864,605
Fund Balances:			
Reserved for:			
Encumbrances	401,000	45,085	446,085
Capital reserve	1,647,714		1,647,714
Maintenance reserve	1,800,000		1,800,000
Tuition reserve	285,776		285,776
Emergency reserve	639,000		639,000
Unreserved:			
Designated for subsequent year's expenditures	3,750,000		3,750,000
Undesignated	(2,320,582)		(2,320,582)
Total Fund Balances	6,202,908	45,085	6,247,993
Total Liabilities and Fund Balances	\$ 7,031,870	\$ 80,728	\$ 7,112,598

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Expenditures Allocated by Resource Type - Actual
For the Fiscal Year Ended June 30, 2010

Districtwide

Resources	<u>Resource Amount</u>	<u>District- wide Blended % of Total Resources</u>	<u>Total Expenditures Allocated as a % of Total Resources</u>	<u>Total Surplus/ Carryover</u>
General Fund Contribution to School-Based Budgets	\$ 22,224,718		\$ 20,750,953	\$ 1,473,765
Combined general fund contribution & state resources	<u>22,224,718</u>	<u>100.00%</u>	<u>20,750,953</u>	<u>1,473,765</u>
Totals	<u>\$ 22,224,718</u>	<u>100.00%</u>	<u>\$ 20,750,953</u>	<u>\$ 1,473,765</u>

**GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Expenditures Allocated by Resource Type - Actual
For the Fiscal Year Ended June 30, 2010**

School: Junior/Senior High School

Resources	<u>Resource Amount</u>	<u>% of Total Resources</u>	<u>Total Expenditures Allocated as a % of Total Resources</u>	<u>Total Surplus/ Carryover</u>
General Fund Contribution to School-Based Budgets	\$10,326,916		\$ 9,896,140	\$ 430,776
Combined general fund contribution & state resources	<u>10,326,916</u>	<u>100.00%</u>	<u>9,896,140</u>	<u>430,776</u>
Totals	<u>\$10,326,916</u>	<u>100.00%</u>	<u>\$ 9,896,140</u>	<u>\$ 430,776</u>

**GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Expenditures Allocated by Resource Type - Actual
For the Fiscal Year Ended June 30, 2010**

School: Mary Ethel Costello School

Resources	<u>Resource Amount</u>	<u>% of Total Resources</u>	<u>Total Expenditures Allocated as a % of Total Resources</u>	<u>Total Surplus/ Carryover</u>
General Fund Contribution to School-Based Budgets	\$ 4,796,772		\$ 4,503,675	\$ 293,097
Combined general fund contribution & state resources	<u>4,796,772</u>	<u>100.00%</u>	<u>4,503,675</u>	<u>293,097</u>
Totals	<u>\$ 4,796,772</u>	<u>100.00%</u>	<u>\$ 4,503,675</u>	<u>\$ 293,097</u>

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Expenditures Allocated by Resource Type - Actual
For the Fiscal Year Ended June 30, 2010

School: Cold Springs School

Resources	<u>Resource Amount</u>	<u>% of Total Resources</u>	<u>Total Expenditures Allocated as a % of Total Resources</u>	<u>Total Surplus/ Carryover</u>
General Fund Contribution to School-Based Budgets	\$ 7,101,030		\$ 6,351,138	\$ 749,892
Combined general fund contribution & state resources	<u>7,101,030</u>	<u>100.00%</u>	<u>6,351,138</u>	<u>749,892</u>
Totals	<u>\$ 7,101,030</u>	<u>100.00%</u>	<u>\$ 6,351,138</u>	<u>\$ 749,892</u>

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2010

<u>Districtwide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of teachers	\$ 484,310		\$ 484,310	\$ 384,269	\$ 100,041
Grades 1-5 - Salaries of teachers	3,880,379	\$ (157,430)	3,722,949	3,452,147	270,802
Grades 6-8 - Salaries of teachers	1,742,377	32,122	1,774,499	1,735,067	39,432
Grades 9-12 - Salaries of teachers	2,566,446		2,566,446	2,518,263	48,183
Regular Programs - Undistributed Instruction					
Other salaries for instruction	256,170	(31,954)	224,216	181,744	42,472
Purchased professional - educational services	14,985	208	15,193	8,355	6,838
Purchased technical services	3,000	(3,000)			
Other purchased services (400-500 series)	138,825	35,784	174,609	121,201	53,408
General supplies	420,339	(47,126)	373,213	306,663	66,550
Textbooks	111,208	68,850	180,058	179,035	1,023
Other objects	34,930	2,200	37,130	19,422	17,708
Total Regular Programs - Instruction	9,652,969	(100,346)	9,552,623	8,906,166	646,457
Special Education - Instruction					
Cognitive - Mild:					
Salaries of teachers	57,292	(57,292)			
Other salaries for instruction	25,482	(25,482)			
General supplies		500	500	410	90
Textbooks	500	(500)			
Total Cognitive - Mild	83,274	(82,774)	500	410	90
Learning and/or Language Disabilities:					
Salaries of teachers	389,013		389,013	389,013	
Other salaries for instruction	206,206	27,057	233,263	231,656	1,607
General supplies	5,000	(29)	4,971	4,041	930
Textbooks	1,500	1,029	2,529	2,029	500
Other objects	1,985		1,985		1,985
Total Learning and/or Language Disabilities	603,704	28,057	631,761	626,739	5,022
Behavioral Disabilities:					
Salaries of teachers	290,841	(70,775)	220,066	212,052	8,014
Other salaries for instruction	180,079	(50,352)	129,727	104,019	25,708
General supplies	3,700		3,700	3,138	562
Textbooks	1,450	(250)	1,200	750	450
Other objects	990		990	303	687
Total Behavioral Disabilities	477,060	(121,377)	355,683	320,262	35,421
Multiple Disabilities:					
Salaries of teachers	304,017	(68,972)	235,045	210,940	24,105
Other salaries for instruction	184,574	(27,007)	157,567	155,067	2,500
General supplies	3,500	(500)	3,000	1,832	1,168
Textbooks	1,450	(700)	750	750	
Other objects	1,230	(240)	990	126	864
Total Multiple Disabilities	494,771	(97,419)	397,352	368,715	28,637

(Continued)

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2010

<u>Districtwide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Resource Room/Resource Center:					
Salaries of teachers	\$ 1,428,244	\$ 123,576	\$ 1,551,820	\$ 1,540,108	\$ 11,712
Other salaries for instruction	429,016	(57,466)	371,550	342,265	29,285
Other purchased services (400-500 series)	4,000	292	4,292	3,824	468
General supplies	17,454	(1,000)	16,454	12,679	3,775
Textbooks	2,822	(500)	2,322	1,822	500
Other objects	1,770		1,770		1,770
Total Resource Room/Resource Center	<u>1,883,306</u>	<u>64,902</u>	<u>1,948,208</u>	<u>1,900,698</u>	<u>47,510</u>
Autism:					
Salaries of teachers		54,000	54,000	51,200	2,800
Other salaries for instruction		130,010	130,010	117,886	12,124
General supplies		500	500		500
Textbooks		500	500		500
Other objects		240	240		240
Total Autism		<u>185,250</u>	<u>185,250</u>	<u>169,086</u>	<u>16,164</u>
Preschool Disabilities - Full Time:					
Salaries of teachers		2,700	2,700		2,700
Other salaries for instruction		1,300	1,300		1,300
Total Preschool Disabilities - Full Time		<u>4,000</u>	<u>4,000</u>		<u>4,000</u>
Total Special Education - Instruction	<u>3,542,115</u>	<u>(19,361)</u>	<u>3,522,754</u>	<u>3,385,910</u>	<u>136,844</u>
Bilingual Education - Instruction					
Salaries of teachers	101,495		101,495	101,495	
Supplies and materials	750		750	50	700
Textbooks	1,250	(500)	750	194	556
Other objects	1,200		1,200		1,200
Total Bilingual Education - Instruction	<u>104,695</u>	<u>(500)</u>	<u>104,195</u>	<u>101,739</u>	<u>2,456</u>
School Sponsored Cocurricular Actvts. - Inst.:					
Salaries	79,219		79,219	62,557	16,662
Purchased services (300-500 series)	11,360		11,360	3,726	7,634
Supplies and materials	23,568		23,568	10,596	12,972
Other objects	14,300		14,300	9,081	5,219
Total School Sponsored Cocurricular Actvts. - Inst.	<u>128,447</u>		<u>128,447</u>	<u>85,960</u>	<u>42,487</u>
School Sponsored Athletics - Instruction:					
Salaries	362,795		362,795	355,089	7,706
Purchased services (300-500 series)	70,200		70,200	47,223	22,977
Supplies and materials	121,863	(5,420)	116,443	104,769	11,674
Other objects	19,100		19,100	11,601	7,499
Total School Sponsored Athletics - Instruction	<u>573,958</u>	<u>(5,420)</u>	<u>568,538</u>	<u>518,682</u>	<u>49,856</u>
Total Instruction	<u>14,002,184</u>	<u>(125,627)</u>	<u>13,876,557</u>	<u>12,998,457</u>	<u>878,100</u>
Undistributed Expend. - Attend. & Social Work:					
Salaries	39,621		39,621	39,402	219
Salaries of drop-out prevention officer	51,445		51,445	51,211	234
Purchased professional and technical services	60,825		60,825	57,169	3,656
Supplies and materials	1,200		1,200	185	1,015
Total Undistributed Expend. - Attend. & Social Work	<u>153,091</u>		<u>153,091</u>	<u>147,967</u>	<u>5,124</u>

(Continued)

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2010

<u>Districtwide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - Health Services:					
Salaries	\$ 204,265	\$ 1,857	\$ 206,122	\$ 191,828	\$ 14,294
Purchased prof. and tech. services	275		275	243	32
Other purchased services (400-500 series)	300		300	100	200
Supplies and materials	11,800	11,791	23,591	23,329	262
Other objects	1,500	(700)	800	282	518
Total Undistributed Expenditures - Health Services	218,140	12,948	231,088	215,782	15,306
Undist. Expend. - Guidance:					
Salaries of other professional staff	618,520	54,628	673,148	549,708	123,440
Salaries of secretarial and clerical assistants	31,310		31,310	31,310	
Purchased professional - educational services	5,000	(4,000)	1,000		1,000
Purchased prof. and tech. services	800	5,223	6,023	5,223	800
Other purchased services (400-500 series)	6,000		6,000	6,000	
Supplies and materials	11,300	(3,400)	7,900	4,208	3,692
Other objects	400		400	283	117
Total Undist. Expend. - Guidance	673,330	52,451	725,781	596,732	129,049
Undist. Expend. - Improvement of Inst. Services:					
Salaries of supervisor of instruction	17,110		17,110	16,759	351
Salaries of other professional staff	88,018	(57,018)	31,000	31,000	
Salaries of facilitators, math & literacy coaches	525,491	209,421	734,912	676,983	57,929
Purchased professional - educational services	5,000		5,000		5,000
Supplies and materials	51,460	(3,191)	48,269	3,253	45,016
Total Undist. Expend. - Improvement of Inst. Serv.	687,079	149,212	836,291	727,995	108,296
Undist. Expend. - Edu. Media Serv./Sch. Library:					
Salaries	281,057	(66,725)	214,332	214,332	
Salaries of technology coordinators	125,921	14,600	140,521	132,248	8,273
Purchased professional and technical services	101,500	11,559	113,059	103,765	9,294
Other purchased services (400-500 series)	59,075	(10,051)	49,024	34,172	14,852
Supplies and materials	100,580	5,478	106,058	102,982	3,076
Other objects	7,310	(2,871)	4,439	1,994	2,445
Total Undist. Expend. - Edu. Media Serv/Sch. Library	675,443	(48,010)	627,433	589,493	37,940
Undistributed Expend. - Instruc. Staff Training Serv.:					
Purchased professional - educational services	18,000	(10,379)	7,621	5,934	1,687
Other purchased services (400-500 series)	2,000		2,000		2,000
Supplies and materials	1,600		1,600		1,600
Total Undist. Expend.-Instruc. Staff Training Serv.	21,600	(10,379)	11,221	5,934	5,287
Undist. Expend. - School Administration:					
Salaries of principals/assistant principals	769,008		769,008	701,118	67,890
Salaries of secretarial and clerical assistants	420,265	5,652	425,917	423,226	2,691
Other purchased services (400-500 series)	99,550	(986)	98,564	33,447	65,117
Supplies and materials	64,500	(3,000)	61,500	24,832	36,668
Other objects	20,170	3,900	24,070	18,866	5,204
Total Undist. Expend. - School Administration	1,373,493	5,566	1,379,059	1,201,489	177,570

(Continued)

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2010

<u>Districtwide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Security:					
Salaries	\$ 116,580		\$ 116,580	\$ 89,262	\$ 27,318
Total Undist. Expend. - Security	<u>116,580</u>		<u>116,580</u>	<u>89,262</u>	<u>27,318</u>
Undist. Expend.- Student Transportation Services:					
Contr. Serv. (other than bet. home & sch.) - vendors	87,950	\$ 13,028	100,978	79,199	21,779
Total Undist. Expend. - Student Trans. Services	<u>87,950</u>	<u>13,028</u>	<u>100,978</u>	<u>79,199</u>	<u>21,779</u>
Unallocated Benefits:					
Health benefits	4,100,000	(174,143)	3,925,857	3,879,000	46,857
Total Unallocated Benefits	<u>4,100,000</u>	<u>(174,143)</u>	<u>3,925,857</u>	<u>3,879,000</u>	<u>46,857</u>
Total Undistributed Expenditures	<u>8,106,706</u>	<u>673</u>	<u>8,107,379</u>	<u>7,532,853</u>	<u>574,526</u>
Total General Current Expense	<u>22,108,890</u>	<u>(124,954)</u>	<u>21,983,936</u>	<u>20,531,310</u>	<u>1,452,626</u>
<u>Capital Outlay</u>					
Equipment					
Regular Program - Instruction:					
Grades 1-5		85,600	85,600	85,554	46
Grades 9-12	14,922	67,450	82,372	62,848	19,524
School sponsored and other instruc. program		32,335	32,335	32,335	
Undis. expend.-support serv.-instructional staff	41,136	(661)	40,475	38,906	1,569
Total Equipment	<u>56,058</u>	<u>184,724</u>	<u>240,782</u>	<u>219,643</u>	<u>21,139</u>
Total Capital Outlay	<u>56,058</u>	<u>184,724</u>	<u>240,782</u>	<u>219,643</u>	<u>21,139</u>
Total School Based Expenditures	<u>22,164,948</u>	<u>59,770</u>	<u>22,224,718</u>	<u>20,750,953</u>	<u>1,473,765</u>
Other Financing Sources:					
Operating Transfer In	22,164,948	59,770	22,224,718	20,750,953	1,473,765
Total Other Financing Sources:	<u>22,164,948</u>	<u>59,770</u>	<u>22,224,718</u>	<u>20,750,953</u>	<u>1,473,765</u>
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures & Other Financing (Uses)					
Fund Balance - July 1, 2009	---	---	---	---	---
Fund Balance - June 30, 2010	---	---	---	---	---

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2010

School: Junior/Senior High School	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Regular Programs - Instruction					
Grades 6-8 - Salaries of teachers	\$ 1,253,280	\$ (17,907)	\$ 1,235,373	\$ 1,196,455	\$ 38,918
Grades 9-12 - Salaries of teachers	2,566,446		2,566,446	2,518,263	48,183
Regular Programs - Undistributed Instruction					
Other salaries for instruction	23,907	(14,630)	9,277		9,277
Purchased professional - educational services	2,500	500	3,000	3,000	
Purchased technical services	3,000	(3,000)			
Other purchased services (400-500 series)	45,550	18,460	64,010	48,273	15,737
General supplies	211,398	(27,070)	184,328	166,623	17,705
Textbooks	79,008	28,909	107,917	107,869	48
Other objects	10,880		10,880	876	10,004
Total Regular Programs - Instruction	4,195,969	(14,738)	4,181,231	4,041,359	139,872
Special Education - Instruction					
Learning and/or Language Disabilities:					
Salaries of teachers	142,143		142,143	142,143	
Other salaries for instruction	52,464		52,464	50,989	1,475
General supplies	1,000		1,000	812	188
Textbooks	500	1,000	1,500	1,500	
Other objects	750		750		750
Total Learning and/or Language Disabilities	196,857	1,000	197,857	195,444	2,413
Behavioral Disabilities:					
Salaries of teachers	128,879	(21,645)	107,234	101,928	5,306
Other salaries for instruction	26,232		26,232	26,232	
General supplies	2,000		2,000	1,781	219
Textbooks	500		500	500	
Other objects	250		250		250
Total Behavioral Disabilities	157,861	(21,645)	136,216	130,441	5,775
Multiple Disabilities:					
Salaries of teachers	163,088	672	163,760	163,760	
Other salaries for instruction	104,928		104,928	104,928	
General supplies	2,000		2,000	1,827	173
Textbooks	750		750	750	
Other objects	750		750	126	624
Total Multiple Disabilities	271,516	672	272,188	271,391	797
Resource Room/Resource Center:					
Salaries of teachers	733,944	17,907	751,851	751,851	
Other salaries for instruction	272,949	(46,049)	226,900	216,175	10,725
Other purchased services (400-500 series)	2,000		2,000	2,000	
General supplies	8,934	(1,000)	7,934	5,392	2,542
Textbooks	1,322		1,322	1,322	
Other Objects	850		850		850
Total Resource Room/Resource Center	1,019,999	(29,142)	990,857	976,740	14,117
Total Special Education - Instruction	1,646,233	(49,115)	1,597,118	1,574,016	23,102

(Continued)

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2010

<u>School: Junior/Senior High School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Bilingual Education - Instruction:					
Salaries of teachers	\$ 53,595		\$ 53,595	\$ 53,595	
Supplies and materials	250		250		\$ 250
Textbooks	250		250	194	56
Other objects	400		400		400
Total Bilingual Education - Instruction	54,495		54,495	53,789	706
School Sponsored Cocurricular Actvts. - Inst.:					
Salaries	79,219		79,219	62,557	16,662
Purchased services (300-500 series)	11,360		11,360	3,726	7,634
Supplies and materials	20,568		20,568	9,794	10,774
Other objects	14,300		14,300	9,081	5,219
Total School Sponsored Cocurricular Actvts. - Inst.	125,447		125,447	85,158	40,289
School Sponsored Athletics - Instruction:					
Salaries	362,795		362,795	355,089	7,706
Purchased services (300-500 series)	70,200		70,200	47,223	22,977
Supplies and materials	121,863	\$ (5,420)	116,443	104,769	11,674
Other objects	19,100		19,100	11,601	7,499
Total School Sponsored Athletics - Instruction	573,958	(5,420)	568,538	518,682	49,856
Total Instruction	6,596,102	(69,273)	6,526,829	6,273,004	253,826
Undistributed Expend. - Attend. & Social Work:					
Salaries of drop-out prevention officer	51,445		51,445	51,211	234
Purchased professional and technical services	60,000		60,000	57,169	2,831
Total Undistributed Expend. - Attend. & Social Work	111,445		111,445	108,380	3,065
Undistributed Expenditures - Health Services:					
Salaries	56,772		56,772	55,272	1,500
Supplies and materials	5,000	5,200	10,200	10,181	19
Other objects	1,000	(700)	300		300
Total Undistributed Expenditures - Health Services	62,772	4,500	67,272	65,453	1,819
Undist. Expend. - Guidance:					
Salaries of other professional staff	378,161	1,177	379,338	378,633	705
Salaries of secretarial and clerical assistants	31,310		31,310	31,310	
Purchased professional - educational services	5,000	(4,000)	1,000		1,000
Other purchased prof. and tech. services	800	5,223	6,023	5,223	800
Other purchased services (400-500 series)	6,000		6,000	6,000	-
Supplies and materials	11,000	(3,400)	7,600	4,208	3,392
Other objects	100		100	45	55
Total Undist. Expend. - Guidance	432,371	(1,000)	431,371	425,419	5,952

(Continued)

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2010

<u>School: Junior/Senior High School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Improvement of Inst. Services:					
Salaries of supervisor of instruction	\$ 17,110		\$ 17,110	\$ 16,759	\$ 351
Salaries of other professional staff	88,018	\$ (74,018)	14,000	14,000	
Salaries of facilitators, math & literacy coaches	123,864	138,270	262,134	249,677	12,457
Supplies and materials	5,260	(600)	4,660	2,950	1,710
Total Undist. Expend. - Improvement of Inst. Serv.	234,252	63,652	297,904	283,386	14,518
Undist. Expend. - Edu. Media Serv./Sch. Library:					
Salaries	92,953	(14,600)	78,353	78,353	
Salaries of technology coordinators	70,003	14,600	84,603	78,431	6,172
Purchased professional and technical services	42,500		42,500	38,896	3,604
Other purchased services (400-500 series)	22,475	(2,700)	19,775	18,637	1,138
Supplies and materials	50,930	6,876	57,806	57,512	294
Other objects	1,110		1,110	775	335
Total Undist. Expend. - Edu. Media Serv/Sch. Library	279,971	4,176	284,147	272,604	11,543
Undistributed Expend. - Instruc. Staff Training Serv.:					
Purchased professional and educational services	7,000		7,000	5,313	1,687
Other purchased services	1,000		1,000		1,000
Total Undist. Expend.-Instruc. Staff Training Serv.	8,000		8,000	5,313	2,687
Undist. Expend. - School Administration.:					
Salaries of principals/assistant pincipals	312,408		312,408	278,842	33,566
Salaries of secretarial and clerical assistants	191,982	5,870	197,852	197,852	
Other purchased services (400-500 series)	41,700	(900)	40,800	11,754	29,046
Supplies and materials	25,000	(3,000)	22,000	9,737	12,263
Other objects	11,000	3,900	14,900	14,856	44
Total Undist. Expend. - School Administration	582,090	5,870	587,960	513,041	74,919
Undist. Expend. - Security:					
Salaries	27,318		27,318	27,318	
Total Undist. Expend. - Security	27,318		27,318	27,318	
Undist. Expend.- Student Transportation Services:					
Contr. Serv. (other than bet. home & sch.) - vendors	67,450	13,028	80,478	70,502	9,976
Total Undist. Expend. - Student Trans. Services	67,450	13,028	80,478	70,502	9,976
Unallocated Benefits:					
Health benefits	1,850,000	(84,335)	1,765,665	1,733,866	31,799
Total Unallocated Benefits	1,850,000	(84,335)	1,765,665	1,733,866	31,799
Total Undistributed Expenditures	3,655,669	5,891	3,661,560	3,505,282	156,278
Total General Current Expense	10,251,771	(63,382)	10,188,389	9,778,286	410,103

(Continued)

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2010

<u>School: Junior/Senior High School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>Capital Outlay</u>					
Equipment					
Regular Program - Instruction:					
Grades 9-12	\$ 14,922	\$ 67,450	\$ 82,372	\$ 62,848	\$ 19,524
School sponsored and other instruc program		32,335	32,335	32,335	
Undistributed expend. support serv. - instruc. staff	27,936	(4,116)	23,820	22,671	1,149
Total Equipment	<u>42,858</u>	<u>95,669</u>	<u>138,527</u>	<u>117,854</u>	<u>20,673</u>
Total Capital Outlay	<u>42,858</u>	<u>95,669</u>	<u>138,527</u>	<u>117,854</u>	<u>20,673</u>
Total School Based Expenditures	<u>10,294,629</u>	<u>32,287</u>	<u>10,326,916</u>	<u>9,896,140</u>	<u>430,776</u>
Other Financing Sources:					
Operating Transfer In	10,294,629	32,287	10,326,916	9,896,140	430,776
Total Other Financing Sources:	<u>10,294,629</u>	<u>32,287</u>	<u>10,326,916</u>	<u>9,896,140</u>	<u>430,776</u>
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures & Other Financing (Uses)					
Fund Balance - July 1, 2009	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Fund Balance - June 30, 2010	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2010

School: Mary Ethel Costello	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Regular Programs - Instruction					
Grades 1-5 - Salaries of teachers	\$ 1,307,152	\$ (118,440)	\$ 1,188,712	\$ 1,147,654	\$ 41,058
Grades 6-8 - Salaries of teachers	489,097	50,029	539,126	538,612	514
Regular Programs - Undistributed Instruction					
Purchased professional - educational services	5,000		5,000	1,490	3,510
Other purchased services (400-500 series)	53,200		53,200	31,498	21,702
General supplies	81,200	(4,856)	76,344	44,532	31,812
Textbooks	31,000	12,370	43,370	43,259	111
Other objects	15,250		15,250	8,025	7,225
Total Regular Programs - Instruction	<u>1,981,899</u>	<u>(60,897)</u>	<u>1,921,002</u>	<u>1,815,070</u>	<u>105,932</u>
Special Education - Instruction					
Cognitive - Mild:					
Salaries of teachers	57,292	(57,292)			
Other salaries for instruction	25,482	(25,482)			
General supplies		500	500	410	90
Textbooks	500	(500)			
Total Cognitive - Mild	<u>83,274</u>	<u>(82,774)</u>	<u>500</u>	<u>410</u>	<u>90</u>
Learning and/or Language Disabilities:					
Salaries of teachers	121,057		121,057	121,057	
Other salaries for instruction	102,603		102,603	102,603	
General supplies	2,000	(29)	1,971	1,730	241
Textbooks	500	29	529	529	
Other objects	480		480		480
Total Learning and/or Language Disabilities	<u>226,640</u>	<u></u>	<u>226,640</u>	<u>225,919</u>	<u>721</u>
Behavioral Disabilities:					
Salaries of teachers	53,890		53,890	53,890	
Other salaries for instruction	50,139	(1,313)	48,826	26,232	22,594
General supplies	700		700	380	320
Textbooks	500	(250)	250	250	
Other objects	240		240	98	142
Total Behavioral Disabilities	<u>105,469</u>	<u>(1,563)</u>	<u>103,906</u>	<u>80,850</u>	<u>23,056</u>
Multiple Disabilities:					
Salaries of teachers	61,866	3,919	65,785	47,180	18,605
Other salaries for instruction	26,232	23,907	50,139	50,139	
General supplies	1,000		1,000	5	995
Textbooks	200	(200)			
Other objects	240		240		240
Total Multiple Disabilities	<u>89,538</u>	<u>27,626</u>	<u>117,164</u>	<u>97,324</u>	<u>19,840</u>
Resource Room/Resource Center:					
Salaries of teachers	320,615	46,858	367,473	358,979	8,494
Other salaries for instruction	76,821	825	77,646	76,446	1,200
Other purchased services (400-500 series)	1,000		1,000	1,000	
General supplies	4,020		4,020	3,138	882
Textbooks	1,000	(500)	500	500	
Other objects	620		620		620
Total Resource Room/Resource Center	<u>404,076</u>	<u>47,183</u>	<u>451,259</u>	<u>440,063</u>	<u>11,196</u>
Total Special Education - Instruction	<u>908,997</u>	<u>(9,528)</u>	<u>899,469</u>	<u>844,566</u>	<u>54,903</u>

(Continued)

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2010

School: Mary Ethel Costello	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Bilingual Education - Instruction:					
Salaries of teachers	\$ 23,950		\$ 23,950	\$ 23,950	
General supplies	250		250	50	\$ 200
Textbooks	500	\$ (500)			
Other objects	400		400		400
Total Bilingual Education - Instruction	<u>25,100</u>	<u>(500)</u>	<u>24,600</u>	<u>24,000</u>	<u>600</u>
School Sponsored Cocurricular Actvts. - Inst.:					
Supplies and materials	3,000		3,000	802	2,198
Total School Sponsored Cocurricular Actvts. - Inst.	<u>3,000</u>		<u>3,000</u>	<u>802</u>	<u>2,198</u>
Total Instruction	<u>2,918,996</u>	<u>(70,925)</u>	<u>2,848,071</u>	<u>2,684,438</u>	<u>163,633</u>
Undistributed Expend. - Attend. & Social Work:					
Supplies and materials	1,000		1,000	185	815
Total Undistributed Expend. - Attend. & Social Work	<u>1,000</u>		<u>1,000</u>	<u>185</u>	<u>815</u>
Undistributed Expenditures - Health Services:					
Salaries	54,985		54,985	53,580	1,405
Other purchased services (400-500 series)	300		300	100	200
Supplies and materials	2,800	2,591	5,391	5,391	
Other objects	300		300	282	18
Total Undistributed Expenditures - Health Services	<u>58,385</u>	<u>2,591</u>	<u>60,976</u>	<u>59,353</u>	<u>1,623</u>
Undist. Expend. - Guidance:					
Salaries of other professional staff	79,242	53,451	132,693	131,674	1,019
Supplies and materials	300		300		300
Other objects	300		300	238	62
Total Undist. Expend. - Guidance	<u>79,842</u>	<u>53,451</u>	<u>133,293</u>	<u>131,912</u>	<u>1,381</u>
Undist. Expend. - Improvement of Inst. Services:					
Salaries of facilitators, math & literacy coaches	160,292	76,009	236,301	236,301	
Other salaries		10,000	10,000	10,000	
Purchased professional - educational services	5,000		5,000		5,000
Supplies and materials	46,200	(2,591)	43,609	303	43,306
Total Undist. Expend. - Improvement of Inst. Serv.	<u>211,492</u>	<u>83,418</u>	<u>294,910</u>	<u>246,604</u>	<u>48,306</u>
Undist. Expend. - Edu. Media Serv./Sch. Library:					
Salaries	133,504	(52,125)	81,379	81,379	
Purchased professional and technical services	29,500	3,264	32,764	28,074	4,690
Other purchased services (400-500 series)	12,150	(2,585)	9,565	7,418	2,147
Supplies and materials	23,650	420	24,070	24,057	13
Other objects	2,700		2,700	894	1,806
Total Undist. Expend. - Edu. Media Serv/Sch. Library	<u>201,504</u>	<u>(51,026)</u>	<u>150,478</u>	<u>141,822</u>	<u>8,656</u>

(Continued)

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2010

School: Mary Ethel Costello	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expend. - Instruc. Staff Training Serv.:					
Purchased professional - educational services	\$ 5,000	\$ (5,000)			
Other purchased services (400-500 series)	1,000		\$ 1,000		\$ 1,000
Supplies and materials	1,600		1,600		1,600
Total Undist. Expend.-Instruc. Staff Training Serv.	<u>7,600</u>	<u>(5,000)</u>	<u>2,600</u>		<u>2,600</u>
Undist. Expend. - School Administration:					
Salaries of principals/assistant principals	231,285		231,285	\$ 231,285	
Salaries of secretarial and clerical assistants	66,872	(218)	66,654	63,964	2,690
Other purchased services (400-500 series)	33,000	(128)	32,872	12,676	20,196
Supplies and materials	25,000		25,000	2,506	22,494
Other objects	4,400		4,400	990	3,410
Total Undist. Expend. - School Administration	<u>360,557</u>	<u>(346)</u>	<u>360,211</u>	<u>311,421</u>	<u>48,790</u>
Undist. Expend. - Security:					
Salaries	27,318		27,318	27,318	
Total Undist. Expend. - Security	<u>27,318</u>		<u>27,318</u>	<u>27,318</u>	
Undist. Expend.- Student Transportation Services:					
Contr. Serv. (other than bet. home & sch.) - vendors	9,750		9,750	3,100	6,650
Total Undist. Expend. - Student Trans. Services	<u>9,750</u>		<u>9,750</u>	<u>3,100</u>	<u>6,650</u>
Unallocated Benefits:					
Health benefits	900,000	(42,800)	857,200	847,000	10,200
Total Unallocated Benefits	<u>900,000</u>	<u>(42,800)</u>	<u>857,200</u>	<u>847,000</u>	<u>10,200</u>
Total Undistributed Expenditures	<u>1,857,448</u>	<u>40,288</u>	<u>1,897,736</u>	<u>1,768,715</u>	<u>129,021</u>
Total General Current Expense	<u>4,776,444</u>	<u>(30,637)</u>	<u>4,745,807</u>	<u>4,453,153</u>	<u>292,654</u>
Capital Outlay					
Equipment					
Regular Program - Instruction:					
Grades 1-5		42,800	42,800	42,777	23
Undis. expend.-Support Serv.- Inst. Staff	7,000	1,165	8,165	7,745	420
Total Equipment	<u>7,000</u>	<u>43,965</u>	<u>50,965</u>	<u>50,522</u>	<u>443</u>
Total Capital Outlay	<u>7,000</u>	<u>43,965</u>	<u>50,965</u>	<u>50,522</u>	<u>443</u>
Total School Based Expenditures	<u>4,783,444</u>	<u>13,328</u>	<u>4,796,772</u>	<u>4,503,675</u>	<u>293,097</u>
Other Financing Sources:					
Operating Transfer In	4,783,444	13,328	4,796,772	4,503,675	293,097
Total Other Financing Sources:	<u>4,783,444</u>	<u>13,328</u>	<u>4,796,772</u>	<u>4,503,675</u>	<u>293,097</u>
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures & Other Financing (Uses)					
Fund Balance - July 1, 2009	---	---	---	---	---
Fund Balance - June 30, 2010	---	---	---	---	---

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2010

<u>School: Cold Springs</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Regular Programs - Instruction:					
Preschool/Kindergarten - Salaries of teachers	\$ 484,310		\$ 484,310	\$ 384,269	\$ 100,041
Grades 1-5 - Salaries of teachers	2,573,227	\$ (38,990)	2,534,237	2,304,493	229,744
Regular Programs - Undistributed Instruction					
Other salaries for instruction	232,263	(17,324)	214,939	181,744	33,195
Purchased professional - educational services	7,485	(292)	7,193	3,865	3,328
Other purchased services (400-500 series)	40,075	17,324	57,399	41,430	15,969
General supplies	127,741	(15,200)	112,541	95,508	17,033
Textbooks	1,200	27,571	28,771	27,907	864
Other objects	8,800	2,200	11,000	10,521	479
Total Regular Programs - Instruction	<u>3,475,101</u>	<u>(24,711)</u>	<u>3,450,390</u>	<u>3,049,737</u>	<u>400,653</u>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of teachers	125,813		125,813	125,813	
Other salaries for instruction	51,139	27,057	78,196	78,064	132
General supplies	2,000		2,000	1,499	501
Textbooks	500		500		500
Other objects	755		755		755
Total Learning and/or Language Disabilities	<u>180,207</u>	<u>27,057</u>	<u>207,264</u>	<u>205,376</u>	<u>1,888</u>
Behavioral Disabilities:					
Salaries of teachers	108,072	(49,130)	58,942	56,234	2,708
Other salaries for instruction	103,708	(49,039)	54,669	51,555	3,114
General supplies	1,000		1,000	977	23
Textbooks	450		450		450
Other objects	500		500	205	295
Total Behavioral Disabilities	<u>213,730</u>	<u>(98,169)</u>	<u>115,561</u>	<u>108,971</u>	<u>6,590</u>
Multiple Disabilities:					
Salaries of teachers	79,063	(73,563)	5,500		5,500
Other salaries for instruction	53,414	(50,914)	2,500		2,500
General supplies	500	(500)			
Textbooks	500	(500)			
Other objects	240	(240)			
Total Multiple Disabilities	<u>133,717</u>	<u>(125,717)</u>	<u>8,000</u>		<u>8,000</u>
Resource Room/Resource Center:					
Salaries of teachers	373,685	58,811	432,496	429,278	3,218
Other salaries for instruction	79,246	(12,242)	67,004	49,644	17,360
Other purchased services (400-500 series)	1,000	292	1,292	824	468
General supplies	4,500		4,500	4,149	351
Textbooks	500		500		500
Other objects	300		300		300
Total Resource Room/Resource Center	<u>459,231</u>	<u>46,861</u>	<u>506,092</u>	<u>483,895</u>	<u>22,197</u>

(Continued)

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2010

School: Cold Springs	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Autism:					
Salaries of teachers		\$ 54,000	\$ 54,000	\$ 51,200	\$ 2,800
Other salaries for instruction		130,010	130,010	117,886	12,124
General supplies		500	500		500
Textbooks		500	500		500
Other objects		240	240		240
Total Autism		185,250	185,250	169,086	16,164
Preschool Disabilities - Full Time					
Salaries of teachers		2,700	2,700		2,700
Other salaries for instruction		1,300	1,300		1,300
Total Preschool Disabilities		4,000	4,000		4,000
Total Special Education - Instruction	\$ 986,885	39,282	1,026,167	967,328	58,839
Bilingual Education - Instruction:					
Salaries of teachers	23,950		23,950	23,950	
Supplies	250		250		250
Textbooks	500		500		500
Other objects	400		400		400
Total Bilingual Education - Instruction	25,100		25,100	23,950	1,150
Total Instruction	4,487,086	14,571	4,501,657	4,041,015	460,642
Undistributed Expend. - Attend. & Social Work:					
Salaries	39,621		39,621	39,402	219
Purchased prof. and technical services	825		825		825
Supplies and materials	200		200		200
Total Undistributed Expend. - Attend. & Social Work	40,646		40,646	39,402	1,244
Undistributed Expend. - Health Services:					
Salaries	92,508	1,857	94,365	82,976	11,389
Purchased prof. and technical services	275		275	243	32
Supplies and materials	4,000	4,000	8,000	7,757	243
Other objects	200		200		200
Total Undistributed Expend. - Health Services	96,983	5,857	102,840	90,976	11,864
Undist. Expend. - Guidance:					
Salaries of other professional staff	161,117		161,117	39,401	121,716
Total Undist. Expend. - Guidance	161,117		161,117	39,401	121,716
Undist. Expend. - Improvement of Inst. Serv.:					
Other salaries		7,000	7,000	7,000	
Salaries of facilitators, math & literacy coaches	241,335	(4,858)	236,477	191,005	45,472
Total Undist. Expend. - Improvement of Inst. Serv.	241,335	2,142	243,477	198,005	45,472

(Continued)

GLOUCESTER CITY SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2010

<u>School: Cold Springs</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Edu. Media Serv./Sch. Library:					
Salaries	\$ 54,600		\$ 54,600	\$ 54,600	
Salaries of technology coordinators	55,918		55,918	53,817	\$ 2,101
Purchased professional and technical services	29,500	\$ 8,295	37,795	36,795	1,000
Other purchased services (400-500 series)	24,450	(4,766)	19,684	8,117	11,567
Supplies and materials	26,000	(1,818)	24,182	21,413	2,769
Other objects	3,500	(2,871)	629	325	304
Total Undist. Expend. - Edu. Media Serv./Sch. Library	193,968	(1,160)	192,808	175,067	17,741
Undistributed Expend. - Instruc. Staff Training Serv.:					
Purchased professional - educ. services	6,000	(5,379)	621	621	
Total Undist. Expend. - Instruc. Staff Training Serv.	6,000	(5,379)	621	621	
Undist. Expend. - School Administration:					
Salaries of principals/assistant principals	225,315		225,315	190,991	34,324
Salaries of secretarial and clerical assistants	161,411		161,411	161,410	1
Other purchased services (400-500 series)	24,850	42	24,892	9,017	15,875
Supplies and materials	14,500		14,500	12,589	1,911
Other objects	4,770		4,770	3,020	1,750
Total Undist. Expend. - School Administration	430,846	42	430,888	377,027	53,861
Undist. Expend. - Security:					
Salaries	61,944		61,944	34,626	27,318
Total Undist. Expend. - Security	61,944	-	61,944	34,626	27,318
Undist. Expend. - Student Transportation Services:					
Contr. Serv. (other than bet. home & sch.) - vendors	10,750		10,750	5,597	5,153
Total Undist. Expend. - Student Trans. Services	10,750		10,750	5,597	5,153
Unallocated Benefits:					
Health benefits	1,350,000	(47,008)	1,302,992	1,298,134	4,858
Total Unallocated Benefits	1,350,000	(47,008)	1,302,992	1,298,134	4,858
Total Undistributed Expenditures	2,593,589	(45,506)	2,548,083	2,258,856	289,227
Total General Current Expense	7,080,675	(30,935)	7,049,740	6,299,871	749,869
<u>Capital Outlay</u>					
Equipment					
Grades 1-5		42,800	42,800	42,777	23
Undis. expend.-support serv.-instructional staff	6,200	2,290	8,490	8,490	
Total Equipment	6,200	45,090	51,290	51,267	23
Total Capital Outlay	6,200	45,090	51,290	51,267	23
Total School Based Expenditures	7,086,875	14,155	7,101,030	6,351,138	749,892
Other Financing Sources:					
Operating Transfer In	7,086,875	14,155	7,101,030	6,351,138	749,892
Total Other Financing Sources:	7,086,875	14,155	7,101,030	6,351,138	749,892
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures & Other Financing (Uses)					
Fund Balance - July 1, 2009	---	---	---	---	---
Fund Balance - June 30, 2010	---	---	---	---	---

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**Special Revenue Fund
Detail Statements**

The Special Revenue Fund is used to account for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted for specific purposes.

GLOUCESTER CITY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2010

	Total Other Prog. (See E-1A)	Total Other Prog. (See E-1B)	Total Other Prog. (See E-1C)	Total
REVENUES:				
State sources	\$ 496,253	\$ 2,896,218		\$ 3,392,471
Federal sources	60,000	1,237,993	\$ 1,426,352	2,724,345
Total Revenues	556,253	4,134,211	1,426,352	6,116,816
EXPENDITURES:				
Instruction:				
Salaries of teachers	103,350	1,009,814	615,252	1,728,416
Other salaries for instruction		668,284	12,364	680,648
Purchased prof. and tech. serv.		21,580		21,580
Purchased prof. educ. services	353,190		257,029	610,219
Other purchased services	25,202	32,356		57,558
Tuition		1,000,120		1,000,120
Travel			164	164
General supplies		74,310	37,729	112,039
Textbooks	59,884			59,884
Other objects		1,380		1,380
Total instruction	541,626	2,807,844	922,538	4,272,008
Support services:				
Salaries of principals		126,523		126,523
Salaries of program directors		1,439	41,878	43,317
Salaries of supervisor of instruction			19,028	19,028
Salaries of other professional staff		300,466		300,466
Salaries of secretaries and clerical assistants		95,937	5,218	101,155
Other salaries for instruction		116,943		116,943
Personal services - employee benefits	14,627	846,482	110,764	971,873
Purchased prof. and tech. serv.		8,710	36,373	45,083
Purchased prof. educ. services		14,032	107,161	121,193
Other purchased services		7,153	9,812	16,965
Contracted services - transportation		96,845		96,845
Travel		557		557
Class trips		3,940		3,940
Supplies and materials		10,791	92,026	102,817
Total support services	14,627	1,629,818	422,260	2,066,705
Facilities acquisition and const. serv.: Noninstructional equipment			81,554	81,554
Total Expenditures	556,253	4,437,662	1,426,352	6,420,267
Other Financing Sources (Uses): Transfer in from General Fund		303,451		303,451
Total Outflows	556,253	4,134,211	1,426,352	6,116,816
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	---	---	---	---

GLOUCESTER CITY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2010

	<u>Nonpublic Comp. Ed.</u>	<u>Nonpublic Speech</u>	<u>Nonpublic Transport.</u>	<u>Nonpublic Exam/ Classification</u>	<u>Nonpublic Supplemental Instruction</u>	<u>Home Instruction</u>	<u>Nonpublic Textbooks</u>	<u>Nonpublic Nursing</u>	<u>Providing Quality</u>	<u>Total</u>
REVENUES:										
State sources	\$ 225,846	\$ 32,944	\$ 5,052	\$ 57,715	\$ 31,633	\$ 10,071	\$ 59,884	\$ 73,108		\$ 496,253
Federal sources									\$ 60,000	60,000
Total Revenues	<u>225,846</u>	<u>32,944</u>	<u>5,052</u>	<u>57,715</u>	<u>31,633</u>	<u>10,071</u>	<u>59,884</u>	<u>73,108</u>	<u>60,000</u>	<u>556,253</u>
EXPENDITURES:										
Instruction:										
Salaries								51,675	51,675	103,350
Purchased prof. - educ. services	225,846	32,944	5,052	57,715	31,633			15,131		353,190
Other purchased services						10,071				25,202
Textbooks							59,884			59,884
Total instruction	<u>225,846</u>	<u>32,944</u>	<u>5,052</u>	<u>57,715</u>	<u>31,633</u>	<u>10,071</u>	<u>59,884</u>	<u>66,806</u>	<u>51,675</u>	<u>541,626</u>
Support services:										
Personal services-employee benefits								6,302	8,325	14,627
Total support services								<u>6,302</u>	<u>8,325</u>	<u>14,627</u>
Facilities acquisition and const. serv.:										
Instructional equipment										
Total facilities acq. and const. serv.										
Total Expenditures	<u>225,846</u>	<u>32,944</u>	<u>5,052</u>	<u>57,715</u>	<u>31,633</u>	<u>10,071</u>	<u>59,884</u>	<u>73,108</u>	<u>60,000</u>	<u>556,253</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>

GLOUCESTER CITY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2010

	Preschool Education Aid	Title IV	Title IV Carryover	IDEA Basic	IDEA Basic Carryover	ARRA IDEA Basic	IDEA Preschool	IDEA Preschool Carryover	ARRA IDEA Preschool	Carl Perkins	Total
REVENUES:											
State sources	\$ 2,896,218										\$ 2,896,218
Federal sources		\$ 13,619	\$ 2,449	\$ 622,276	\$ 85,978	\$ 435,756	\$ 23,658	\$ 310	\$ 24,398	\$ 29,549	1,237,993
Total Revenues	2,896,218	13,619	2,449	622,276	85,978	435,756	23,658	310	24,398	29,549	4,134,211
EXPENDITURES:											
Instruction:											
Salaries of teachers	995,897					13,917					1,009,814
Other salaries for instruction	589,628			25,973	6,809	20,074	21,977		3,823		668,284
Purchased prof. - tech. services			500	1,955	8,868	10,257					21,580
Other purchased services	12,196								20,160		32,356
Tuition				583,543	54,481	362,096					1,000,120
General supplies	36,114		251		13,139	22,588		310	123	1,785	74,310
Other objects										1,380	1,380
Total instruction	1,633,835		751	611,471	83,297	428,932	21,977	310	24,106	3,165	2,807,844
Support services:											
Salaries - principals	126,523										126,523
Salaries of program directors		212								1,227	1,439
Salaries - other prof. staff	280,300	4,224								15,942	300,466
Salaries of sec. and clerical ass'ts.	91,354			4,583							95,937
Other salaries of instruction	116,943										116,943
Personal services-employee benefits	835,364	383		2,356	884	3,569	1,681		292	1,953	846,482
Purchased prof. and tech. services	5,852									2,858	8,710
Purchased prof. educ. services		5,114		3,866	1,797	3,255					14,032
Other purchased services	5,526	1,627									7,153
Contracted services - transportation	94,500									2,345	96,845
Class trips	3,940										3,940
Travel	557										557
Supplies and materials	4,975	2,059	1,698							2,059	10,791
Total support services	1,565,834	13,619	1,698	10,805	2,681	6,824	1,681		292	26,384	1,629,818
Facilities acquisition:											
Instructional equipment											
Total Expenditures	3,199,669	13,619	2,449	622,276	85,978	435,756	23,658	310	24,398	29,549	4,437,662
Other Financing Sources (Uses):											
Transfer In from General Fund	303,451										303,451
Total Outflows	2,896,218	13,619	2,449	622,276	85,978	435,756	23,658	310	24,398	29,549	4,134,211
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)											

GLOUCESTER CITY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2010

	Title I	Title I Carryovers	ARRA Title I	Title I SIA	ARRA Title I SIA	Title II A	Title II A Carryover	Title II D	Title II D Carryover	Total
REVENUES:										
State sources										
Federal sources	\$ 811,721	\$ 196,261	\$ 246,540	\$ 28,592	\$ 6,941	\$ 114,226	\$ 11,779	\$ 6,184	\$ 4,108	\$ 1,426,352
Total Revenues	811,721	196,261	246,540	28,592	6,941	114,226	11,779	6,184	4,108	1,426,352
EXPENDITURES:										
Instruction:										
Salaries of teachers	370,211	133,054	4,511	24,783	6,941	75,663	89			615,252
Other salaries for instruction	11,793	571								12,364
Purchased prof. educ. services	211,029		46,000							257,029
Travel	164									164
General supplies	12,038	24,125		78				793	695	37,729
Total instruction	605,235	157,750	50,511	24,861	6,941	75,663	89	793	695	922,538
Support services:										
Salaries of program directors	35,440			1,601		4,480		357		41,878
Salaries of supervisor of instruction			19,028							19,028
Salaries of sec. and clerical ass'ts.		5,218								5,218
Personal services-employee benefits	79,320	4,946	2,902	2,130		16,465	4,900	101		110,764
Purchased prof. educ. services	75,264	16,071				8,000	6,251	1,575		107,161
Purchased prof. tech. services			36,373							36,373
Other purchased services	2,000		2,008			5,171			633	9,812
General supplies	14,462	12,276	54,164			4,447	539	3,358	2,780	92,026
Total support services	206,486	38,511	114,475	3,731		38,563	11,690	5,391	3,413	422,260
Facilities acquisition and const. serv.:										
Noninstructional equipment			81,554							81,554
Total facilities acq. and const. serv.			81,554							81,554
Total Expenditures	811,721	196,261	246,540	28,592	6,941	114,226	11,779	6,184	4,108	1,426,352
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	---	---	---	---	---	---	---	---	---	---

GLOUCESTER CITY SCHOOL DISTRICT
Special Revenue Fund
Statement of Preschool Education Aid
Budgetary Basis
For the Fiscal Year Ended June 30, 2010

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of teachers	\$ 995,897	\$ 995,897	
Other salaries for instruction	589,628	589,628	
Other purchased services	12,196	12,196	
General supplies	36,114	36,114	
Total instruction	<u>1,633,835</u>	<u>1,633,835</u>	
Support Services:			
Salaries of principals	126,523	126,523	
Salaries of other professional staff	280,300	280,300	
Salaries of sec. and clerical assistants	91,354	91,354	
Other salaries	116,943	116,943	
Personal services - employee benefits	835,364	835,364	
Purchased prof. and tech. services	5,852	5,852	
Other purchased services	5,526	5,526	
Contracted services - transportation	94,500	94,500	
Class trips	3,940	3,940	
Travel	557	557	
Supplies and materials	4,975	4,975	
Total support services	<u>1,565,834</u>	<u>1,565,834</u>	
Facilities acquisition:			
Instructional equipment			
Total Expenditures	<u>\$ 3,199,669</u>	<u>\$ 3,199,669</u>	<u>\$ -</u>

SUMMARY OF LOCATION TOTALS

Total revised 2009-2010 Preschool Education Aid allocation	\$ 2,896,218
Add: Actual ECPA Carryover (June 30, 2009)	
Add: Budgeted transfer from the General Fund 2009-10	303,451
Total Preschool Education Aid Funds available for 2009-2010 budget	3,199,669
Less: 2009-2010 Budgeted Preschool Education Aid (including prior year budgeted carryover)	(3,199,669)
Available & unbudgeted Preschool Education Aid Funds as of June 30, 2010	
Add: June 30, 2010 Unexpended Preschool Education Aid	
2009-2010 Actual Carryover - Preschool Education Aid	\$ -
2009-2010 Preschool Education Aid Carryover Budgeted in 2010-2011	\$ -

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**Capital Projects Fund
Detail Statements**

The Capital Projects Fund is used to account for the acquisition, construction and/or renovation of major facilities and equipment purchases other than those financed by Proprietary Funds.

The District does not maintain a capital projects fund.

Proprietary Funds Detail Statements

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District's Board is that the costs of providing goods or services be financed through user fees.

Food Service Fund - This fund provides for the operation of food services in all all schools within the school district.

GLOUCESTER CITY SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Net Assets
June 30, 2010

	<u>Food Service Fund</u>
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 206,874
Accounts receivable:	
State	2,355
Federal	48,780
Other	8,074
Inventories	<u>20,137</u>
Total Current Assets	<u>286,220</u>
Noncurrent Assets:	
Equipment	571,262
Less - accumulated depreciation	<u>(429,057)</u>
Total Noncurrent Assets	<u>142,205</u>
Total Assets	<u>428,425</u>
 LIABILITIES:	
Current Liabilities:	
Accounts payable	<u> </u>
Total Current Liabilities	<u> </u>
 NET ASSETS:	
Invested in capital assets	142,205
Unrestricted	<u>286,220</u>
Total Net Assets	<u>\$ 428,425</u>

GLOUCESTER CITY SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
For the Fiscal Year Ended June 30, 2010

	<u>Food Service Fund</u>
OPERATING REVENUES:	
Charges for Services:	
Daily sales reimbursable programs:	
School lunch	\$ 162,391
Breakfast program	35,981
Daily sales non-reimbursable programs	
Adult and a la carte sales	145,627
Special functions	7,899
Summer program	23,392
Miscellaneous	1,373
	<u>376,663</u>
Total Operating Revenues	
OPERATING EXPENSES:	
Salaries and fringe benefits	438,478
Management fee	48,742
Supplies and materials	35,019
Maintenance and repairs	13,272
Other costs	20,759
Depreciation	18,562
Cost of sales	550,616
	<u>1,125,448</u>
Total Operating Expenses	
Operating Income (Loss)	<u>(748,785)</u>
Non-Operating Revenues:	
State sources:	
State school lunch program	20,575
State breakfast program	10,437
Federal sources:	
National school lunch program	488,883
National breakfast program	145,761
After school snack program	24,535
Fresh Fruit & Vegetable program	49,363
Food distribution program	44,212
	<u>783,766</u>
Total Non-Operating Revenues	
Income (Loss) before Contributions and Transfers	34,981
Contribution of capital assets	<u>13,886</u>
Changes in Net Assets	48,867
Net Assets - July 1, 2009	<u>379,558</u>
Net Assets - June 30, 2010	<u>\$ 428,425</u>

GLOUCESTER CITY SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2010

	<u>Food Service Fund</u>
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 380,312
Cash payments to employees for services	(438,478)
Cash payments to suppliers for goods and services	<u>(663,522)</u>
Net cash provided by (used for) operating activities	<u>(721,688)</u>
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	31,072
Cash received from federal sources	751,627
Cash received from operating transfer in	<u>782,699</u>
Net cash provided by noncapital financing activities	<u>782,699</u>
Cash Flows Used by Capital and Related Financing Activities:	
Purchase of equipment	<u> </u>
Cash Flow Provided by Investing Activities:	
Interest on cash equivalents	<u> </u>
Net increase (decrease) in cash and cash equivalents	61,011
Cash and cash equivalents - July 1, 2009	<u>145,863</u>
Cash and cash equivalents - June 30, 2010	<u>\$ 206,874</u>
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for) Operating Activities:	
Operating income (loss)	\$ (748,785)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:	
Depreciation	18,562
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	3,649
(Increase) decrease in inventories	4,886
Increase (decrease) in accounts payable	<u> </u>
Net cash provided by (used for) operating activities	<u>\$ (721,688)</u>
Noncash Noncapital Financing Activities:	
During the year the District received \$44,212 of food commodities from the U.S. Department of Agriculture.	

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Fiduciary Funds Detail Statements

Fiduciary Funds are used to account for funds received by the district for a specific purpose.

Unemployment Compensation Insurance Fund - This fiduciary fund is used to pay unemployment compensation claims.

Scholarship Fund - This fiduciary fund is used to account for assets held by the district for grants to students.

Agency Funds are used to account for assets held by the district as an agent for individuals, private organizations, or other governments and/or other funds.

Payroll Fund - This agency fund is used to account for the payroll transactions of the district.

Student Activity Fund - This agency fund is used to account for the funds held by the district to be used for student related projects.

GLOUCESTER CITY SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
June 30, 2010

	Trust Funds		Agency Funds		Total
	Unemployment Compensation	Scholarship Funds	Student Activity	Payroll	
ASSETS:					
Cash and cash equivalents	\$ 801,186	\$ 82,961	\$ 44,665	\$ 13,638	\$ 942,450
	<u>801,186</u>	<u>82,961</u>	<u>\$ 44,665</u>	<u>\$ 13,638</u>	<u>942,450</u>
Total Assets	<u>801,186</u>	<u>82,961</u>	<u>\$ 44,665</u>	<u>\$ 13,638</u>	<u>942,450</u>
LIABILITIES:					
Liabilities:					
Payroll deductions payable				\$ 13,638	13,638
Due to student groups			\$ 44,665		44,665
			<u>\$ 44,665</u>	<u>\$ 13,638</u>	<u>58,303</u>
Total Liabilities			<u>\$ 44,665</u>	<u>\$ 13,638</u>	<u>58,303</u>
NET ASSETS:					
Held in trust for unemployment claims	801,186				801,186
Held in trust for scholarsips		82,961			82,961
	<u>801,186</u>	<u>82,961</u>			<u>884,147</u>
Totl Net Assets	<u>\$ 801,186</u>	<u>\$ 82,961</u>			<u>\$ 884,147</u>

GLOUCESTER CITY SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Assets
For the Fiscal Years Ended June 30, 2010

	<u>Scholarship Funds</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
Additions:			
Interest on investments	\$ 757	\$ 653	\$ 1,410
Donations	13,127		13,127
Transfer from General Fund	2,000		2,000
Board contributions		250,000	250,000
Employee withholdings		37,659	37,659
Total Additions	<u>15,884</u>	<u>288,312</u>	<u>304,196</u>
Deductions:			
Unemployment compensation insurance claims		56,715	56,715
Scholarships	6,000		6,000
Total Deductions	<u>6,000</u>	<u>56,715</u>	<u>62,715</u>
Change in Net Assets	9,884	231,597	241,481
Net Assets - July 1, 2009	<u>73,077</u>	<u>569,589</u>	<u>642,666</u>
Net Assets - June 30, 2010	<u>\$ 82,961</u>	<u>\$ 801,186</u>	<u>\$ 884,147</u>

GLOUCESTER CITY SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2010

	<u>Balance June 30, 2009</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Transfers</u>	<u>Balance June 30, 2010</u>
Mary Ethel Costello School	\$ 4,674	\$ 5,096	\$ 3,909		\$ 5,861
High School					
Allen M. Hubbs Award		500	500		
Art Club	21				21
Band and Orchestra	6				6
Blue and Gold Law/Justice		2,000	2,000		
Class of 2008	4,188			\$ (4,188)	
Class of 2009	1,105		564	(541)	
Class of 2010	305	4,458	4,450	541	854
Class of 2011	872	731	958		645
David J. Martin Scholarship	458	500	500		458
Drama Club	73	755			828
First Congressional District		300	300		
GC Cultural Arts Assoc.		50	50		
General Fund	8,624	66	3,696	(3,010)	1,984
Gloucester City PBA (20)		100	100		
Gloucester City PBA (21)		100	100		
Gloucester Heights Fire Assoc.		500	500		
Honor Society	559	499	954		104
Inter-Act Club	3,407	1,369	1,420		3,356
James McNally	87	100	100		87
Jr. National Honor Society	336	80			416
Junior High Activities	1,430	7,000	3,264		5,166
Kasey Rebstock		162	100		62
Leo Club	481	500	200		781
Life Skills	271	135	401		5
Mark Zieminski Scholars		350	350		
Musical Account	5	5,460			5,465
Newspaper	72				72
NJ Bldg/Grounds Assoc.		200	200		
Pep Club	4,277	1,350	2,095		3,532
Prom		8,995	13,635	6,188	1,548
SAT Prep Class	627				627
School Store	268	10,810	10,656	(422)	
School Store - payroll			422	422	
Senior Class Trip	50	67,478	68,526	1,010	12
Senior Fund Raiser	282	14,925	15,207		
St. Maurice RC Effort		50	50		
Student Council	1,177				1,177
Thomas Edward Veble III	180				180
Yearbook	14,935	29,005	32,552		11,388
Zack Rodgers Scholarship	30				30
Total High School	<u>44,126</u>	<u>158,528</u>	<u>163,850</u>		<u>38,804</u>
Total All Schools	<u>\$ 48,800</u>	<u>\$ 163,624</u>	<u>\$ 167,759</u>	<u>\$ -</u>	<u>\$ 44,665</u>

GLOUCESTER CITY SCHOOL DISTRICT
Fiduciary Funds
Payrol Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2010

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
ASSETS:				
Cash and cash equivalents	<u>\$ 192,882</u>	<u>\$ 24,863,336</u>	<u>\$ 25,042,580</u>	<u>\$ 13,638</u>
Total Assets	<u>\$ 192,882</u>	<u>\$ 24,863,336</u>	<u>\$ 25,042,580</u>	<u>\$ 13,638</u>
 LIABILITIES:				
Net payroll	\$ 100	\$ 15,119,900	\$ 15,119,900	\$ 100
Payroll deductions and withholdings	<u>192,782</u>	<u>9,743,436</u>	<u>9,922,680</u>	<u>13,538</u>
Total Liabilities	<u>\$ 192,882</u>	<u>\$ 24,863,336</u>	<u>\$ 25,042,580</u>	<u>\$ 13,638</u>

Long-Term Debt Schedules

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

**GLOUCESTER CITY SCHOOL DISTRICT
Statement of Serial Bonds
For the Fiscal Year Ended June 30, 2010**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2009</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2010</u>
School Bonds	8/15/94	10,000,000	8/15/2010	\$ 350,000	6.00%	\$ 350,000		350,000	
School Refunding Bonds	9/15/01	6,765,000	8/15/10 - 11	400,000	4.95%	6,445,000		55,000	\$ 6,390,000
			8/15/12	395,000					
			8/15/13	415,000					
			8/15/14	410,000					
			8/15/15	430,000					
			8/15/16	425,000					
			8/15/17 - 18	420,000					
			8/15/19	440,000					
			8/15/20	435,000					
			8/15/21 - 22	455,000					
			8/15/23	450,000					
			8/15/24	440,000					
School Refunding Bonds	6/15/05	6,110,000	8/15/10	380,000		6,075,000		245,000	5,830,000
			8/15/11	375,000					
			8/15/12 - 15	395,000					
			8/15/16 - 17	420,000					
			8/15/18 - 19	440,000					
			8/15/20 - 21	435,000					
			8/15/22	455,000					
			8/15/23	450,000					
						<u>\$ 12,870,000</u>	<u>\$ -</u>	<u>\$ 650,000</u>	<u>\$ 12,220,000</u>

GLOUCESTER CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 487,420		\$ 487,420	\$ 487,420	
Miscellaneous					
Total local sources	<u>487,420</u>		<u>487,420</u>	<u>487,420</u>	
State sources:					
Debt service aid - Type II	<u>730,942</u>		<u>730,942</u>	<u>730,942</u>	
Total Revenues	<u>1,218,362</u>		<u>1,218,362</u>	<u>1,218,362</u>	
EXPENDITURES:					
Regular debt service:					
Interest	568,362		568,362	568,362	
Redemption of principal	<u>650,000</u>		<u>650,000</u>	<u>650,000</u>	
Total Expenditures	<u>1,218,362</u>		<u>1,218,362</u>	<u>1,218,362</u>	
Excess (Deficiency) of revenues over (under) expenditures					
Fund Balance - July 1, 2009					
Fund Balance - June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Recapitulation of Excess (Deficiency) or revenues over (under) expenditures					
Budgeted Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Statistical Section

Gloucester City School District
Net Assets by Component,
Last Eight Fiscal Years
(accrual basis of accounting)

J-1

		Fiscal Year Ending June 30,							
		2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities:									
Invested in capital assets, net of related debt	\$	(924,736)	(1,067,719)	(754,705)	32,763,928	31,880,265	31,173,049	31,067,690	30,767,308
Restricted for:									
Debt service					139,763	139,763			
Other purposes		2,006,677	2,566,029	3,304,092	3,541,128	2,327,078	4,727,404	7,699,558	8,771,351
Unrestricted		(1,096,354)	(1,082,968)	(1,247,149)	(2,196,709)	(1,959,447)	(1,817,838)	(3,769,348)	(3,697,897)
Total governmental activities net assets	\$	<u>(14,413)</u>	<u>415,342</u>	<u>1,302,238</u>	<u>34,248,110</u>	<u>32,367,659</u>	<u>34,082,615</u>	<u>34,997,900</u>	<u>35,840,762</u>
Business-type activities:									
Invested in capital assets, net of related debt	\$	58,356	122,440	120,184	200,072	184,873	165,647	146,881	142,205
Unrestricted	\$	(7,524)	21,524	22,157	83,192	148,520	204,795	232,677	286,220
Total business-type activities net assets	\$	<u>50,832</u>	<u>143,964</u>	<u>142,341</u>	<u>283,264</u>	<u>333,393</u>	<u>370,442</u>	<u>379,558</u>	<u>428,425</u>
District-wide:									
Invested in capital assets, net of related debt	\$	(866,380)	(945,279)	(634,521)	32,964,000	32,065,138	31,338,696	31,214,571	30,909,513
Restricted:									
Debt service			-	-	139,763	139,763	-	-	-
Other purposes		2,006,677	2,566,029	3,304,092	3,541,128	2,327,078	4,727,404	7,699,558	8,771,351
Unrestricted		(1,103,878)	(1,061,444)	(1,224,992)	(2,113,517)	(1,810,927)	(1,613,043)	(3,536,671)	(3,411,677)
Total district net assets	\$	<u>36,419</u>	<u>559,306</u>	<u>1,444,579</u>	<u>34,531,374</u>	<u>32,721,052</u>	<u>34,453,057</u>	<u>35,377,458</u>	<u>36,269,187</u>

Gloucester City School District
 Changes in Net Assets, Last Eight Fiscal Years
 (accrual basis of accounting)

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		Fiscal Year Ending June 30,							
		2003	2004	2005	2006	2007	2008	2009	2010
Expenses:									
Governmental activities:									
Instruction:									
Regular	\$	15,316,210	\$ 16,655,657	\$ 18,049,501	\$ 14,909,879	\$ 14,502,575	\$ 13,782,622	\$ 12,772,350	\$ 14,316,288
Special education		2,751,921	3,119,602	3,493,876	3,022,687	2,938,073	3,007,737	3,315,117	3,385,910
Other instruction		543,635	664,620	720,578	612,101	618,840	699,700	724,129	706,381
Support Services:									
Tuition		1,973,685	1,812,041	1,835,093	1,766,824	1,829,007	1,526,332	1,285,931	1,082,411
Student & instruction related services		5,655,021	6,729,317	6,609,931	5,738,458	5,997,005	6,411,842	5,702,922	5,962,736
School administrative services		1,299,250	1,528,739	1,662,077	1,295,594	1,277,932	1,191,287	1,321,147	1,372,722
General and business administrative services		713,122	591,941	1,283,966	1,295,012	1,162,111	1,237,109	1,233,410	1,151,657
Plant operations and maintenance		2,856,557	2,943,088	3,361,123	3,308,431	4,125,283	4,008,373	3,991,713	4,794,795
Pupil transportation		655,462	709,293	851,513	966,942	1,069,041	983,653	897,593	945,914
Business and other support services		382,394	414,577						
Unallocated employee benefits					7,448,366	9,379,285	8,720,727	7,426,835	8,553,156
Special schools		413,578	382,381	434,084	350,027	353,114	164,228	162,394	166,877
Transfer to Charter Schools						28,727	31,977	41,001	
Interest on long-term debt		859,611	826,736	885,393	755,750	666,813	628,538	590,313	557,974
Unallocated depreciation		121,967	229,743	206,859	367,234	338,958	336,348	321,711	311,183
Total governmental activities expenses		<u>33,542,413</u>	<u>36,607,735</u>	<u>39,393,994</u>	<u>41,837,305</u>	<u>44,258,037</u>	<u>42,727,223</u>	<u>39,777,542</u>	<u>43,349,005</u>
Business-type activities:									
Food service		854,518	931,486	993,233	1,016,813	981,628	1,013,548	1,077,816	1,125,448
Total business-type activities expense		<u>854,518</u>	<u>931,486</u>	<u>993,233</u>	<u>1,016,813</u>	<u>981,628</u>	<u>1,013,548</u>	<u>1,077,816</u>	<u>1,125,448</u>
Total district expenses	\$	<u><u>34,396,931</u></u>	<u><u>37,539,221</u></u>	<u><u>40,387,227</u></u>	<u><u>42,854,118</u></u>	<u><u>45,239,665</u></u>	<u><u>43,740,771</u></u>	<u><u>40,855,358</u></u>	<u><u>44,474,453</u></u>
Program Revenues:									
Governmental activities:									
Charges for services:									
Instruction (tuition)	\$	505,342	\$ 602,426	\$ 627,580	\$ 598,543	\$ 624,067	\$ 735,393	\$ 860,752	\$ 1,108,520
Operating grants and contributions		6,052,647	7,308,884	7,082,340	7,579,485	8,915,796	9,409,965	8,333,292	9,164,350
Total governmental activities program revenues		<u>6,557,989</u>	<u>7,911,310</u>	<u>7,709,920</u>	<u>8,178,028</u>	<u>9,539,863</u>	<u>10,145,358</u>	<u>9,194,044</u>	<u>10,272,870</u>

(Continued)

Gloucester City School District
 Changes in Net Assets, Last Eight Fiscal Years
 (accrual basis of accounting)

Fiscal Year Ending June 30,

	2003	2004	2005	2006	2007	2008	2009	2010
Business-type activities:								
Charges for services:								
Food service	\$ 402,067	\$ 457,256	\$ 431,965	\$ 463,008	\$ 430,945	\$ 402,992	\$ 415,326	\$ 376,663
Operating grants and contributions	481,929	484,473	559,645	579,112	600,812	647,605	671,606	783,766
Capital grants and contributions								
Total business type activities program revenues	<u>883,996</u>	<u>941,729</u>	<u>991,610</u>	<u>1,042,120</u>	<u>1,031,757</u>	<u>1,050,597</u>	<u>1,086,932</u>	<u>1,160,429</u>
Total district program revenues	<u>\$ 7,441,985</u>	<u>\$ 8,853,039</u>	<u>\$ 8,701,530</u>	<u>\$ 9,220,148</u>	<u>\$ 10,571,620</u>	<u>\$ 11,195,955</u>	<u>\$ 10,280,976</u>	<u>\$ 11,433,299</u>
Net (Expense)/Revenue:								
Governmental activities	\$ (26,984,424)	\$ (28,696,425)	\$ (31,684,074)	\$ (33,659,277)	\$ (34,718,174)	\$ (32,581,865)	\$ (30,583,498)	\$ (33,076,135)
Business-type activities	29,478	10,243	(1,623)	25,307	50,129	37,049	9,116	34,981
Total district-wide net expense	<u>\$ (26,954,946)</u>	<u>\$ (28,686,182)</u>	<u>\$ (31,685,697)</u>	<u>\$ (33,633,970)</u>	<u>\$ (34,668,045)</u>	<u>\$ (32,544,816)</u>	<u>\$ (30,574,382)</u>	<u>\$ (33,041,154)</u>
General Revenues and Other Changes in Net Assets:								
Governmental activities:								
Property taxes levied for general purposes, net	\$ 2,858,502	\$ 2,858,502	\$ 2,858,502	\$ 2,858,502	\$ 2,858,502	\$ 2,858,502	\$ 2,976,018	\$ 3,095,058
Taxes levied for debt service	537,570	564,781	574,476	560,995	609,374	398,831	523,302	487,420
Unrestricted grants and contributions	21,378,524	25,588,728	28,973,415	28,481,196	29,078,558	30,686,424	27,838,203	30,145,563
Transportation fees	7,125	6,574	3,731	7,922	6,357	5,288	8,502	9,959
State aid contribution towards fixed assets				34,280,327				
Miscellaneous income	85,674	288,217	179,500	401,158	304,932	327,776	152,758	210,247
Loss on disposal of assets		(180,622)	(18,654)					(29,250)
Transfers	(16,672)			15,049				
Total governmental activities	<u>24,850,723</u>	<u>29,126,180</u>	<u>32,570,970</u>	<u>66,605,149</u>	<u>32,857,723</u>	<u>34,276,821</u>	<u>31,498,783</u>	<u>33,918,997</u>
Business-type activities:				115,616				13,886
State aid contribution towards fixed assets				115,616				13,886
Transfers	16,672							
Total business-type activities	<u>16,672</u>	<u>-</u>	<u>-</u>	<u>115,616</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,886</u>
Total district-wide	<u>\$ 24,867,395</u>	<u>\$ 29,126,180</u>	<u>\$ 32,570,970</u>	<u>\$ 66,720,765</u>	<u>\$ 32,857,723</u>	<u>\$ 34,276,821</u>	<u>\$ 31,498,783</u>	<u>\$ 33,932,883</u>
Change in Net Assets:								
Governmental activities	\$ (2,133,701)	\$ 429,755	\$ 886,896	\$ 32,945,872	\$ (1,860,451)	\$ 1,694,956	\$ 915,285	\$ 842,862
Business-type activities	46,150	10,243	(1,623)	140,923	50,129	37,049	9,116	48,867
Total district-wide	<u>\$ (2,087,551)</u>	<u>\$ 439,998</u>	<u>\$ 885,273</u>	<u>\$ 33,086,795</u>	<u>\$ (1,810,322)</u>	<u>\$ 1,732,005</u>	<u>\$ 924,401</u>	<u>\$ 891,729</u>

Gloucester City School District
Fund Balances, Governmental Funds,
Last Eight Fiscal Years
(modified accrual basis of accounting)

		Fiscal Year Ending June 30,							
		2003	2004	2005	2006	2007	2008	2009	2010
General Fund:									
Reserved for:									
Encumbrances		\$ 797,686	\$ 1,081,061	\$ 1,048,177	\$ 330,230	\$ 562,249	\$ 931,081	\$ 516,517	\$ 446,085
Future tuition payments		133,746						197,120	285,776
Excess surplus				905,254		264,829	2,015,489		
Maintenance reserve								900,000	1,512,500
Emergency reserve								250,000	639,000
Capital reserve								1,540,540	1,941,283
Unreserved									
Undesignated		(454,477)	(310,165)	(256,484)	(951,976)	(760,732)	(741,218)	(2,276,084)	(2,326,651)
Designated for subsequent year's budget		1,063,244	1,484,407	1,350,661	3,350,661	1,500,000	1,750,000	4,265,489	3,750,000
Total general fund		<u>\$ 1,540,199</u>	<u>\$ 2,255,303</u>	<u>\$ 3,047,608</u>	<u>\$2,728,915</u>	<u>\$ 1,566,346</u>	<u>\$3,955,352</u>	<u>\$ 5,393,582</u>	<u>\$ 6,247,993</u>
All Other Governmental Funds									
Unreserved, reported in:									
Special revenue fund		\$ (13,059)	\$ (15,294)	\$ (53,780)	\$ (90,503)	\$ (94,376)	\$ (28,835)	\$ (241,164)	\$ (92,915)
Debt service fund		12,562	561		139,763	139,763			
Total all other governmental funds		<u>\$ (497)</u>	<u>\$ (14,733)</u>	<u>\$ (53,780)</u>	<u>\$ 49,260</u>	<u>\$ 45,387</u>	<u>\$ (28,835)</u>	<u>\$ (241,164)</u>	<u>\$ (92,915)</u>

Gloucester City School District
 Changes in Fund Balances, Governmental Funds,
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Tax levy	\$ 3,476,148	\$ 3,439,632	\$ 3,396,072	\$ 3,423,283	\$ 3,432,978	\$ 3,419,497	\$ 3,467,876	\$ 3,257,333	\$ 3,499,320	\$ 3,582,478
Tuition charges	538,236	682,965	505,342	602,426	627,580	598,543	624,067	735,393	860,752	1,108,520
Transportation fees	6,006	2,780	7,125	6,574	3,731	7,922	6,357	5,288	8,502	9,959
Interest earnings	143,071	68,768								
Miscellaneous	362,902	188,444	86,092	288,217	187,504	401,158	304,932	327,776	152,758	210,247
State sources	22,381,640	26,522,656	25,781,517	30,591,188	34,129,681	33,910,686	35,477,280	37,901,888	35,043,040	32,951,307
Federal sources	1,241,472	1,400,011	1,649,236	2,306,424	2,103,070	2,149,995	2,517,074	2,194,501	2,049,217	6,358,606
Total revenue	28,149,475	32,305,256	31,425,384	37,218,112	40,484,544	40,487,801	42,397,586	44,422,179	41,613,589	44,221,117
Expenditures										
Instruction										
Regular Instruction	9,222,459	10,800,387	12,199,679	12,606,792	13,700,314	13,494,303	13,581,728	12,767,846	12,752,750	13,445,495
Special education instruction	1,630,495	1,874,121	2,211,778	2,390,129	2,652,142	3,022,687	2,938,073	3,007,737	3,315,117	3,385,910
Other instruction	539,691	516,865	473,763	560,358	599,380	612,101	618,840	699,700	724,129	706,381
Support Services:										
Tuition	1,831,392	1,790,665	1,973,685	1,812,041	1,835,093	1,766,824	1,829,007	1,526,332	1,285,931	1,082,411
Student & instruction related services	3,413,480	4,413,449	4,904,095	5,663,426	5,462,408	5,738,458	5,997,005	6,411,842	5,728,063	5,962,736
School administrative services	1,039,793	1,037,548	1,076,289	1,173,996	1,297,941	1,295,594	1,277,932	1,191,287	1,321,147	1,372,722
General and business admin. services	1,268,402	1,223,864	783,867	813,569	1,025,155	1,121,150	1,002,387	1,078,691	1,082,310	1,005,871
Plant operations and maintenance	2,110,634	2,240,215	2,423,624	2,497,762	2,880,972	3,308,431	3,442,825	3,842,918	3,991,713	4,135,811
Pupil transportation	714,981	787,708	655,462	709,293	851,513	966,942	1,069,041	983,653	897,593	945,914
Other support services	4,044,175	4,496,387	4,630,438	6,079,013	6,866,531	7,448,366	9,379,285	8,720,727	7,426,835	8,553,156
Special Schools	342,607	294,453	347,528	295,324	337,410	350,027	353,114	164,228	162,394	166,877
Transfer to Charter Schools								28,727	31,977	41,001
Capital outlay	601,855	457,477	420,846	473,805	785,053	311,924	716,036	337,427	359,674	1,195,810
Debt service:										
Principal	525,000	550,000	590,000	615,000	645,000	685,000	680,000	705,000	705,000	650,000
Interest and other charges	970,383	940,863	859,611	826,736	792,374	616,696	678,755	641,280	603,055	568,362
Total expenditures	28,255,327	31,424,002	33,550,665	36,517,244	39,731,286	40,718,503	43,564,028	42,107,395	40,387,688	43,218,457
Excess (Deficiency) of revenues over (under) expenditures	(105,852)	881,254	(2,125,281)	700,868	753,258	(230,702)	(1,166,442)	2,314,784	1,225,901	1,002,660
Other Financing sources (uses)										
Capital lease	86,890	83,484								
Transfers in	211	1,315,971	2,051,980	2,181,566	2,243,566	2,153,357	2,383,469	2,469,951	270,891	303,451
Transfers out	(49,240)	(1,322,819)	(2,068,652)	(2,181,566)	(2,243,566)	(2,138,308)	(2,383,469)	(2,469,951)	(270,891)	(303,451)
Total other financing sources (uses)	37,861	76,636	(16,672)	-	-	15,049	-	-	-	-
Net change in fund balances	\$ (67,991)	\$ 957,890	\$ (2,141,953)	\$ 700,868	\$ 753,258	\$ (215,653)	\$ (1,166,442)	\$ 2,314,784	\$ 1,225,901	\$ 1,002,660
Debt service as a percentage of noncapital expenditures	5.41%	4.81%	4.38%	4.00%	3.69%	3.17%	3.17%	3.22%	3.27%	2.90%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Gloucester City School District
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Transportation Fees	Prior Year Refunds	Admission Fees	E-Rate	Rentals	Community Education	Miscellaneous	Total
2001	\$ 142,860	\$ 538,236	\$ 6,006						\$ 26,672	\$ 713,774
2002	68,768	682,965	2,780	\$ 62,062					51,103	867,678
2003	57,368	505,342	7,125	19,451	\$ 9,273					598,559
2004	31,490	602,426	6,574	225,817	22,845				8,065	897,217
2005	71,560	627,850	3,731	95,618	7,862				12,194	818,815
2006	151,388	598,543	7,922	182,215	10,060	\$ 57,495				1,007,623
2007	233,538	624,067	6,357	10,861	8,599	23,522			28,412	935,356
2008	183,136	735,393	5,288	47,125	10,001	39,447		\$ 14,455	33,612	1,068,457
2009	61,148	860,752	8,502	21,706	7,613	44,243		15,065	2,983	1,022,012
2010	42,429	1,108,520	9,959	5,426	11,169	120,975	\$ 5,715	13,595	10,938	1,328,726
	<u>\$ 1,043,685</u>	<u>\$ 6,884,094</u>	<u>\$ 64,244</u>	<u>\$ 670,281</u>	<u>\$ 87,422</u>	<u>\$ 285,682</u>	<u>\$ 5,715</u>	<u>\$ 43,115</u>	<u>\$ 173,979</u>	<u>\$ 9,258,217</u>

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Source: District records

**Gloucester City School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2001	\$ 7,239,700	\$ 256,958,500	\$ 76,139,800	\$ 13,434,200	\$ 3,706,200	\$ 357,478,400	\$ 5,677,969	\$ 363,156,369	\$ 98,328,400	\$ 0.919	\$ 356,284,481
2002	6,952,500	255,412,300	76,040,900	13,347,000	4,566,200	356,318,900	5,654,481	361,973,381	98,556,500	0.937	369,217,325
2003	6,522,500	256,065,400	75,739,400	13,342,000	4,569,600	356,238,900	5,800,413	362,039,313	100,298,300	0.926	373,993,597
2004	6,685,800	256,337,700	74,765,300	13,005,500	4,569,600	355,363,900	5,056,698	360,420,598	99,684,400	0.945	407,325,947
2005	6,503,300	255,242,100	75,066,000	13,005,500	4,658,200	354,475,100	4,711,153	359,186,253	102,064,700	0.943	412,056,524
2006	6,445,200	254,412,100	74,235,600	7,606,800	4,657,100	347,356,800	3,879,696	351,236,496	112,054,700	0.977	474,085,976
2007	8,568,400	255,443,700	73,618,500	7,091,700	4,653,100	349,375,400	3,291,449	352,666,849	108,770,100	0.920	561,817,706
2008	6,845,200	262,553,900	74,025,900	7,026,700	4,653,100	355,104,800	2,941,417	358,046,217	108,802,800	0.954	650,877,617
2009	6,075,200	266,275,400	73,764,900	7,044,400	2,953,100	356,113,000	2,220,549	358,333,549	110,751,000	0.976	653,078,363
2010	6,127,200	266,830,300	72,458,000	7,084,500	2,888,100	355,388,100	2,183,417	357,571,517	110,454,900	1.052	Not available

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Source:
Municipal Tax Assessor

Note:
Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

- a Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies
- b Tax rates are per \$100 of assessed valuation.

Gloucester City School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Gloucester City School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	City of Gloucester	Camden County	
2001	\$ 0.767	\$ 0.170	\$ 0.937	\$ 1.145	\$ 0.878	\$ 2.960
2002	0.777	0.160	0.937	1.295	0.916	3.148
2003	0.778	0.148	0.926	1.491	0.933	3.350
2004	0.789	0.156	0.945	1.624	0.929	3.498
2005	0.784	0.159	0.943	1.801	0.888	3.632
2006	0.821	0.156	0.977	1.928	1.018	3.923
2007	0.800	0.120	0.920	2.156	1.049	4.125
2008	0.806	0.148	0.954	2.433	1.080	4.467
2009	0.836	0.140	0.976	2.635	1.130	4.741
2010	0.872	0.180	1.052	2.726	1.226	5.004

Source: Municipal Tax Collector

**Gloucester City School District
Principal Property Tax Payers,
Current Year and Nine Years Ago**

J-8

Taxpayer	2009-2010		Taxpayer	2000-2001	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Gloucester Terminal	\$ 24,107,400	6.74%	Holt Hauling and Warehouse	\$ 24,297,000	6.69%
Semmaterials Energy Partners, LLC	6,013,000	1.68%	Koch Fuels, Inc.	5,884,400	1.62%
Bell Atlantic	2,832,717	0.79%	Amspec Chemical Corp.	5,338,700	1.47%
John Jeffrey Corporation	2,056,200	0.58%	John-Jeffrey Corp.	2,625,000	0.72%
Individual Taxpayer #1	1,942,400	0.54%	Gloucester Titanium	2,371,200	0.65%
PSE&G	1,824,800	0.51%	Sunny Hotel Ent. Ltd.	1,750,000	0.48%
DNE Imports, Inc	1,598,100	0.45%	GAF Building Materials Corp.	1,650,100	0.45%
Gloucester Holdings, LLC	1,543,000	0.43%	Courtalds Aerospace	1,629,100	0.45%
Individual Taxpayer #2	1,343,800	0.38%	Steven Bloom	1,598,100	0.44%
GAF Building Materials Corp	1,325,100	0.37%	Corson and Dugan	1,250,000	0.34%
Total	\$ 44,586,517	12.47%		\$ 48,393,600	13.33%

Source: Municipal Tax Assessor

**Gloucester City School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

J-9

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Calendar Year</u>	<u>Collected within the Fiscal Year of the Levy^a</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2001	\$ 3,476,148	\$ 3,476,148	100.00%	-
2002	3,439,632	3,439,632	100.00%	-
2003	3,396,072	3,396,072	100.00%	-
2004	3,423,283	3,423,283	100.00%	-
2005	3,432,978	3,432,978	100.00%	-
2006	3,419,497	3,419,497	100.00%	-
2007	3,467,876	3,467,876	100.00%	-
2008	3,257,333	3,257,333	100.00%	-
2009	3,499,320	3,499,320	100.00%	-
2010	3,582,478	3,582,478	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

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

Gloucester City School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

J-10

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Percentage of Personal Income ^b	Per Capita ^c
	General Obligation Bonda ^a	Capital Leases	Capital Leases	Total District		
2001	\$ 17,125,000	\$ 79,676	\$ -	\$ 17,204,676	5.06%	\$ 1,500
2002	17,290,000	123,270	-	17,413,270	4.82%	1,524
2003	16,700,000	-	-	16,700,000	4.50%	1,461
2004	16,085,000	-	-	16,085,000	4.20%	1,413
2005	15,625,000	-	-	15,625,000	3.88%	1,350
2006	14,960,000	-	-	14,960,000	3.58%	1,294
2007	14,280,000	-	-	14,280,000	3.22%	1,241
2008	13,575,000	-	-	13,575,000	2.95%	1,181
2009	12,870,000	-	-	12,870,000	2.70%	1,114
2010	12,220,000	-	-	12,220,000	Unavailable	1,059

Sources:

- a District Records
- b Personal Income has been estimated based upon the municipal population and per capita personal income.
- c Per Capita Personal Inome Data provided by the NJ Dept. of Labor and Workforce.

Gloucester City School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands, except per capita)

J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable ^b	Per Capita ^c
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding ^a		
2001	\$ 17,290,000	\$ -	\$ 17,290,000	4.76%	\$ 1,508
2002	17,290,000	-	17,290,000	4.78%	1,513
2003	16,700,000	-	16,700,000	4.61%	1,461
2004	16,085,000	-	16,085,000	4.46%	1,413
2005	15,625,000	-	15,625,000	4.35%	1,350
2006	14,960,000	-	14,960,000	4.26%	1,294
2007	14,280,000	-	14,280,000	4.05%	1,241
2008	13,575,000	-	13,575,000	3.79%	1,181
2009	12,870,000	-	12,870,000	3.59%	1,114
2010	12,220,000	-	12,220,000	3.42%	1,059

Sources:

- a District Records
- b Net Assessed Valuation provided by Anstract of Ratables, County Board of Taxation
- c Per Capita Personal Inome Data provided by the NJ Dept. of Labor and Workforce.

Gloucester City School District
 Ratios of Overlapping Governmental Activities Debt
 As of December 31, 2009

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
City of Gloucester	\$ 9,330,160 (1)	100.000%	\$ 9,330,160
Camden County General Obligation Debt	87,511,781 (1)	1.350% (2)	1,181,409
Subtotal, overlapping debt			<u>10,511,569</u>
City of Gloucester School District Direct Debt			<u>12,220,000</u>
Total direct and overlapping debt			<u><u>\$ 22,731,569</u></u>

Sources:

- (1) Entity's Audit Report
- (2) The County percentage is based upon a calculation reflecting the Borough's share of the 2009 Equalized Valuation. The source for this computation was the 2009 County Abstract of Ratables, provided by the County Board of Taxation.

**Gloucester City School District
Legal Debt Margin Information,
Last Ten Fiscal Years
(dollars in thousands)**

Legal Debt Margin Calculation for Fiscal Year 2010

	Equalized valuation basis (1)
2009	\$ 668,756,808
2008	650,136,946
2007	606,870,592
	<u>\$ 1,925,764,346</u>
Average equalized valuation of taxable property	<u>\$ 641,921,449</u>
Debt limit (4% of average equalized valuation) (2)	25,676,858
Net bonded school debt (3)	12,220,000
Legal debt margin	<u>\$ 13,456,858</u>

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	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 13,708,646	\$ 13,973,610	\$ 14,123,754	\$ 14,654,926	\$ 15,246,741	\$ 16,523,973	\$ 18,326,411	\$ 21,138,115	\$ 23,782,730	\$ 25,676,858
Total net debt applicable to limit (3)	<u>17,125,000</u>	<u>17,290,000</u>	<u>16,700,000</u>	<u>16,085,000</u>	<u>15,625,000</u>	<u>14,960,000</u>	<u>14,280,000</u>	<u>13,575,000</u>	<u>12,870,000</u>	<u>12,220,000</u>
Legal debt margin	<u>\$ (3,416,354)</u>	<u>\$ (3,316,390)</u>	<u>\$ (2,576,246)</u>	<u>\$ (1,430,074)</u>	<u>\$ (378,259)</u>	<u>\$ 1,563,973</u>	<u>\$ 4,046,411</u>	<u>\$ 7,563,115</u>	<u>\$ 10,912,730</u>	<u>\$ 13,456,858</u>
Total net debt applicable to the limit as a percentage of debt limit	124.92%	123.73%	118.24%	109.76%	102.48%	90.54%	77.92%	64.22%	54.11%	47.59%

Sources:

- (1) Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 8 district.
- (3) District Records

**Gloucester City School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2000	11,466	\$ 340,207,686	\$ 29,671	4.0%
2001	11,424	361,124,064	31,611	4.2%
2002	11,430	371,234,970	32,479	5.9%
2003	11,382	383,311,614	33,677	6.1%
2004	11,572	403,006,472	34,826	5.5%
2005	11,558	417,567,424	36,128	8.1%
2006	11,506	442,796,904	38,484	8.6%
2007	11,492	460,277,584	40,052	7.9%
2008	11,553	476,376,402	41,234	10.3%
2009	11,534	e	e	15.8%

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development
- ^b Personal income has been established based upon the municipal population and per capita personal income presented.
- ^c Per Capita personal income provided by the NJ Dept. of Labor and Workforce Development.
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development
- ^e Information not available

**Gloucester City School District
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years**

J-16

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>Function/Program</u>										
Instruction										
Regular	167	176	170	183	178	168	178	177	176	176
Special education	58	68	73	74	78	81	81	83	84	83
Other special education	4	6	6	7	7	7	7	7	7	7
Other instruction	29	38	42	41	40	42	42	42	42	42
Nonpublic school programs	3	7	8	8	7	4	5	5	5	5
Adult/continuing education programs	17	18	20	17	17	17	17	17	17	17
Support Services:										
Student & instruction related services	26	25	30	32	33	34	34	34	34	33
General administration	3	3	3	3	3	3	3	3	3	3
School administrative services	8	8	8	9	8	8	8	8	8	8
Other administrative services	10	12	12	15	15	13	14	14	14	14
Central services	6	6	6	6	6	6	6	6	6	6
Plant operations and maintenance	40	44	44	44	44	44	44	44	44	44
Pupil transportation	4	5	3	2	5	2	2	2	2	2
Other support services	16	19	21	23	24	22	23	23	23	23
Total	<u>391</u>	<u>435</u>	<u>446</u>	<u>464</u>	<u>465</u>	<u>451</u>	<u>464</u>	<u>465</u>	<u>465</u>	<u>463</u>

Source:

District Personnel Records

Gloucester City School District
 Operating Statistics,
 Last Ten Fiscal Years

Fiscal Year	Resident Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Junior/Senior High School				
2001	2,135	\$ 26,158,109	\$ 12,252.04	7.89%	220	1:20	1:20	2,103.3	1,958.3	0.20%	93.11%
2002	2,158	29,475,662	13,658.79	11.48%	239	1:11	1:11	2,087.6	1,966.5	-0.75%	94.20%
2003	2,137	31,680,208	14,824.62	8.54%	266	1:10	1:10	2,169.0	2,027.4	3.80%	93.47%
2004	1,918	34,601,703	18,040.51	21.69%	268	1:10	1:10	2,099.2	1,983.8	-3.20%	94.50%
2005	1,928	37,508,859	19,454.80	7.84%	282	1:09	1:10	2,087.5	1,971.0	-0.55%	94.42%
2006	1,934	39,124,883	20,230.03	3.98%	261	1:12	1:17	2,127.8	2,006.6	1.93%	94.30%
2007	1,863	41,489,237	22,270.12	10.08%	257	1:11	1:09	2,096.5	1,986.6	-1.47%	94.76%
2008	1,884	40,423,688	21,456.31	-3.65%	249	1:10	1:09	2,115.1	2,005.4	0.89%	94.81%
2009	1,836	38,719,959	21,089.30	-1.71%	249	1:11	1:10	2,080.4	1,961.5	-1.64%	94.28%
2010	1,825	40,804,285	22,358.51	6.02%	246	1:11	1:10	2,137.3	1,992.1	2.74%	93.21%

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Sources: District records

Note: Enrollment based on annual October district count.

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

**Gloucester City School District
School Building Information
Last Ten Fiscal Years**

J-18

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>District Building</u>										
<u>Cold Springs School (1995)</u>										
Square Feet	117,000	117,000	117,000	117,000	117,000	117,000	117,000	117,000	117,000	117,000
Functional Capacity (students)	635	635	635	635	635	635	635	635	635	635
Enrollment	681	657	624	597	633	636	567	618	569	560
<u>Cold Springs School Early Childhood Center(2005)</u>										
Square Feet	-	-	-	-	44,294	44,294	44,294	44,294	44,294	44,294
Functional Capacity (students)	-	-	-	-	242	242	242	242	242	242
Enrollment ^a	-	-	-	-	227	237	253	238	261	246
<u>Mary Ethel Costello School (1921)</u>										
Square Feet	74,336	74,336	74,336	74,336	74,336	74,336	74,336	74,336	77,336	77,336
Functional Capacity (students)	354	354	354	354	354	354	354	354	354	354
Enrollment	442	454	454	449	420	409	329	359	398	381
<u>Jr./Sr. High School (orig building - 1960; additions - 2006)</u>										
Square Feet	147,868	147,868	147,868	147,868	147,868	172,243	172,243	172,243	172,243	172,243
Functional Capacity (students)	726	726	726	726	726	726	726	726	826	826
Enrollment	880	883	872	875	880	897	874	863	891	811
<u>Highland Park Adult/Alternative School (approx 1940)</u>										
Square Feet	13,367	13,367	13,367	13,367	13,367	13,367	13,367	13,367	13,367	13,367
Functional Capacity (students)	112	112	112	112	112	112	112	112	112	112
Enrollment	73	100	119	111	112	104	125	125	124	149

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Number of Schools at June 30, 2010

- Elementary = 3
- Senior High School = 1
- Adult/Alternative School=1
- Other = 1

Source: District Facilities Office

Gloucester City School District
 Schedule of Required Maintenance
 Last Nine Fiscal Years

J-19

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
* School Facilities										
Mary Ethello Costello School	\$ 17,569	\$ 25,081	\$ 6,294	\$ 41,790	\$ 64,285	\$ 76,536	\$ 126,465	\$ 143,921	\$ 88,521	\$ 590,462
Cold Springs School	6,682	30,094	21,135	44,384	97,584	40,652	216,916	220,285	185,058	862,790
High/Junior School	48,375	47,634	18,436	34,971	25,846	95,203	381,815	382,502	247,538	1,282,320
Highland Park	4,668	4,668	5,794	3,098	3,081	5,464	24,089	20,709	6,265	77,836
Total School Facilities	\$ 72,626	\$ 107,477	\$ 51,659	\$ 124,243	\$ 190,796	\$ 217,855	\$ 749,285	\$ 767,417	\$ 527,382	\$ 2,813,408

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

Source: District records

**Gloucester City School District
Insurance Schedule
June 30, 2010**

J-20

	<u>Coverage</u>	<u>Self-insured Retention</u>	<u>Deductible</u>
School Package Policy (1)			
Building and Contents (All Locations)			
Limits of liability per occurrence	\$ 300,000,000		\$ 5,000
School Leaders Error and Omissions	6,000,000		10,000
Electronic Data Processing	250,000		1,000
General liability	6,000,000		
Automobile liability	6,000,000		1,000
Workers' compensation	Statutory		
Boiler and machinery	100,000,000		50,000
Faithful performance	25,000		500
Educators legal liability	2,000,000		2,500
Surety Bonds (1)			
Treasurer	325,000		
Board Secretary	300,000		

(1) New Jersey School Boards Association Insurance Group

Source: District records

Single Audit Section

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

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Marlton, New Jersey 08053
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-Member of-
American Institute of CPAs
New Jersey Society of CPAs

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

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

Compliance

We have audited the compliance of the Board of Education of the Gloucester City School District (School District), in the County of Camden, State of New Jersey, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement*, and the *New Jersey State Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2010. The School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of State, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School District's compliance with those requirements.

In our opinion, the Board of Education of the Gloucester City School District, in the County of Camden, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2010.

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Internal Control Over Compliance

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

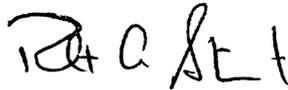
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Education of the Gloucester City School District, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert A. Stewart
Public School Accountant

Marlton, New Jersey
September 24, 2010

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GLOUCESTER CITY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year ended June 30, 2010

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2009			Carryover (Walkover) Amount	Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2010		
					(Accounts Receivable)	Deferred Revenue	Due to Grantor						(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education															
Passed-through State Department of Education:															
General Fund:															
ARRA - SFSF - ESF (Educ. State Grants)	84.394	N/A	\$ 3,378,830	7/1/09-6/30/10						\$ 3,378,830	\$ (3,378,830)				
ARRA - SFSF - GSF (Government services)	84.397	N/A	130,800	7/1/09-6/30/10						130,800	(130,800)				
Special Revenue Fund:															
Title I:															
Fiscal Year 2008 - Carryover	84.010	NCLB177008	\$ 692,928	9/1/09 - 8/31/10			\$ 3,440	\$ 210			(3,650)				
Fiscal Year 2008	84.010	NCLB177008	692,928	9/1/08 - 8/31/09		\$ 3,440	(3,440)								
Fiscal Year 2009	84.010	NCLB177009	906,723	9/1/09 - 8/31/10				1,966	191,861	(192,611)		\$ 1,216			
Fiscal Year 2010	84.010	NCLB177010	919,683	9/1/09 - 8/31/10					288,687	(811,721)		\$ (523,034)			
ARRA	84.389	N/A	397,254	9/1/09 - 8/31/10					174,413	(246,540)		(72,127)			
Title I - SIA:															
Fiscal Year 2010	84.010	NCLB177010	32,024	9/1/09 - 8/31/10							(1,835)	(1,835)			
Fiscal Year 2009	84.010	NCLB177009	26,679	9/1/09 - 8/31/10				78		(26,757)		(26,679)			
ARRA	84.388	ARRA177010	6,941	9/1/09 - 8/31/10					6,941	(6,941)					
Title II A:															
Fiscal Year 2009	84.367	NCLB177009	114,016	9/1/09 - 8/31/10	\$ (36,751)				42,362	(11,779)		(6,168)			
Fiscal Year 2010	84.367	NCLB177010	116,246	9/1/09 - 8/31/10					48,213	(114,226)		(66,013)			
Title II D:															
Fiscal Year 2009	84.318	NCLB177009	7,455	9/1/09 - 8/31/10	(481)				2,588	(4,108)		(2,001)			
Fiscal Year 2010	84.318	NCLB177010	9,118	9/1/09 - 8/31/10					1,755	(6,184)		(4,429)			
Title IV:															
Fiscal Year 2010	84.186A	NCLB177010	13,619	9/1/09 - 8/31/10						(13,619)		(13,619)			
Fiscal Year 2009	84.186A	NCLB177009	15,181	9/1/09 - 8/31/10	(1,035)				2,429	(2,448)		(1,055)			
I.D.E.A. Part B - Basic:															
Fiscal Year 2009	84.027	FT177009	702,690	9/1/09 - 8/31/10	(12,189)				69,353	(85,978)		(28,814)			
Fiscal Year 2010	84.027	FT177010	672,231	9/1/09 - 8/31/10					314,698	(822,276)		(307,578)			
ARRA	84.391	ARRA177010	684,055	9/1/09 - 8/31/10					418,634	(435,756)		(16,922)			
I.D.E.A. Part B - Preschool															
Fiscal Year 2010	84.173	PSH177010	23,658	9/1/09 - 8/31/10					16,993	(23,658)		(6,665)			
Fiscal Year 2009	84.173	PSH177009	24,032	9/1/09 - 8/31/10	(7,750)				10,020	(310)		(509)	2,469		
ARRA	84.392	ARRA177010	24,851	9/1/09 - 8/31/10					10,080	(24,398)		(14,318)			
ARRA -National School Lunch Program Equipment:															
Fiscal Year 2009	10.579	n/a	20,947	9/1/08 - 8/31/09	(20,947)				20,947						
Carl Perkins															
Fiscal Year 2010	84.048A	PERK-1770-10	29,549	9/1/09 - 8/31/10					2,230	(29,549)		(27,319)			
Fiscal Year 2009	84.048A	PERK-1770-09	17,004	9/1/09 - 8/31/10	(10,570)			69	10,570				\$ 69		
Providing Quality Intensive Early Lit.															
Fiscal Year 2010	84.027A	7000061	60,000	9/1/09 - 8/31/10					52,250	(60,000)		(7,750)			
Fiscal Year 2009	84.027A	7000061	60,921	9/1/08 - 8/31/09	(7,869)				7,869						
Total U.S. Department of Education															
					(97,592)	3,440			2,323	5,202,723	(6,233,975)		(1,126,835)	3,685	69

(Continued)

GLOUCESTER CITY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year ended June 30, 2010

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2009			Carryover (Walkover) Amount	Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2010		
					(Accounts Receivable)	Deferred Revenue	Due to Grantor						(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Food Distribution Program:															
Fiscal Year 2010	10.550	N/A	\$ 44,212	7/1/09 - 6/30/10					\$ 44,212	\$ (44,212)					
National School Lunch Program															
Fiscal Year 2010	10.555	N/A	488,883	7/1/09 - 6/30/10					452,376	(488,883)		\$ (36,507)			
Fiscal Year 2009	10.555	N/A	443,171	7/1/08 - 6/30/09	\$ (47,653)				47,653						
After School Snack Program															
Fiscal Year 2010	10.554	N/A	24,535	7/1/09 - 6/30/10					24,209	(24,535)		(325)			
School Breakfast Program:															
Fiscal Year 2010	10.553	N/A	145,761	7/1/09 - 6/30/10					133,614	(145,761)		(11,947)			
Fresh Fruit and Vegetables Program															
Fiscal Year 2010	10.582	N/A	49,363	7/1/09 - 6/30/10					49,363	(49,363)					
Total U.S. Department of Agriculture					(47,653)				751,627	(752,754)		(48,779)			
U.S. Department of Health and Human Services															
Passed-through State Department of Human Services:															
Medicaid Assistance Program	93.778	N/A	124,631	7/1/09 - 6/30/10	(43,714)				138,442	(124,631)		(29,903)			
Total Federal Awards					\$ (188,959)	\$ 3,440	\$ -	\$ -	\$ 2,323	\$ 6,092,792	\$ (7,111,360)	\$ -	\$ (1,205,517)	\$ 3,685	\$ 69

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

GLOUCESTER CITY SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year ended June 30, 2010

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2009			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2010		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
State Department of Education													
General Fund:													
Transportation Aid	10-495-034-5120-014	\$ 154,548	7/1/09- 6/30/10				\$ 154,548	\$ (154,548)					
Categorical Special Aid	10-495-034-5120-089	948,494	7/1/09- 6/30/10				948,494	(948,494)					
Equalization Aid	10-495-034-5120-078	19,342,551	7/1/09- 6/30/10				12,838,040	(15,832,921)			\$ (2,994,881)		
Equalization Aid	09-495-034-5120-078	19,425,801	7/1/08- 6/30/09	\$ (2,945,544)			2,945,544						
Adult Education Aid	10-495-034-5120-077	155,955	7/1/09- 6/30/10				88,368	(88,368)					
Categorical Special Aid	10-495-034-5120-084	544,898	7/1/09- 6/30/10				544,898	(544,898)					
Adjustment Aid	10-495-034-5120-085	9,427,770	7/1/09- 6/30/10				8,740,965	(8,740,965)					
Extraordinary Special Education Costs Aid	10-495-034-5120-044	250,445	7/1/09- 6/30/10					(250,445)			(250,445)		
Extraordinary Special Education Costs Aid	09-495-034-5120-044	289,796	7/1/08- 6/30/09	(43,885)			43,885						
On-behalf TPAF Pension Contribution	10-495-034-5095-001	1,084,462	7/1/09- 6/30/10				1,084,462	(1,084,462)					
Reimbursed TPAF Social Security Contr.	09-495-034-5095-002	1,201,611	7/1/08- 6/30/09	(37)			37						
Reimbursed TPAF Social Security Contr.	10-495-034-5095-002	1,250,696	7/1/09- 6/30/10				1,190,206	(1,250,696)			(60,490)		
Total General Fund				(2,989,466)			28,579,447	(28,895,797)			(3,305,816)		
Special Revenue Fund:													
NJ Nonpublic Aid:													
Textbook Aid	09-100-034-5120-064	57,933	7/1/08- 6/30/09							\$ (577)			
Textbook Aid	10-100-034-5120-064	61,650	7/1/09- 6/30/10			\$ 577	61,650	(59,884)				\$ 1,766	
Nursing Aid	10-100-034-5120-070	73,108	7/1/09- 6/30/10				73,108	(73,108)					
Auxiliary Services:													
Compensatory Education	10-100-034-5120-067	255,088	7/1/09- 6/30/10				255,088	(225,846)				29,242	
Compensatory Education	09-100-034-5120-067	317,809	7/1/08- 6/30/09			106,065			(106,065)				
Transportation	09-100-034-5120-067	42,812	7/1/08- 6/30/09			23,434			(23,434)				
Transportation	10-100-034-5120-067	17,502	7/1/09- 6/30/10				17,502	(5,052)				12,450	
English as a Second Language	09-100-034-5120-067	1,015	7/1/08- 6/30/09						(1,015)				
English as a Second Language	10-100-034-5120-067	979	7/1/09- 6/30/10				979					979	
Home Instruction	09-100-034-5120-067	11,585	7/1/08- 6/30/09	(11,585)			11,585						
Home Instruction	10-100-034-5120-067	10,071	7/1/09- 6/30/10					(10,071)			(10,071)		
Handicapped Services:													
Supplemental Instruction	10-100-034-5120-066	43,804	7/1/09- 6/30/10				43,804	(31,633)				12,171	
Supplemental Instruction	09-100-034-5120-066	54,516	7/1/08- 6/30/09			22,901			(22,901)				
Examination & Classification	10-100-034-5120-066	59,768	7/1/09- 6/30/10				59,768	(57,715)				2,053	
Examination & Classification	09-100-034-5120-066	54,597	7/1/08- 6/30/09			7,180			(7,180)				
Corrective Speech	09-100-034-5120-066	46,500	7/1/08- 6/30/09			15,871			(15,871)				
Corrective Speech	10-100-034-5120-066	44,836	7/1/09- 6/30/10				44,836	(32,944)				11,892	
Preschool Education Aid	10-495-034-5120-086	2,896,218	7/1/07- 6/30/08				2,606,596	(2,896,218)			(289,622)		
Preschool Education Aid	09-495-034-5120-086	2,981,454	7/1/08- 6/30/09	(271,056)			271,056						
Total Special Revenue Fund				(282,641)		177,043	3,445,972	(3,392,471)		(177,043)	(299,693)	70,553	
Debt Service Fund:													
Debt Service Aid Type II	10-495-034-5120-017	\$ 730,942	7/1/09- 6/30/10				730,942	(730,942)					
Total Department of Education				(3,272,107)		177,043	32,756,361	(33,019,210)		(177,043)	(3,605,509)	70,553	
State Department of Agriculture													
National School Lunch Program (State Share):													
Fiscal Year 2010	10-100-010-3350-023	20,575	7/1/09- 6/30/10				19,019	(20,575)			(1,556)		
Fiscal Year 2009	09-100-010-3350-023	19,816	7/1/08- 6/30/09	(1,556)			1,556						
School Breakfast Program (State Share):													
Fiscal Year 2009	09-100-010-3350-021	9,784	7/1/07- 6/30/08	(859)			859						
Fiscal Year 2010	10-100-010-3350-021	10,437	7/1/09- 6/30/10				9,602	(10,437)			(835)		
Total Department of Agriculture				(2,415)			31,036	(31,012)			(2,391)		
Total State Financial Assistance				\$ (3,274,522)	\$ -	\$ 177,043	\$ -	\$ 32,787,397	\$ (33,050,222)	\$ (177,043)	\$ (3,607,900)	\$ -	\$ 70,553

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

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**Gloucester City School District
Notes to Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2010**

I. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Gloucester City School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

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

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 the expenditures have been made.

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$49,337) for the general fund and (\$18,566) for the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 3,634,261	\$ 28,846,460	\$ 32,480,721
Special Revenue Fund	2,724,345	3,373,905	6,098,250
Capital Projects Fund			0
Debt Service Fund		730,942	730,942
Food Service Fund	<u>752,754</u>	<u>31,012</u>	<u>783,766</u>
Total Awards & Financial Assistance	<u>\$ 7,111,360</u>	<u>\$ 32,982,319</u>	<u>\$ 40,093,679</u>

**Gloucester City School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2010
(Continued)**

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2010. 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, 2010.

6. MAJOR PROGRAMS

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

7. ADJUSTMENTS

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

	<u>Federal</u>
Prior Year Encumbrances Canceled	\$ <u>2,323</u>

**GLOUCESTER CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Section 1 – Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: UNQUALIFIED

Internal control over financial reporting:

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

2) Significant deficiencies identified that are not considered to be a material weakness? yes X none reported

Noncompliance material to general purpose financial statements noted? yes X no

Federal Awards

Internal Control over major programs:

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

2) Significant deficiencies identified that are not considered to be a material weakness? yes X none reported

Type of auditor's report on compliance for major programs: UNQUALIFIED

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.394</u>	<u>ARRA - Education Stabilization Funds</u>
<u>84.397</u>	<u>ARRA - Government Services Funds</u>
<u>84.389</u>	<u>ARRA - Title I</u>
<u>84.391</u>	<u>ARRA - IDEA - Basic</u>
<u>84.027</u>	<u>I.D.E.A. - Basic</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>84.010A</u>	<u>N.C.L.B. - Title I</u>
<u> </u>	<u> </u>

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? yes X no

**GLOUCESTER CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Section 1 -- Summary of Auditor's Results (Continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$991,507

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

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

2) Significant deficiencies identified that are
not considered to be a material weakness? yes X none reported

Type of auditor's report on compliance for major programs: UNQUALIFIED

Any audit findings disclosed that are required to be reported
in accordance with N.J. OMB Circular 04-04? yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>10-495-034-5120-089</u>	<u>Categorical Special Education Aid</u>
<u>10-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>10-495-034-5120-084</u>	<u>Categorical Security Aid</u>
<u>10-495-034-5095-002</u>	<u>TPAF Rimbursed Social Security</u>
<u>10-495-034-5120-085</u>	<u>Adjustment Aid</u>
<u>10-100-010-3350-023</u>	<u>National School Lunch Program (State Share)</u>
<u>10-495-034-5120-086</u>	<u>Preschool Education Aid</u>
<u>10-100-034-5120-067</u>	<u>Nonpublic Auxiliary Services</u>
<u>10-495-034-5120-017</u>	<u>Debt Service Type II</u>

**GLOUCESTER SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Section 2 -- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraph 5.18 through 5.20 of *Government Auditing Standards* and with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

No findings identified.

**GLOUCESTER CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

***Section 3 -- Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs***

This section identifies the audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular 04-04.

FEDERAL AWARDS

No findings and/or questioned costs identified.

STATE AWARDS

No findings and/or questioned costs identified.

**GLOUCESTER CITY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENED JUNE 30, 2010**

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB Circular A-133 and State of NJOMB Circular 04-04.

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings.

FEDERAL AWARDS

There were no prior year audit findings.

STATE AWARDS

There were no prior year audit findings.

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