

**GIBBSBORO SCHOOL DISTRICT**

Gibbsboro, New Jersey  
County of Camden

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**



**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**OF THE**

**GIBBSBORO SCHOOL DISTRICT**

**GIBBSBORO, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Prepared by**

**Gibbsboro School District  
Finance Department**

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## INTRODUCTORY SECTION

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## GIBBSBORO ELEMENTARY SCHOOL DISTRICT

Grades PS through 8

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

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

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

October 4, 2024

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

Dear Board Members/Citizens:

The Annual Comprehensive Financial Report (ACFR) of the Gibbsboro School District for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Gibbsboro School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2024, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

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

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

Introductory Section:

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

Financial Section:

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

Statistical Section:

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

*Together Everyone Achieves More*

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GIBBSBORO ELEMENTARY SCHOOL DISTRICT

### Single Audit Section:

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

### REPORTING ENTITY AND ITS SERVICES

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

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

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2023-2024	280	-6.04%
2022-2023	298	3.83%
2021-2022	287	4.36%
2020-2021	275	2.61%
2019-2020	268	-2.55%
2018-2019	275	4.56%
2017-2018	263	2.73%
2016-2017	256	0.39%
2015-2016	255	-6.59%
2014-2015	273	-1.80%

### MAJOR INITIATIVES

#### CURRICULUM

- Curriculum
  - Use of iReady diagnostic testing for students for additional data.
  - Ongoing use of IXL software for remediation and enrichment opportunities
  - Team approach at every level to map the curriculum and coordinate instruction
  - Continued implementation and development of Standards Based Grading
  - Update Math and ELA curriculums to meet the newly approved standards.
  - Implementation of new Science of Reading curriculum
- Moving forward into eighth year of Professional Learning Communities



GIBBSBORO ELEMENTARY SCHOOL DISTRICT

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- Conversations will be centered around student learning plans while planning for improvement and tracking it.
  - Meetings will be content based with teach leader facilitating the meetings
- Embedding technology in the classroom – everyday
  - Grades K-8 with 1 to 1 use of Chromebooks
  - IXL software for all students in all content areas
  - Provide students with digital resources for reading and core math skills
  - Wireless educational environment with expended bandwidth and access points
- Safety
  - Upgraded security system with additional security cameras and speaker systems
  - New silent alarm/active shooter notification system
- State Testing
  - Standards Based Grading to make sure instruction is on target
  - Continue to improve on participation rates and increase the percentage of students proficient in Algebra I in 8<sup>th</sup> Grade
- Expansion of communication to all stakeholders via e-mail and text alerts with a new alert system and an app for the school district
- Prepare for increased student enrollment due to additional housing neighborhoods
- Improve on ACHIEVENJ, teacher evaluation mandate
  - Provide teachers with annual professional development in teacher practice rubrics

## TECHNOLOGY

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

## INTERNAL ACCOUNTING CONTROLS

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

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

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

## BUDGETARY CONTROLS





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

### **ACCOUNTING SYSTEM AND REPORTS**

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

### **OTHER INFORMATION**

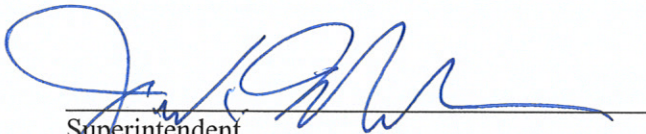
#### *INDEPENDENT AUDIT*

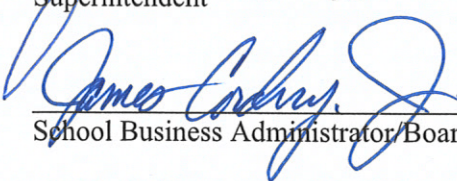
State statutes require an annual audit by independent certified public accountants. The accounting firm of Holt McNally & Associates, Inc., was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements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

### **ACKNOWLEDGEMENTS**

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

Respectfully submitted,

  
\_\_\_\_\_  
Superintendent

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





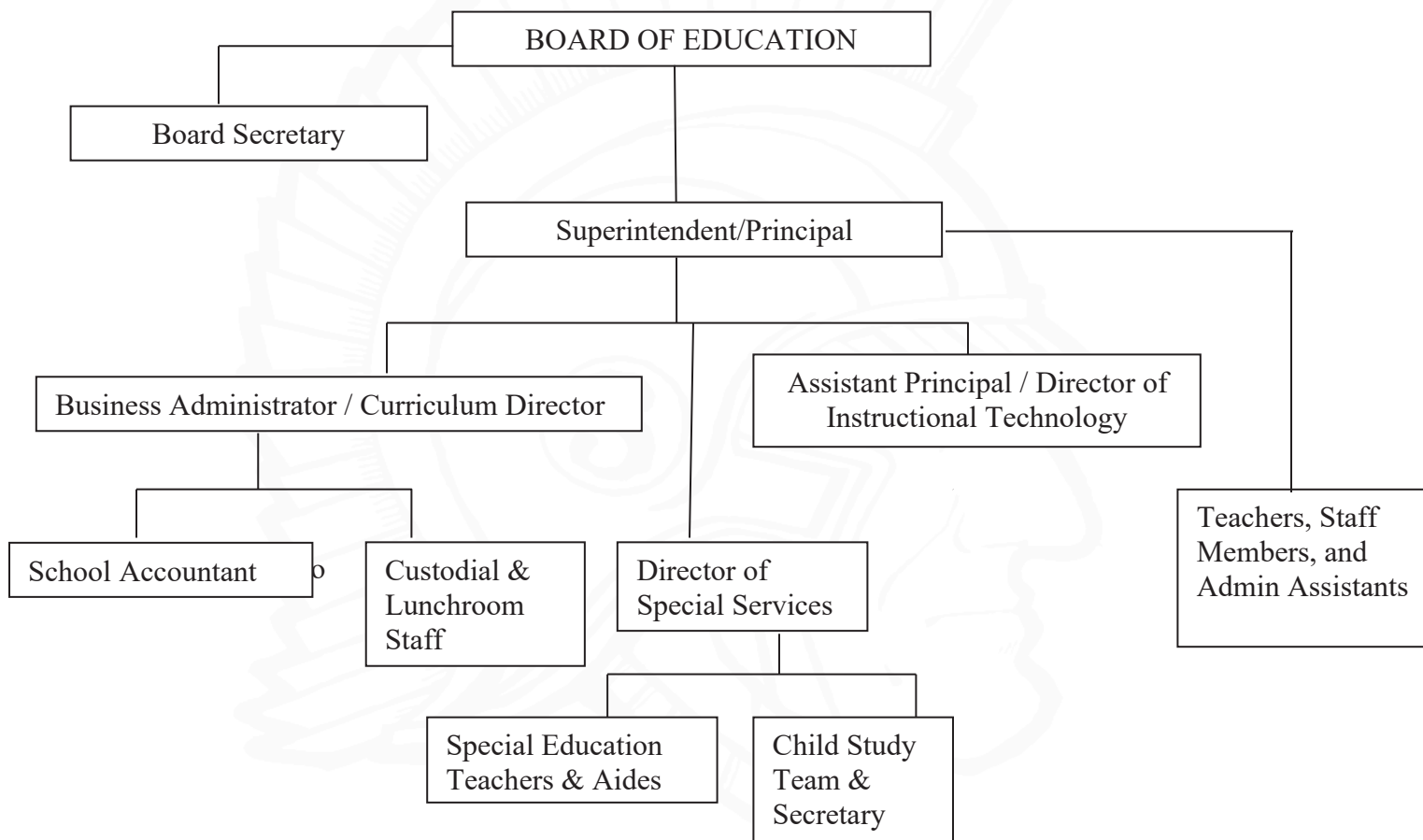
## GIBBSBORO ELEMENTARY SCHOOL DISTRICT

Grades PS through 8

*Mr. Jack Marcellus*  
Superintendent/Principal  
[jmarcellus@gibbsboroschool.org](mailto:jmarcellus@gibbsboroschool.org)

*Mrs. Barri E. Veytsman*  
Supervisor of Special Services/School Psychologist  
[bveytsman@gibbsboroschool.org](mailto:bveytsman@gibbsboroschool.org)

### ORGANIZATIONAL CHART



*Together Everyone Achieves More*

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

**ROSTER OF OFFICIALS**

**JUNE 30, 2024**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Joyce A. Miller, President	2025
Lorraine Balut, Vice President	2026
Geoff Alexander	2026
Maria Carrington	2024
Jennifer Stilwell	2024
James Coulter	2026
Michael MacFerren	2025
Cass McKee	2024
Kristi Whyte	2025

**OTHER OFFICIALS**

Jack Marcellus, Superintendent/Principal

Jim Cordery, Business Administrator

Ronald W. Sahli, Esq., Board Attorney

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**GIBBSBORO SCHOOL DISTRICT**

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

**CONSULTANTS AND ADVISORS**

**INSURANCE BROKER**

Leonard O'Neill Insurance Group  
Gibbsboro, New Jersey

**AUDIT FIRM**

Michael Holt, CPA, PSA  
Holt McNally & Associates, Inc.  
105 Atsion Road  
Medford, New Jersey 08055

**SOLICITOR**

Ronald W. Sahli, Esq.  
Hammonton, New Jersey

**OFFICIAL DEPOSITORY**

Columbia Bank  
Voorhees, NJ

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**FINANCIAL SECTION**

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**HOLT MCNALLY & ASSOCIATES**

Certified Public Accountants & Advisors

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Gibbsboro School District, County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Gibbsboro School District, County of Camden, State of New Jersey, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any current known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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



## **Required Supplementary Information**

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

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund statements and long-term debt schedules are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules and accompanying schedules of expenditures or federal award and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2024 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully submitted,

**HOLT MCNALLY & ASSOCIATES, INC.**

*Certified Public Accountants & Advisors*

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

Medford, New Jersey  
October 4, 2024

**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

Management's Discussion and Analysis

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# **Gibbsboro School District**

## **Management Discussion and Analysis**

### **For the Fiscal Year Ended June 30, 2024**

#### **(Unaudited)**

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This section of the Gibbsboro School District's Annual Comprehensive Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's discussion and Analysis – for State and Local Governments issued in June 1999 that is also required by the New Jersey State Department of Education. Certain comparative information between the current year (2023-24) and the prior year (2022-23) is required to be presented in the MD&A.

#### **FINANCIAL HIGHLIGHTS**

Key financial highlights for 2023-2024 are as follows:

- The assets of the Gibbsboro School District exceeded its liabilities at the close of the most recent fiscal year by \$2,552,210 (net position).
- Net Position for Governmental Activities and for Business-Type Activities were \$2,429,880 and \$122,330, respectively.
- The General Fund, fund balance as of June 30, 2024 was \$766,511, a decrease of \$39,587 when compared with the beginning balance as of July 1, 2023 of \$806,098.

#### **USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)**

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

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

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

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

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

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

### ***Governmental Funds***

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

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

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

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

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

### ***Proprietary Funds***

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

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

### ***Fiduciary Funds***

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

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

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

## Government-Wide Financial Analysis

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

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The following table provides a summary of net position for June 30, 2024 and 2023, respectively:

TABLE I - NET POSITION

	Governmental Activities		Business-Type Activities	
	2024	2023	2024	2023
<b>ASSETS</b>				
Current Assets	\$ 994,788	\$ 909,787	\$ 62,693	\$ 65,750
Capital Assets, Net	3,407,302	3,540,786	-	-
Total Assets	4,402,090	4,450,573	62,693	65,750
Deferred Outflows of Resources	281,311	224,450	-	-
Total Assets and Deferred Outflows of Resources	\$ 4,683,401	\$ 4,675,023	\$ 62,693	\$ 65,750
<b>LIABILITIES</b>				
Current Liabilities	\$ 302,269	\$ 327,342	\$ (59,637)	\$ (11,055)
Noncurrent Liabilities	1,840,233	1,881,506	-	-
Total Liabilities	2,142,502	2,208,848	(59,637)	(11,055)
Deferred Inflows of Resources	111,019	180,747	-	-
Total Liabilities and Deferred Inflows of Resources	2,253,521	2,389,595	(59,637)	(11,055)
<b>NET POSITION</b>				
Net Investment in Capital Assets	2,404,513	2,360,870	-	-
Restricted	649,040	688,668	-	-
Unrestricted (Deficit)	(623,673)	(764,110)	122,330	76,805
Total Net Position	\$ 2,429,880	\$ 2,285,428	\$ 122,330	\$ 76,805

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

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

Restricted net position decreased \$39,629 from the prior year to a total balance of \$649,040 as of June 30, 2024.

Unrestricted net position may be used to meet the District's ongoing operating obligations to vendors, debtors and employees. The unrestricted net position includes the unassigned General Fund balance netted with the amount of long-term obligations that are not invested in capital assets. The (\$623,673) is shown as unrestricted net position for governmental activities.

The following table provides a summary of revenues and expenses for the District's governmental and business-type activities and the change in net position for June 30, 2024 and 2023. Significant variances in revenues and expenditures from year to year, and explanations thereof, are detailed in the 'Financial Analysis of the District's Funds' section later in this report.

CHANGES IN NET POSITION				
	Governmental Activities		Business-Type Activities	
	2024	2023	2023	2023
REVENUES				
Program Revenues:				
Charges for Services	\$ -	\$ -	\$ 98,606	\$ 65,166
Operating Grants & Contributions	2,336,333	1,621,912	48,570	61,388
General Revenues				
Property Taxes	3,748,476	3,750,576	-	-
Grants & Entitlements	2,250,947	1,855,481	-	-
Miscellaneous	(3,386)	34,962	165	106
Total Revenues	8,332,370	7,262,931	147,341	126,660
Expenses:				
Instruction	3,439,466	3,131,140	-	-
Support Services	4,536,503	3,963,325	-	-
Interest and Other Charges	211,949	214,162	-	-
Food Service	-	-	45,247	55,045
Other	-	-	56,569	32,432
Total Expenses	8,187,918	7,308,627	101,816	87,477
Increase in Net Position before Transfers	144,452	(45,696)	45,525	39,183
Changes in Net Position	144,452	(45,696)	45,525	39,183
Net Position- July 1	2,285,428	2,331,124	76,805	37,622
Net Postion- June 30	\$ 2,429,880	\$ 2,285,428	\$ 122,330	\$ 76,805

As described in Note 1 to the financial statements "Adopted Accounting Pronouncements", the district has adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023 and 2024. The adoption of this pronouncement had no material effect on the financial statements.



## Financial Analysis of the District's Funds

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

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

### Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2024 and 2023 and the amount and percentage of increases and (decreases) in related to prior year expenditures.

<b><u>June 30, 2024</u></b>				
	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2022</u>	<u>Percent of Increase (Decrease)</u>
Current Expenditures:				
Instruction	\$ 3,439,466	39.59%	\$ 308,326	9.85%
Undistributed	4,977,224	57.28%	603,987	13.81%
Capital Outlay	17,269	0.20%	(113,959)	-86.84%
Debt Service:				
Principal	180,000	2.07%	5,000	2.86%
Interest	74,793	0.86%	(7,100)	-8.67%
Total	<u>\$ 8,688,752</u>	<u>100.00%</u>	<u>\$ 796,254</u>	<u>10.09%</u>

<b><u>June 30, 2023</u></b>				
	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2021</u>	<u>Percent of Increase (Decrease)</u>
Current Expenditures:				
Instruction	\$ 3,131,140	39.67%	\$ 420,264	15.50%
Undistributed	4,373,237	55.41%	532,246	13.86%
Capital Outlay	131,228	1.66%	86,438	100.00%
Debt Service:				
Principal	175,000	2.22%	5,000	2.94%
Interest	81,893	1.04%	(6,900)	-7.77%
Total	<u>\$ 7,892,498</u>	<u>100.00%</u>	<u>\$ 1,037,048</u>	<u>15.13%</u>

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

### General Fund Budgetary Highlights

Throughout the year, as necessary, budget transfers were effectuated between budget accounts to re-align the 2023-2024 budget. Budget transfers were effectuated based on expected positive and negative budget variances. The budget is continually managed and revised with budget transfers as necessary or practical to do so.

## General Fund Budgetary Highlights (continued)

Significant Budget Transfers and Variations:

- TPAF, which is the state's contribution to the pension funds, is an "on-behalf" revenue and expenditure item to the district and is required to be reflected in the financial statements.
- The district experienced significant increases in expenditures as a result of economic conditions following the pandemic.

Based on the financial results of 2023-2024, unassigned fund balance is at \$300,632 (Maximum allowed per S-1701, net of allowable adjustments).

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

The Food Services enterprise fund showed a change in net position of \$46,176 in 2023-2024 as compared to a change in net position of \$31,114 in 2022-2023. The food service fund required no contributions from the board in 2023-2024 or in the 2022-2023 year. The board has made significant changes to the varieties of offerings to appeal to the grade levels at the school.

The PALS Program enterprise fund showed a change in net position of (\$651) in 2023-2024 as compared to a change in net position of \$8,039 in 2022-2023.

## Capital Assets

At June 30, 2024, the District had capital assets of \$3,407,302, net of depreciation, which included land improvements, buildings and improvements and equipment.

	2024	2023
Governmental Activities:		
Land Improvements	\$ 21,884	\$ 34,374
Building & Improvements	3,350,306	3,469,877
Equipment	35,112	36,535
	<u>3,407,302</u>	<u>3,540,786</u>
Business-Type Activities:		
Equipment	-	-
	<u>-</u>	<u>-</u>
Total Capital Assets	<u>\$ 3,407,302</u>	<u>\$ 3,540,786</u>

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

## Debt Administration and Other Obligations

At June 30, 2024 and 2023, the District's outstanding debt issues included \$1,015,000 and \$1,195,000 respectively of general obligation bonds and \$75,926 and \$48,075 respectively of compensated absences payable.

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

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

- The District anticipates that the approved 2024-2025 will be adequate to satisfy all of the fiscal year's needs, barring any significant unexpected situations or conditions unforeseen at this time.
- It is expected that the State of New Jersey will again delay the final state aid payments to school districts for the 2024-2025 fiscal year.

### **Requests for Information**

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

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## **BASIC FINANCIAL STATEMENTS**

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## A. Government-Wide Financial Statements

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**GIBBSBORO SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
Cash & Cash Equivalents	\$ 882,120	\$ 61,509	\$ 943,629
Receivables, Net (Note 4)	112,668	1,184	113,852
Capital Assets, Net (Note 5)	3,407,302	-	3,407,302
Total Assets	4,402,090	62,693	4,464,783
DEFERED OUTFLOW OF RESOURCES			
Deferred Charges on Refunding of Debt	31,256	-	31,256
Deferred Outflows Related to Pensions (Note 8)	250,055	-	250,055
Total Deferred Outflow of Resources	281,311	-	281,311
Total Assets and Deferred Outflow of Resources	4,683,401	62,693	4,746,094
LIABILITIES			
Internal Balances	59,637	(59,637)	-
Due to Other Governments	74,711	-	74,711
Accounts Payable	16,064	-	16,064
Accrued Interest Payable	13,533	-	13,533
Unearned Revenue	138,324	-	138,324
Noncurrent Liabilities (Note 7):			
Due Within One Year	194,481	-	194,481
Due Beyond One Year	1,645,752	-	1,645,752
Total Liabilities	2,142,502	(59,637)	2,082,865
DEFERED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions (Note 8)	111,019	-	111,019
Total Deferred Inflows of Resources	111,019	-	111,019
Total Liabilities and Deferred Inflows of Resources	2,253,521	(59,637)	2,193,884
NET POSITION			
Net Investment in Capital Assets	2,404,513	-	2,404,513
Restricted For:			
Capital Projects	101,428	-	101,428
Maintenance Reserve	150,000	-	150,000
Emergency Reserve	-	-	-
Excess Surplus	383,360	-	383,360
Other Purposes	14,252	-	14,252
Unrestricted	(623,673)	122,330	(501,343)
Total Net Position	\$ 2,429,880	\$ 122,330	\$ 2,552,210

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

**GIBBSBORO SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 2,705,687	\$ -	\$ 601,929	\$ (2,103,758)	\$ -	\$ (2,103,758)
Special Education Instruction	598,356	-	-	(598,356)	-	(598,356)
Other Instruction	135,424	-	-	(135,424)	-	(135,424)
Support Services & Undistributed Costs:						
Attendance/Social Work	9,289	-	-	(9,289)	-	(9,289)
Health Services	78,783	-	-	(78,783)	-	(78,783)
Student & Instruction Related Services	1,053,720	-	733,452	(320,268)	-	(320,268)
Educational Media Services/School Library	128,034	-	-	(128,034)	-	(128,034)
Instructional Staff Training	-	-	-	-	-	-
General Administrative Services	208,776	-	-	(208,776)	-	(208,776)
School Administrative Services	124,656	-	-	(124,656)	-	(124,656)
Central Services	127,214	-	-	(127,214)	-	(127,214)
Plant Operations & Maintenance	414,193	-	-	(414,193)	-	(414,193)
Pupil Transportation	102,664	-	-	(102,664)	-	(102,664)
Unallocated Benefits	2,289,175	-	1,000,952	(1,288,223)	-	(1,288,223)
Interest and Other Changes on Long-Term Debt	75,266	-	-	(75,266)	-	(75,266)
Unallocated Depreciation	136,683	-	-	(136,683)	-	(136,683)
Total Governmental Activities	\$ 8,187,919	\$ -	\$ 2,336,333	\$ (5,851,586)	\$ -	\$ (5,851,586)

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

**GIBBSBORO SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		TOTALS
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	
Business-Type Activities:						
PALS Program	\$ 56,569	\$ 55,918	\$ -	\$ -	\$ (651)	\$ (651)
Food Service	45,247	42,688	48,570	-	46,011	46,011
Total Business-Type Activities	101,816	98,606	48,570	-	45,360	45,360
Total Primary Government	8,289,735	98,606	2,384,903	(5,851,586)	45,360	(5,806,226)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				3,524,276	-	3,524,276
Taxes Levied for Debt Service				224,200	-	224,200
Federal & State Aid Not Restricted				2,250,947	-	2,250,947
Tuition From Individuals				5,300	-	5,300
Miscellaneous Income				31,902	165	32,067
Cancelled Receivables				(40,588)	-	(40,588)
Total General Revenues, Special Items, Extraordinary Items & Transfers				5,996,037	165	5,996,202
Change In Net Position				144,452	45,525	189,977
Net Position - Beginning				2,285,428	76,805	2,362,233
Net Position - Ending				2,429,880	122,330	2,552,210

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

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## B. Fund Financial Statements

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## Governmental Funds

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**GIBBSBORO SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2024**

	GENERAL FUND	SPECIAL REVENUE FUND	TOTALS
Assets:			
Cash & Cash Equivalents	\$ 529,284	\$ 101,408	\$ 630,692
Accounts Receivable:			
Federal Aid	-	51,144	51,144
State Aid	61,524	-	61,524
Interfund Receivable	50,863	24	50,887
Restricted Cash & Cash Equivalents	251,428	-	251,428
Total Assets	<u>893,099</u>	<u>152,576</u>	<u>1,045,675</u>
Liabilities & Fund Balances:			
Liabilities:			
Payroll Taxes Payable	16,064	-	16,064
Unearned Revenue	-	138,324	138,324
Interfund Payable	110,524	-	110,524
Total Liabilities	<u>126,588</u>	<u>138,324</u>	<u>264,912</u>
Fund Balances:			
Restricted for:			
Capital Reserve Account	101,428	-	101,428
Maintenance Reserve Account	150,000	-	150,000
Emergency Reserve	-	-	-
Excess Surplus	182,669	-	182,669
Excess Surplus Designated for Subsequent Year's Expenditures	200,691	-	200,691
Student Activities	-	14,252	14,252
Assigned to:			
Designated for Subsequent Year's Expenditures	52,059	-	52,059
Unassigned	79,664	-	79,664
Total Fund Balances	<u>766,511</u>	<u>14,252</u>	<u>780,763</u>
Total Liabilities & Fund Balances	<u>\$ 893,099</u>	<u>\$ 152,576</u>	

Amounts reported for *Governmental Activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$7,274,301 and the accumulated depreciation is \$3,866,999.	3,407,302
Accrued interest payable is not recorded in the fund financials due to the fact that payables are not due in the current period.	(13,533)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.	
Deferred Outflows Related to Pensions	250,055
Deferred Inflows Related to Pension	(111,019)
Deferred Outflows Related to the Loss on Bond Refunding of Debt	31,256
Accrued pension contributions for the June 30, 2024 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(74,711)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (Note 7)	(1,840,233)
Net Position of Governmental Activities	<u>\$ 2,429,880</u>

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

**GIBBSBORO SCHOOL DISTRICT**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR FISCAL YEAR ENDED JUNE 30, 2024**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS
Revenues:				
Local Sources:				
Local Tax Levy	\$ 3,524,276	\$ -	\$ 224,200	\$ 3,748,476
Tuition From Individuals	5,300	-	-	5,300
Miscellaneous	31,902	234,070	-	265,972
Total Revenues - Local Sources	3,561,478	234,070	224,200	4,019,748
State Sources	3,723,282	854,972	-	4,578,254
Federal Sources	-	246,339	-	246,339
Total Revenues	7,284,760	1,335,381	224,200	8,844,341
Expenditures:				
Current Expense:				
Regular Instruction	2,103,758	601,929	-	2,705,687
Special Education Instruction	598,356	-	-	598,356
Other Instruction	135,424	-	-	135,424
Support Services & Undistributed Costs:				
Attendance/Social Work	9,289	-	-	9,289
Health Services	78,783	-	-	78,783
Student & Instruction Related Services	474,856	578,864	-	1,053,720
Educational Media Services/School Library	128,034	-	-	128,034
Instructional Staff Training	-	-	-	-
General Administrative Services	208,776	-	-	208,776
School Administrative Services	124,656	-	-	124,656
Central Services	127,214	-	-	127,214
Plant Operations & Maintenance	400,123	-	-	400,123
Pupil Transportation	102,664	-	-	102,664
Unallocated Benefits	1,271,631	-	-	1,271,631
On-Behalf TPAF Pension & Soc. Sec. Contrib.	1,472,335	-	-	1,472,335
Capital Outlay	17,269	-	-	17,269
Debt Service:				
Principal	-	-	180,000	180,000
Interest & Other Charges	30,593	-	44,200	74,793
Total Expenditures	7,283,760	1,180,793	224,200	8,688,753
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	1,001	154,588	-	155,589
Other Financing Sources/(Uses):				
Operating Transfer Out:				
Cancelled Receivables	(40,588)	-	-	(40,588)
Total Other Financing Sources/(Uses)	(40,588)	-	-	(40,588)
Net Changes in Fund Balances	(39,587)	154,588	-	115,001
Fund Balances, July 1	806,098	(140,336)	-	665,762
Fund Balances, June 30	\$ 766,511	\$ 14,252	\$ -	\$ 780,763

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

**GIBBSBORO SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$	115,001
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Amounts reported for governmental activities in the statement of activities (A-2) are different because:

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

Capital Outlays	\$	3,199	
Depreciations Expense		<u>(136,683)</u>	(133,484)

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		11,259
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Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:

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

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		180,000
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Net Difference Accrued interest on bonds and capital leases is not recorded in fund financial statements		2,400
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Decrease in accrual for compensated absences		<u>(27,851)</u>
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Change in Net Position of Governmental Activities	\$	<u><u>144,452</u></u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

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## Proprietary Funds

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**GIBBSBORO SCHOOL DISTRICT  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2024**

ASSETS	BUSINESS- TYPE ACTIVITIES- ENTERPRISE FUNDS		TOTALS
	FOOD SERVICE	PALS PROGRAM	
Cash & Cash Equivalents	\$ 3,258	\$ 58,251	\$ 61,509
Accounts Receivable:			
State	31	-	31
Federal	1,153	-	1,153
Interfund	110,500	-	110,500
Total Assets	114,942	58,251	173,193
LIABILITIES			
Current Liabilities:			
Interfund Payable	-	50,863	50,863
Total Current Liabilities	-	50,863	50,863
NET POSITION			
Unrestricted	114,942	7,388	122,330
Total Net Position	\$ 114,942	\$ 7,388	\$ 122,330

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

**GIBBSBORO SCHOOL DISTRICT  
PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS	TOTALS
	FOOD SERVICE	PALS PROGRAM		
Operating Revenues:				
Daily Sales - Reimbursable Programs	\$ 23,626	\$ -	\$ 23,626	\$ 23,626
Miscellaneous	16,000	-	16,000	16,000
Tuition	-	55,918	55,918	55,918
Total Operating Revenue	42,688	55,918	98,606	98,606
Operating Expenses:				
Salaries & Benefits	-	30,457	30,457	30,457
Cost of Sales - Reimbursable Program	40,105	-	40,105	40,105
Cost of Sales - Non-Reimbursable Program	1,999	-	1,999	1,999
Transportation	-	21,267	21,267	21,267
Supplies & Materials	3,085	4,845	7,930	7,930
Miscellaneous	58	-	58	58
Total Operating Expenses	45,247	56,569	101,816	101,816
Operating Income/(Loss)	(2,559)	(651)	(3,210)	(3,210)
Nonoperating Revenues:				
State Sources:				
State School Lunch Program	759	-	759	759
State School Lunch Program - Reduced	238	-	238	238
State School Breakfast Program - After the Bell	23	-	23	23
Working Class Families State Supplement	120	-	120	120
Federal Sources:				
National School Lunch Program	29,843	-	29,843	29,843
National School Breakfast Program	4,618	-	4,618	4,618
Healthy Hunger-Free Kids Act	923	-	923	923
Supply Chain Assistance	11,393	-	11,393	11,393
Pandemic EBT Administrative Costs	653	-	653	653
Interest & Investment Revenue	165	-	165	165
Total Nonoperating Revenues	48,735	-	48,735	48,735
Change in Net Position	46,176	(651)	45,525	45,525
Total Net Position - Beginning	68,766	8,039	76,805	76,805
Total Net Position - Ending	\$ 114,942	\$ 7,388	\$ 122,330	\$ 122,330

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



**GIBBSBORO SCHOOL DISTRICT  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	FOOD SERVICE	PALS PROGRAM	TOTALS
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 42,688	\$ 55,918	\$ 98,606
Payments to Employees & Benefits	-	(30,457)	(30,457)
Payments to Suppliers	(45,247)	(26,112)	(71,359)
Net Cash Provided/(Used) by Operating Activities	(2,559)	(651)	(3,210)
Cash Flows From Investing Activities:			
Interest & Dividends	165	-	165
Net Cash Provided/(Used) by Investing Activities	165	-	165
Net Increase/(Decrease) in Cash & Cash Equivalents	(2,394)	(651)	(3,045)
Balances - Beginning of Year	5,652	58,902	64,554
Balances - Ending of Year	\$ 3,258	\$ 58,251	\$ 61,509
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:</b>			
Operating Income/(Loss)	\$ (2,559)	\$ (651)	\$ (3,210)
Net Cash Provided/(Used) by Operating Activities	\$ (2,559)	\$ (651)	\$ (3,210)

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

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Fiduciary Fund

Not Applicable

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**GIBBSBORO SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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## **GIBBSBORO SCHOOL DISTRICT**

### **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024**

#### **Note 1. Summary of Significant Accounting Policies**

##### **Basis of Presentation**

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

##### **Reporting Entity**

The Gibbsboro School District (hereafter referred to as the “School District”) is a Type II School District located in the County of Camden, State of New Jersey. As a Type II School District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the School District is to educate students in grades kindergarten through eighth. The School District has an approximate enrollment at June 30, 2024 of 280 students.

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

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

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

##### **Component Units**

GASB Statement No.14. The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 80, *Blending Requirements for certain component units – and Amendment of GASB Statement No. 14* and GASB Statement No. 90, *Majority Equity Interests – An amendment of GASB Statements No. 14 and No. 61*. The District had no component units as of or for the year ended June 30, 2024.

## **GIBBSBORO SCHOOL DISTRICT**

### **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)**

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

##### **Basis of Accounting, Measurement Focus and Financial Statement Presentation**

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

##### **Government-Wide Financial Statements**

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

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

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

##### **Governmental Fund Financial Statements**

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

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to



## **GIBBSBORO SCHOOL DISTRICT**

### **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)**

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

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

#### **Proprietary Fund Financial Statements**

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

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

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

#### **Fiduciary Fund Financial Statements**

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

#### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

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

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental

## GIBBSBORO SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)

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

funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds (if applicable). However, data from the fiduciary funds would not be incorporated in the government-wide financial statements if present.

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

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

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

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

The District reports the following major governmental funds:

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

## GIBBSBORO SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)

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

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

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

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

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

The District reports the following major proprietary funds:

**Food Service Fund** – This fund accounts for the financial transactions pertaining to the District’s cafeteria operations.

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

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

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

## **GIBBSBORO SCHOOL DISTRICT**

### **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)**

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

##### **Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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

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

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

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

##### **Encumbrances**

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

## **GIBBSBORO SCHOOL DISTRICT**

### **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)**

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

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

#### **Cash and Cash Equivalents**

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

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey.

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

#### **Tuition Payable/Receivable**

Tuition rates for the fiscal year end June 30, 2024 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

#### **Inventories**

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

#### **Interfund Receivables/Payables**

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances.

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

# **GIBBSBORO SCHOOL DISTRICT**

## **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)**

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

#### **Capital Assets**

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

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

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

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

#### **Compensated Absences**

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

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

#### **Unearned Revenue**

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

#### **Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds

## **GIBBSBORO SCHOOL DISTRICT**

### **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)**

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

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

#### **Accounting Estimates**

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

#### **Interfund Activity**

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

#### **Fund Balance**

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

- **Non-spendable** – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2024.

## GIBBSBORO SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)

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

- Assigned – This classification includes amounts that are constrained by the School District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

#### Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified in the following three components:

- Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

#### Impact of Recently Issued Accounting Principles

##### Recently Issued Accounting Pronouncements

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

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance to better meet the information needs of the financial statement users for compensated absences. The standard requires that liabilities for compensated absences be recognized for leave that hasn’t been used and leave that has been used but not paid yet. Statement No. 101 is effective for reporting periods beginning after



## **GIBBSBORO SCHOOL DISTRICT**

### **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)**

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

December 15, 2023. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 102, *Certain Risk Disclosures*, requires a government to disclose information about concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The standard will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. Statement No. 102 is effective for reporting periods beginning after June 15, 2024. Management has not yet determined the potential impact on the District's financial statements.

#### **Bond Premiums, Discounts and Issuance Costs**

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

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

#### **Deferred Loss on Refunding Debt**

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

#### **Deferred Outflows and Deferred Inflows of Resources**

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

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

#### **Pensions**

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

**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024 (continued)**

**Note 2. Deposits and Investments**

**Custodial Credit Risk Related to Deposits**

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2024, the School District’s bank balance of \$1,056,850 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 1,038,182
Uninsured and Uncollateralized	<u>18,668</u>
	<u>\$ 1,056,850</u>

**Investments**

The School District had no investments at June 30, 2024.

**Note 3. Reserve Accounts**

**Capital Reserve**

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

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

The activity of the capital reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024 (continued)**

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

Beginning Balance, July 1, 2023	\$ 231,773
Increased by:	
Interest Earnings	<u>250</u>
	232,023
Decreased by:	
Budget Withdrawals	<u>(130,595)</u>
Ending Balance, June 30, 2024	<u>\$ 101,428</u>

**Maintenance Reserve**

The School District established a maintenance reserve account for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years. Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account by appropriating funds in the

annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The balance in the account cannot at any time exceed four percent of the replacement cost of the school district's facilities for the current year.

The activity of the maintenance reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning Balance, July 1, 2023	-	\$ 100,000
Increased by:		
Deposits approved by Board	<u>50,000</u>	
	150,000	
Decreased by:		
Budget Withdrawals	<u>-</u>	
Ending Balance, June 30, 2024	<u>\$ 150,000</u>	

**Emergency Reserve**

The emergency reserve account is used to accumulate funds in accordance with *N.J.S.A. 18A:7F-41c(1)* to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning.

# GIBBSBORO SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)

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

The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 percent of the general fund budget, not to exceed \$1 million. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation, or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1 and June 30.

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

The activity of the emergency reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning Balance, July 1, 2023	\$	21,722
Decreased by:		
Withdrawals		<u>(21,722)</u>
Ending Balance, June 30, 2024	\$	<u>-</u>

### Note 4. Accounts Receivable

Accounts receivable at June 30, 2024 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2024 consisted of the following:

<u>Description</u>	<u>Governmental Funds</u>		<u>Total Governmental Activities</u>	<u>Proprietary Funds</u>	
	<u>General Fund</u>	<u>Special Revenue Fund</u>		<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>
Federal Awards		\$ 51,144	\$ 51,144	\$ 1,153	\$ 1,153
State Awards	61,524	-	61,524	31	31
Total	<u>\$ 61,524</u>	<u>\$ 51,144</u>	<u>\$ 112,668</u>	<u>\$ 1,184</u>	<u>\$ 1,184</u>

**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024 (continued)**

**Note 5. Capital Assets**

Capital assets activity for the year ended June 30, 2024 was as follows:

	<b>Balance July 1, <u>2023</u></b>	<b><u>Additions</u></b>	<b><u>Retirements and Transfers</u></b>	<b>Balance June 30, <u>2024</u></b>
<b>Governmental Activities:</b>				
Capital Assets being depreciated:				
Land Improvements	\$ 250,760	\$ -	\$ -	\$ 250,760
Buildings and Improvements	6,731,717	-	-	6,731,717
Equipment	288,625	3,199	-	291,824
Total Capital Assets being depreciated	<u>7,271,102</u>	<u>3,199</u>	<u>-</u>	<u>7,274,301</u>
Less: Accumulated Depreciation:				
Land Improvements	(216,386)	(12,490)	-	(228,876)
Buildings and Improvements	(3,261,841)	(119,571)	-	(3,381,412)
Equipment	(252,089)	(4,622)	-	(256,711)
Total Accumulated Depreciation	<u>(3,730,316)</u>	<u>(136,683)</u>	<u>-</u>	<u>(3,866,999)</u>
Total Capital Assets being depreciated, net	<u>3,540,786</u>	<u>(133,484)</u>	<u>-</u>	<u>3,407,302</u>
Total Governmental Activities Capital Assets, net	<u>\$ 3,540,786</u>	<u>\$ (133,484)</u>	<u>\$ -</u>	<u>\$ 3,407,302</u>

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

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

Individual fund receivables/payables balances at June 30, 2024 are as follows:

<b><u>Fund</u></b>	<b><u>Interfund Receivables</u></b>	<b><u>Interfund Payables</u></b>
General Fund	\$ 50,863	\$ 110,524
Special Revenue Fund	24	
Food Service Fund	110,500	-
PALS Program Fund	<u>-</u>	<u>50,863</u>
	<u>\$ 161,387</u>	<u>\$ 161,387</u>

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

# GIBBSBORO SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)

### Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2024 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Balance Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 1,195,000	\$ -	\$ 180,000	\$ 1,015,000	\$ 190,000
Unamortized Bond Premiums	23,526	-	4,481	19,045	4,481
Compensated Absences	48,075	27,851		75,926	-
Net Pension Liability	614,905	115,357	-	730,262	-
	<u>\$ 1,881,506</u>	<u>\$ 143,208</u>	<u>\$ 184,481</u>	<u>\$ 1,840,233</u>	<u>\$ 194,481</u>

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

### Bonds Payable

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

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

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	190,000	36,800	226,800
2026	195,000	29,100	224,100
2027	205,000	21,100	226,100
2028	210,000	12,800	222,800
2029	215,000	4,300	219,300
	<u>\$ 1,015,000</u>	<u>\$ 104,100</u>	<u>\$ 1,119,100</u>

### Bonds Authorized but not Issued

As of June 30, 2024, the School District had no bonds authorized but not issued.

## GIBBSBORO SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)

#### Note 8. Pension Plans

##### A. Public Employees' Retirement System (PERS)

**Plan Description** - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's annual financial statements, which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

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

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

# GIBBSBORO SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)

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

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

**Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources** - At June 30, 2024, the School District reported a liability of \$730,262 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2022, to the measurement date of June 30, 2023. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2023. The School District's proportion measured as of June 30, 2023, was 0.00504%, which was an increase of 0.00096% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School District recognized full accrual pension expense/(benefit) of \$56,125 in the government-wide financial statements. This pension expense/(benefit) was based on the pension plans June 30, 2023 measurement date. At June 30, 2024 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 6,982	\$ 2,985
Changes of Assumptions	1,604	44,257
Net Difference between Projected and Actual Earnings on Pension Plan Investments	3,363	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	163,395	63,777
School District Contributions Subsequent to Measurement Date	<u>74,711</u>	<u>-</u>
	<u>\$ 250,055</u>	<u>\$ 111,019</u>



**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024 (continued)**

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

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

\$74,711 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2025 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending <u>June 30,</u></b>	<b><u>Amount</u></b>
2025	\$ 70,271
2026	39,223
2027	(54,811)
2028	9,809
2029	<u>(167)</u>
	<u><u>\$ 64,325</u></u>

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

**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024 (continued)**

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

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

	<b>Deferred Outflow of <u>Resources</u></b>	<b>Deferred Inflow of <u>Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	5.16	-
June 30, 2021	5.13	-
June 30, 2022	-	5.04
June 30, 2023	-	5.08
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
June 30, 2023	-	5.08
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
June 30, 2022	5.00	-
June 30, 2023	5.00	-
Changes in Proportion and Differences between Contributions and		
Pro Year of Pension Plan Deferral:		
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13
June 30, 2022	5.04	5.04
June 30, 2023	5.08	5.08

## GIBBSBORO SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)

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

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

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	2.75%-6.55% based on years of service
Investment Rate of Return	7.00%
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2018 - June 30, 2021

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

# GIBBSBORO SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the School District's proportionate share of the net pension liability as of June 30, 2023, calculated using the discount rate of 7.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024 (continued)**

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

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

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
District's Proportionate Share of the Net Pension Liability	\$ 958,660	\$ 730,262	\$ 547,262

**Additional Information** - The following is a summary of the collective balances of the local group at June 30, 2024 and 2023:

**Balances at June 30, 2024 and June 30, 2023**

	<u>6/30/2024</u>	<u>6/30/2023</u>
Actuarial valuation date (including roll forward)	June 30, 2023	June 30, 2022
Collective Deferred Outflows of Resources	\$ 1,080,204,730	\$ 1,660,772,008
Collective Deferred Inflows of Resources	1,780,216,457	3,236,303,935
Collective Net Pension Liability	14,606,489,066	15,219,184,920
District's portion of the Plan's total Net Pension Liability	0.005042%	0.004075%

**Special Funding Situation** – Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024 (continued)**

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

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

The State's proportionate share of the PERS net pension liability associated with the special funding situation is \$-0- as of June 30, 2024. The State's proportionate share of the contribution associated with the special funding situation was \$2,277 as of June 30, 2024. These are based on measurements as of June 30, 2023.

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

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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

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

**Contributions** - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount.

# GIBBSBORO SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)

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

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

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

**Pension Liability and Pension Expense** - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2023 was \$10,520,170. The School District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2023, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.02061%, which was an increase of 0.00054% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2023, the School District recognized \$258,450 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf

TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2023 measurement date.

**Actuarial Assumptions** – The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-4.25% based on years of service
Investment Rate of Return	7.00%

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

# GIBBSBORO SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)

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

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

Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	



# GIBBSBORO SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)

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

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

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

**Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 7.00% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	12,405,189	10,520,170	8,932,536
	<u>\$ 12,405,189</u>	<u>\$ 10,520,170</u>	<u>\$ 8,932,536</u>

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

# GIBBSBORO SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)

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

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

**Additional Information** – The following is a summary of the collective balances of the local group at June 30, 2024 and 2023:

#### Balances at June 30, 2024 and June 30, 2023

	<u>6/30/2024</u>	<u>6/30/2023</u>
Actuarial valuation date (including roll forward)	June 30, 2023	June 30, 2022
Collective Deferred Outflows of Resources	\$ 2,502,380,838	\$ 5,004,259,312
Collective Deferred Inflows of Resources	14,830,205,473	19,682,774,794
Collective Net Pension Liability	51,109,961,824	51,676,587,303
District's portion of the Plan's total Net Pension Liability	0.02061%	0.02007%

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

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

Individuals eligible for membership in the DCRP include:

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

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

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

## **GIBBSBORO SCHOOL DISTRICT**

### **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)**

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

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

base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2024, employee contributions totaled \$0, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$0.

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

##### **General Information about the OPEB Plan**

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

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14- 17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

# GIBBSBORO SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)

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

#### Basis of Presentation

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

Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

#### Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022, was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Total Nonemployer OPEB Liability: \$ 52,361,668,239

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75 - 4.25% based on years of service	2.75 - 6.55% based on years of service	3.25 - 16.25% based on years of service

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabilities. Future disabled retirees was based on the Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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

**OPEB Obligation and OPEB Expense** - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2023 was \$13,109,568. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2023, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The State's proportionate share of the OPEB Obligation associated with the

# GIBBSBORO SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)

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

District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2023, the State proportionate share of the OPEB Obligation attributable to the School District was 0.02503%, which was an increase of 0.00135% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the State of New Jersey recognized an OPEB expense in the amount of \$508,678 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2023 measurement date.

### Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreased to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreased to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

### Discount Rate

The discount rate for June 30, 2023 was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

The following presents the total nonemployer OPEB liability as of June 30, 2023, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2023		
	At 1% Decrease (2.65%)	At Discount Rate (3.65%)	At 1% Increase (4.65%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 15,368,718	\$ 13,109,568	\$ 11,295,733
State of New Jersey's Total Non- employer Liability	\$ 61,385,066,712	\$ 52,361,668,239	\$ 45,116,926,835

# GIBBSBORO SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)

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

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

The following presents the total nonemployer OPEB liability as of June 30, 2023, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2023		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 10,882,963	\$ 13,109,568	\$ 16,023,087
State of New Jersey's Total Nonemployer OPEB Liability	\$ 43,468,257,358	\$ 52,361,668,239	\$ 63,998,719,320

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

#### Additional Information

Collective balances of the Local Group at June 30, 2023 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ -	\$ -
Change in Assumptions	7,639,717,639	(13,791,541,217)
Contributions Made in Fiscal Year Year Ending 6/30/2024 After Measurement Date	7,445,895,322	(14,449,948,556)
	TBD	-
	\$ 15,085,612,961	\$ (28,241,489,773)

**GIBBSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024 (continued)**

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

\*\* Employer Contributions made after June 30, 2023 are reported as a deferred outflow of resources, but are not amortized in expense.

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

Fiscal Year Ending June 30,	
2024	\$ (2,611,225,301)
2025	(2,611,225,301)
2026	(2,269,523,460)
2027	(1,338,024,839)
2028	(273,877,609)
Thereafter	<u>(4,052,000,302)</u>
	<u><u>\$ (13,155,876,812)</u></u>

**Plan Membership**

At June 30, 2022, the Program membership consisted of the following:

	<u>June 30, 2022</u>
Active Plan Members	217,212
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	<u>152,383</u>
	<u><u>369,595</u></u>

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2024 (measurement date June 30, 2023) is as follows:

**Total OPEB Liability**

Service Cost	\$ 2,136,235,476
Interest Cost	1,844,113,951
Difference Between Expected & Actual Experience	(980,424,863)
Changes of Assumptions	105,539,463
Contributions: Member	47,258,104
Gross Benefit Payments	<u>(1,437,516,858)</u>
Net Change in Total OPEB Liability	1,715,205,273
Total OPEB Liability (Beginning)	<u>50,646,462,966</u>
Total OPEB Liability (Ending)	<u><u>\$ 52,361,668,239</u></u>
Total Covered Employee Payroll	\$ 15,314,749,297
Net OPEB Liability as a Percentage of Payroll	342%

## **GIBBSBORO SCHOOL DISTRICT**

### **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)**

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

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2024, the on-behalf payments for post-retirement medical costs, normal costs, long-term disability and reimbursed social security were \$264,964, \$973,547, \$610 and \$233,214, respectively.

#### **Note 11. Risk Management**

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

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

#### **Note 12. Contingencies**

**State and Federal Grantor Agencies** - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2023 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

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

#### **Note 13. Deferred Compensation**

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

Lincoln Investment Planning  
AXA Equitable  
Vanguard



## **GIBBSBORO SCHOOL DISTRICT**

### **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)**

#### **Note 14. Compensated Absences**

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2024, the liability for compensated absences reported on the government-wide and on the proprietary fund Statement of Net Position was \$75,926 and \$-0-, respectively.

#### **Note 15. Tax Abatements**

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

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

#### **Note 16. Calculation of Excess Surplus**

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2024 was \$182,669.

#### **Note 17. Fund Balances**

**General Fund** – Of the \$766,511 General Fund fund balance at June 30, 2024, \$101,428 has been restricted for the Capital Reserve Account; \$150,000 has been restricted for the Maintenance Reserve Account; \$182,669 has been restricted for current year Excess Surplus; \$200,691 has been restricted for Excess Surplus Designated for Subsequent Year's Expenditures; \$52,059 has been assigned to Designated for Subsequent Year's Expenditures and \$79,664 has been unassigned.

## **GIBBSBORO SCHOOL DISTRICT**

### **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)**

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

**Special Revenue Fund** – Of the \$14,252 Special Revenue Fund fund balance at June 30, 2024, \$14,252 has been restricted for Student Activities.

#### **Note 18. Deficit in Net Position**

**Unrestricted Net Position** – The School District had a deficit in unrestricted net position in the amount of \$623,673 at June 30, 2024. The deficit is caused by the implementation of GASB 68 which requires the School District to report their proportionate share of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2024.

#### **Note 19. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2024 and October 4, 2024, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the School District that would require disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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### C. Budgetary Comparison Schedules

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**GIBBSBORO SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Revenues:</b>						
<b>Local Sources:</b>						
Local Tax Levy	10-1210	\$ 3,524,276	\$ -	\$ 3,524,276	\$ 3,524,276	\$ -
Tuition From Individuals	10-1310	16,000	-	16,000	5,300	(10,700)
Tuition From Other LEAs Within the State	10-1320	51,000	-	51,000	-	(51,000)
Interest Earned on Emergency Reserve	10-1xxx	100	-	100	-	(100)
Interest Earned on Maintenance Reserve	10-1xxx	375	-	375	-	(375)
Interest Earned on Capital Reserve	10-1xxx	250	-	250	250	-
Miscellaneous	10-1xxx	50,000	-	50,000	31,652	(18,348)
<b>Total Local Sources</b>		<b>3,642,001</b>	<b>-</b>	<b>3,642,001</b>	<b>3,561,478</b>	<b>(80,523)</b>
<b>State Sources:</b>						
Categorical Transportation Aid	10-3121	20,818	-	20,818	20,818	-
Categorical Special Education Aid	10-3132	163,500	-	163,500	163,500	-
Equalization Aid	10-3176	1,784,755	-	1,784,755	1,784,755	-
Categorical Security Aid	10-3177	25,761	-	25,761	25,761	-
Adjustment Aid	10-3178	245,443	-	245,443	245,443	-
Extraordinary Aid	10-3131	-	-	-	46,992	46,992
Nonpublic Transportation Aid	10-3xxx	-	-	-	3,640	3,640
<b>Nonbudgeted:</b>						
On-Behalf TPAF Pension Contribution		-	-	-	973,547	973,547
On-Behalf TPAF Post Retirement Medical Contribution		-	-	-	264,964	264,964
On-Behalf TPAF Long-Term Disability Insurance Contribution		-	-	-	610	610
Reimbursed TPAF Social Security		-	-	-	233,214	233,214
<b>Total State Sources</b>		<b>2,240,277</b>	<b>-</b>	<b>2,240,277</b>	<b>3,763,244</b>	<b>1,522,967</b>
<b>Total Revenues</b>		<b>5,882,278</b>	<b>-</b>	<b>5,882,278</b>	<b>7,324,722</b>	<b>1,442,444</b>
<b>Expenditures:</b>						
<b>Current Expense:</b>						
<b>Instruction - Regular Programs:</b>						
<b>Salaries of Teachers:</b>						
Trans to Special Rev - Inclusion	11-105-100-936	151,086	-	151,086	151,086	-
Kindergarten	11-110-100-101	261,653	-	261,653	252,323	9,330
Grades 1 - 5	11-120-100-101	905,722	-	905,722	858,987	46,735
Grades 6 - 8	11-130-100-101	645,251	1,813	647,064	634,773	12,291
Home Instruction - Regular	11-150-100-101	6,000	-	6,000	-	6,000
<b>Regular Programs - Undistributed Instruction:</b>						
Purchased Professional & Educational Services	11-190-100-320	68,000	(2,401)	65,599	64,611	988
Other Purchased Services	11-190-100-500	4,500	2,406	6,906	6,906	-
General Supplies	11-190-100-610	70,000	(1,128)	68,872	64,483	4,389
Textbooks	11-190-100-640	30,000	40,589	70,589	70,589	-
<b>Total Regular Programs</b>		<b>2,142,212</b>	<b>41,278</b>	<b>2,183,490</b>	<b>2,103,758</b>	<b>79,732</b>
<b>Special Education:</b>						
<b>Multiple Handicapped:</b>						
Salaries of Teachers	11-212-100-101	152,894	-	152,894	144,140	8,754
Other Salaries for Instruction	11-212-100-106	78,800	2,440	81,240	51,390	29,850
General Supplies	11-212-100-610	6,000	(877)	5,123	4,422	701
Textbooks	11-212-100-640	400	(250)	151	97	54
<b>Total Multiple Handicapped</b>		<b>238,094</b>	<b>1,313</b>	<b>239,407</b>	<b>200,048</b>	<b>39,359</b>
<b>Resource Room/Resource Center:</b>						
Salaries of Teachers	11-213-100-101	366,716	580	367,296	330,662	36,634
Other Salaries for Instruction	11-213-100-106	79,532	3,000	82,532	66,941	15,591
General Supplies	11-213-100-610	1,000	-	1,000	705	295
Textbooks	11-213-100-640	300	(270)	30	-	30
<b>Total Resource Room/Resource Center</b>		<b>447,548</b>	<b>3,310</b>	<b>450,858</b>	<b>398,307</b>	<b>52,551</b>

**GIBBSBORO SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Total Special Education		685,642	4,623	690,265	598,356	91,909
School Sponsored Cocurricular Activities & Athletics:						
Salaries	11-401-100-100	98,000	22,394	120,394	120,394	-
Supplies and Materials	11-401-100-600	16,500	-	16,500	7,598	8,902
Salaries	11-402-100-100	45,000	(22,394)	22,606	4,723	17,883
Supplies and Materials	11-402-100-600	5,000	-	5,000	2,708	2,292
Total School Sponsored Cocurricular - Activities & Athletics		164,500	(0)	164,500	135,424	29,076
Total - Instruction		2,992,354	45,901	3,038,255	2,837,537	200,718
Undistributed Expenditures:						
Instruction:						
Tuition to Private Schools for Disabled Within the State - Special	11-000-100-566	75,000	(65,137)	9,863	350	9,513
Total Instruction		75,000	(65,137)	9,863	350	9,513
Attendance & Social Work Services:						
Salaries	11-000-211-100	9,289	-	9,289	9,289	0
Total Attendance Services		9,289	-	9,289	9,289	0
Health Services:						
Salaries	11-000-213-100	76,717	2,438	79,155	76,730	2,425
Purchased Professional & Technical Services	11-000-213-300	1,200	548	1,748	1,748	-
Supplies and Materials	11-000-213-600	3,000	(2,694)	306	306	-
Total Health Services		80,917	291	81,208	78,783	2,425
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	77,217	100	77,317	77,317	-
Purchased Professional - Educational Services	11-000-216-320	90,000	(16,619)	73,381	49,758	23,623
Supplies and Materials	11-000-216-600	250	-	250	-	250
Total Other Support Services - Students - Regular		167,467	(16,519)	150,948	127,075	23,873
Other Support Services - Students - Extra Services:						
Supplies and Materials	11-000-217-600	200	-	200	-	200
Total Other Support Services - Students - Extra Services		200	-	200	-	200
Other Support Services - Students - Related Services:						
Salaries	11-000-218-105	31,694	-	31,694	27,864	3,830
Purchased Professional & Educational Services	11-000-218-320	4,000	-	4,000	-	4,000
Supplies & Materials	11-000-218-600	2,000	-	2,000	-	2,000
Total Other Support Services-Students-Related Services		37,694	-	37,694	27,864	9,830



**GIBBSBORO SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Other Support Services - Students - Special Services:</b>						
Salaries of Other Professional Staff	11-000-219-104	178,724	(53,016)	125,708	108,608	17,099
Salaries of Secretarial & Clerical Assistants	11-000-219-105	47,668	-	47,668	43,838	3,830
Other Purchased Professional & Educational Services	11-000-219-320	3,750	-	3,750	3,750	-
Other Purchased Professional & Technical Services	11-000-219-390	10,000	70,912	80,912	80,912	-
Supplies and Materials	11-000-219-600	3,000	390	3,390	3,390	-
Other Objects	11-000-219-800	845	15	860	860	-
<b>Total Other Support Services-Students-Special Services</b>		<b>243,987</b>	<b>18,301</b>	<b>262,288</b>	<b>241,358</b>	<b>20,929</b>
<b>Improvement of Instruction Services/Other Support Services - Instruction Staff:</b>						
Salaries	11-000-221-102	50,538	-	50,538	50,538	-
Salaries of Secretarial & Clerical Assistants	11-000-221-105	30,231	-	30,231	26,401	3,830
Purchases Professional & Educational Services	11-000-221-320	2,000	-	2,000	1,011	989
Other Purchased Services	11-000-221-500	500	-	500	259	242
Supplies and Materials	11-000-221-600	500	-	500	-	500
<b>Total Improvement of Instruction Services/Other Support Services Instructional Staff</b>		<b>83,769</b>	<b>-</b>	<b>83,769</b>	<b>78,208</b>	<b>5,561</b>
<b>Educational Media Services/School Library:</b>						
Salaries	11-000-222-100	62,668	19,265	81,933	79,933	2,000
Salaries of Technology Coordinators	11-000-222-177	45,835	-	45,835	45,835	-
Other Purchased Services	11-000-222-500	1,200	95	1,295	1,275	20
Supplies and Materials	11-000-222-600	1,000	(70)	930	808	122
Other Objects	11-000-222-800	250	(25)	225	182	43
<b>Total Educational Media Services/School Library</b>		<b>110,953</b>	<b>19,265</b>	<b>130,218</b>	<b>128,034</b>	<b>2,184</b>
<b>Instructional Staff Training Services:</b>						
Purchased Professional & Educational Services	11-000-223-320	500	-	500	-	500
Other Purchased Services	11-000-223-500	1,000	-	1,000	-	1,000
<b>Total Instructional Staff Training Services</b>		<b>1,500</b>	<b>-</b>	<b>1,500</b>	<b>-</b>	<b>1,500</b>
<b>Support Services General Administration:</b>						
Salaries	11-000-230-100	110,035	0	110,035	110,035	-
Legal Services	11-000-230-331	8,000	(6,309)	1,691	604	1,087
Audit Fees	11-000-230-332	25,000	6,661	31,661	31,500	161
Other Purchased Professional Services	11-000-230-339	6,000	756	6,756	6,756	-
Purchased Technical Services	11-000-230-340	3,300	376	3,676	2,116	1,560
Communications/Telephone	11-000-230-530	26,500	3,241	29,741	29,741	(0)
BOE Other Purchased Services	11-000-230-585	300	-	300	114	186
Other Purchased Services	11-000-230-590	20,000	(2,342)	17,658	17,658	-
General Supplies	11-000-230-610	4,000	(376)	3,625	3,496	128
BOE Meeting Supplies	11-000-230-630	200	(200)	-	-	-
Miscellaneous Expenditures	11-000-230-890	3,000	853	3,853	3,117	736
BOE Membership Dues & Fees	11-000-230-895	3,300	340	3,640	3,640	-
<b>Total Support Services General Administration</b>		<b>209,635</b>	<b>3,000</b>	<b>212,635</b>	<b>208,776</b>	<b>3,859</b>
<b>Support Services School Administration:</b>						
Salaries of Principals	11-000-240-103	131,819	-	131,819	124,606	7,213
Supplies and Materials	11-000-240-600	2,000	-	2,000	50	1,950
<b>Total Support Services School Administration</b>		<b>133,819</b>	<b>-</b>	<b>133,819</b>	<b>124,656</b>	<b>9,163</b>
<b>Central Services:</b>						
Salaries	11-000-251-100	116,581	-	116,581	105,538	11,043
Purchased Professional Services	11-000-251-330	25,300	(155)	25,145	19,530	5,615
Supplies and Materials	11-000-251-600	2,000	(250)	1,750	342	1,408
Other Objects	11-000-251-890	1,500	405	1,905	1,805	100
<b>Total Central Services</b>		<b>145,381</b>	<b>(0)</b>	<b>145,381</b>	<b>127,214</b>	<b>18,167</b>
<b>Allowable Maintenance for School Facilities:</b>						
Cleaning, Repair & Maintenance Services	11-000-261-420	40,000	(15)	39,985	31,953	8,032
General Supplies	11-000-261-610	1,500	15	1,515	1,472	43
<b>Total Allowable Maintenance for School Facilities</b>		<b>41,500</b>	<b>0</b>	<b>41,500</b>	<b>33,425</b>	<b>8,075</b>

**GIBBSBORO SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Other Operation & Maintenance of Plant:						
Salaries	11-000-262-100	159,830	-	159,830	152,975	6,855
Salaries of Non-Instructional Aides	11-000-262-107	13,202	-	13,202	13,201	1
Cleaning, Repair & Maintenance Services	11-000-262-420	47,000	9,860	56,860	50,897	5,963
Other Purchased Property Services	11-000-262-490	17,000	(969)	16,031	15,911	120
Insurance	11-000-262-520	24,000	9,117	33,117	33,117	-
General Supplies	11-000-262-610	37,000	(15,417)	21,583	18,861	2,722
Energy (Natural Gas)	11-000-262-621	40,000	(6,695)	33,305	33,148	157
Energy (Heat & Electricity)	11-000-262-622	30,000	18,294	48,294	48,294	-
Total Other Operation & Maintenance of Plant		368,032	14,188	382,220	366,403	15,817
Care and Upkeep of Grounds						
General Supplies	11-000-263-610	6,000	(3,033)	2,967	295	2,672
Total Care and Upkeep of Grounds		6,000	(3,033)	2,967	295	2,672
Student Transportation Services:						
Contracted Services (Between Home & School) - Vendors	11-000-270-503	7,500	(2,560)	4,940	4,940	-
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	22,000	(1,762)	20,238	19,779	460
Contracted Services (Special Education Students) - ESC'S	11-000-270-518	89,881	(11,935)	77,946	77,946	-
Total Student Transportation Services		119,381	(16,257)	103,124	102,664	460
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	80,000	7,340	87,340	87,340	-
Other Retirement Contribution - PERS	11-000-291-241	60,000	6,609	66,609	63,329	3,280
Other Contributions - D.C.R.P	11-000-291-249	2,000	-	2,000	-	2,000
Unemployment Compensation	11-000-291-250	13,000	2,431	15,431	15,431	-
Workmen's Compensation	11-000-291-260	37,000	2,761	39,761	39,761	-
Health Benefits	11-000-291-270	999,256	63,130	1,062,386	1,053,090	9,296
Tuition Reimbursement	11-000-291-280	9,000	(875)	8,125	8,125	-
Unused Sick Payment to Terminated/Retired Employees	11-000-291-299	7,000	(1,394)	5,606	4,554	1,051
Total Unallocated Benefits		1,207,256	80,002	1,287,258	1,271,631	15,627
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	973,547	(973,547)
On-Behalf TPAF Post Retirement Medical Contribution		-	-	-	264,964	(264,964)
On-Behalf TPAF Long-Term Disability Insurance Contribution		-	-	-	610	(610)
Reimbursed TPAF Social Security		-	-	-	233,214	(233,214)
Total Undistributed Expenditures		3,041,780	34,101	3,075,881	4,398,360	(1,322,480)
Interest Earned on Emergency Reserve	10-607	100	-	100	-	100
Interest Earned on Maintenance Reserve	10-606	375	-	375	-	375
Total Expenditures - Current Expense		6,034,609	80,002	6,114,611	7,235,898	(1,121,287)
Undistributed Expenditures:						
Custodial Services	12-000-262-730	10,000	-	10,000	8,769	1,231
Care and Upkeep of Grounds	12-000-263-730	10,000	-	10,000	8,500	1,500
Total Equipment Expenditures		20,000	-	20,000	17,269	2,731
Facilities Acquisitions & Construction Services:						
Supplies and Materials	12-000-400-600	80,002	(80,002)	-	-	-
Assessment for Debt Service on SDA Funding	12-000-400-896	30,593	-	30,593	30,593	-
Total Facilities Acquisitions & Construction Services Expenditures		110,595	(80,002)	30,593	30,593	-
Interest Earned on Capital Reserve	10-604	250	-	250	-	250
Total Capital Outlay		130,845	(80,002)	50,843	47,862	2,981
Total Expenditures		6,165,454	(0)	6,165,454	7,283,760	(1,118,306)

**GIBBSBORO SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(283,176)	0	(283,176)	40,963	324,138
Other Financing Sources/(Uses):						
Operating Transfer In:						
Cancelled Receivables		-	-	-	(40,588)	(40,588)
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses		(283,176)	0	(283,176)	375	283,550
Fund Balances, July 1		987,104	-	987,104	987,104	-
Fund Balances, June 30		\$ 703,928	\$ 0	\$ 703,928	\$ 987,479	\$ 283,550

**RECAPITULATION OF FUND BALANCE:**

<b>Restricted Fund Balance:</b>		
Capital Reserve Account	\$	101,428
Maintenance Reserve Account		150,000
Excess Surplus		182,669
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures		200,691
<b>Assigned Fund Balance</b>		
Designated for Subsequent Year's Expenditures		52,059
<b>Unassigned Fund Balance</b>		300,632
		<u>987,479</u>
Reconciliation to Governmental Fund Statements (GAAP):		
Last Two State Aid Payments Not Recognized on GAAP Basis		<u>(220,968)</u>
Fund Balance Per Governmental Funds (GAAP)		<u>\$ 766,511</u>

**GIBBSBORO SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>REVENUES</b>					
Local Sources	\$ 151,086	\$ -	\$ 151,086	\$ 234,070	\$ 82,984
State Sources	682,462	151,086	833,548	709,273	(124,275)
Federal Sources	284,892	50	284,942	246,339	(38,603)
Total Revenues	1,118,440	151,136	1,269,576	1,189,682	(79,894)
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	372,333	65,167	437,500	411,376	26,124
Other Salaries for Instruction	70,710	6,483	77,193	77,193	-
Purchased Educational Services	-	5,724	5,724	5,724	-
Tuition	5,000	(3,435)	1,565	-	1,565
General Supplies	126,284	(714)	125,570	107,636	17,934
Total Instruction	574,327	73,225	647,552	601,929	45,623
Support Services:					
Other Salaries	287,490	1	287,491	235,788	51,703
Personal Services - Employee Benefits	117,166	-	117,166	105,006	12,160
Purchased Professional Services	67,980	85,969	153,949	143,946	10,003
Other Purchased Services	54,570	(8,059)	46,511	8,669	37,842
Supplies & Materials	16,907	-	16,907	11,360	5,547
Student Activities	-	-	-	74,095	(74,095)
Total Support Services	544,113	77,911	622,024	578,864	43,160
Total Expenditures	1,118,440	151,136	1,269,576	1,180,793	88,783
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	-	-	-	8,889	8,889
Fund Balance, July 1	5,363	-	5,363	5,363	-
Fund Balance, June 30	\$ 5,363	\$ -	\$ 5,363	\$ 14,252	\$ 8,889

**RECAPITULATION OF FUND BALANCE**

**Restricted Fund Balance:**

Student Activities	\$ 14,252
	<u>\$ 14,252</u>

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

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**GIBBSBORO SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 7,324,722	\$ 1,189,682
Difference - Budget to GAAP:		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.		
Current Year	(220,968)	-
Prior Year	181,006	145,699
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 7,284,760</u>	<u>\$ 1,335,381</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	<u>\$ 7,283,760</u>	<u>\$ 1,180,793</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 7,283,760</u>	<u>\$ 1,180,793</u>

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**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

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

	Measurement Date Ending June 30,									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's proportion of the net pension liability	0.00504172%	0.00407455%	0.00463054%	0.00435413%	0.00433903%	0.00344695%	0.00338582%	0.00330588%	0.00323578%	0.00335814%
School District's proportionate share of the net pension liability	\$ 730,262	\$ 614,905	\$ 548,547	\$ 710,045	\$ 781,828	\$ 678,687	\$ 788,165	\$ 979,108	\$ 726,367	\$ 628,735
School District's covered payroll	\$ 440,972	\$ 362,163	\$ 318,599	\$ 334,001	\$ 276,299	\$ 232,881	\$ 234,709	\$ 227,583	\$ 220,787	\$ 240,576
School District's proportionate share of the net pension liability as a percentage of its covered payroll	165.60%	169.79%	172.17%	212.59%	282.96%	291.43%	335.81%	430.22%	328.99%	261.35%
Plan fiduciary net position as a percentage of the total pension liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

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

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

	Fiscal Year Ending June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
School District's contractually required contribution	\$ 67,384	\$ 51,382	\$ 54,228	\$ 47,632	\$ 42,206	\$ 34,286	\$ 31,366	\$ 39,369	\$ 27,819	\$ 27,684
Contributions in relation to the contractually required contribution	(67,384)	(51,382)	(54,228)	(47,632)	(42,206)	(34,286)	(31,366)	(39,369)	(27,819)	(27,684)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 557,010	\$ 440,972	\$ 362,163	\$ 318,599	\$ 334,001	\$ 276,299	\$ 232,881	\$ 234,709	\$ 227,583	\$ 220,787
Contributions as a percentage of covered-employee payroll	12.10%	11.65%	14.97%	14.95%	12.64%	12.41%	13.47%	16.77%	12.22%	12.54%

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

	Measurement Date Ending June 30,									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the District	10,520,170	10,355,492	9,558,807	12,566,088	11,029,161	12,094,319	12,034,634	13,617,641	10,556,363	9,982,402
	<u>\$ 10,520,170</u>	<u>\$ 10,355,492</u>	<u>\$ 9,558,807</u>	<u>\$ 12,566,088</u>	<u>\$ 11,029,161</u>	<u>\$ 12,094,319</u>	<u>\$ 12,034,634</u>	<u>\$ 13,617,641</u>	<u>\$ 10,556,363</u>	<u>\$ 9,982,402</u>
School District's covered payroll	\$ 3,243,218	\$ 2,938,484	\$ 2,621,022	\$ 2,517,994	\$ 2,207,617	\$ 2,119,298	\$ 1,905,221	\$ 1,923,523	\$ 1,806,370	\$ 1,703,633
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	47.68%	47.68%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

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

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

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



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

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

	<b>Measurement Date Ending June 30,</b>						
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>District's Total OPEB Liability</b>							
Service Cost	\$ 479,940	\$ 601,541	\$ 670,237	\$ 383,698	\$ 335,186	\$ 374,805	\$ 451,377
Interest Cost	461,703	317,825	359,214	328,720	401,072	427,477	369,580
Difference between Expected & Actual Differences	496,692	748,128	(1,841,839)	2,612,931	(1,630,255)	(906,401)	-
Changes of Benefit Terms	-	-	(14,739)	-	-	-	-
Changes of Assumptions	26,423	(3,217,198)	13,661	2,728,028	136,178	(1,166,273)	(1,509,988)
Contributions: Member	11,382	10,099	9,183	7,881	8,311	9,392	9,975
Gross Benefit Payments	(359,905)	(314,815)	(282,960)	(259,998)	(280,365)	(271,759)	(270,902)
Net Change in District's Total OPEB Liability	1,116,235	(1,854,420)	(1,087,243)	5,801,260	(1,029,873)	(1,532,759)	(949,958)
District's Total OPEB Liability (Beginning)	11,992,883	13,847,303	14,934,546	9,133,286	10,163,159	11,695,918	12,645,876
District's Total OPEB Liability (Ending)	<u>\$ 13,109,118</u>	<u>\$ 11,992,883</u>	<u>\$ 13,847,303</u>	<u>\$ 14,934,546</u>	<u>\$ 9,133,286</u>	<u>\$ 10,163,159</u>	<u>\$ 11,695,918</u>
District's Covered Employee Payroll	\$ 3,684,190	\$ 3,300,647	\$ 2,939,621	\$ 2,851,995	\$ 2,483,916	\$ 2,352,179	\$ 2,139,930
District's Net OPEB Liability as a Percentage of Covered Payroll	355.82%	363.35%	471.06%	523.65%	367.70%	432.07%	546.56%

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

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

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

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**GIBBSBORO SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - None.

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

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - None.

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

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 3.54% as of June 30, 2022, to 3.65% as of June 30, 2023.

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**OTHER SUPPLEMENTARY INFORMATION**

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D. School Based Budget Schedules

Not Applicable

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#### E. Special Revenue Fund

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**GIBBSBORO SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

	EVERY STUDENT		I.D.E.A.		I.D.E.A.		C.R.R.S.A. - ESSER II		AMERICAN RESCUE PLAN		PRESCHOOL		SDA		STUDENT	
	SUCCEEDS ACT (ESSA)		PART B BASIC		PART B		LEARNING		LEARNING		EXPANSION		EMERGENT		ACTIVITIES	
	TITLE I	TITLE II	REGULAR	PROGRAM	PROGRAM	PROGRAM	ESSER II	ACCEL.	ESSER III	ACCEL.	BEYOND	SUMMER	LEARNING	AID	NEEDS	TOTALS
	PART A	PART A	TITLE IV													
Revenues:																
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 151,086	\$ -	\$ 82,984
State Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	701,920	7,353	-
Federal Sources	35,805	5,000	7,418		95,311	4,710	7	23	53,287	10,243	7,635	26,900		-	-	709,273
																246,339
Total Revenues	\$ 35,805	\$ 5,000	\$ 7,418	\$ 95,311	\$ 4,710	\$ 4,710	\$ 7	\$ 23	\$ 53,287	\$ 10,243	\$ 7,635	\$ 26,900	\$ 853,006	\$ 7,353	\$ 82,984	\$ 1,189,682
Expenditures:																
Instruction:																
Salaries of Teachers	\$ 26,127	\$ -	\$ 7,338	\$ 46,290	\$ -	\$ -	\$ 7	\$ -	\$ 53,287	\$ -	\$ 7,635	\$ 7,659	\$ 263,033	\$ -	\$ -	\$ 411,376
Other Salaries for Instruction	-	-	-	-	-	4,710	-	-	-	-	-	-	72,483	-	-	77,193
Purchased Educational Services	-	-	-	-	-	-	-	-	-	-	-	-	5,724	-	-	5,724
General Supplies	1,281	-	-	-	-	-	-	-	-	10,159	-	-	88,843	7,353	-	107,636
Total Instruction	27,408	-	7,338	46,290	4,710	4,710	7	-	53,287	10,159	7,635	7,659	430,083	7,353	-	601,929
Support Services:																
Other Salaries	-	-	-	9,450	-	-	-	-	-	-	-	-	226,338	-	-	235,788
Personal Services -																
Employee Benefits	8,397	-	-	9,183	-	-	-	-	-	-	-	-	87,426	-	-	105,006
Purchased Professional Services	-	5,000	80	27,088	-	-	-	-	-	84	-	19,241	92,453	-	-	143,946
Other Purchased Services	-	-	-	1,000	-	-	-	23	-	-	-	-	7,646	-	-	8,669
Supplies & Materials	-	-	-	2,300	-	-	-	-	-	-	-	-	9,060	-	-	11,360
Student Activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	74,095	74,095
Total Support Services	8,397	5,000	80	49,021	-	-	-	23	-	84	-	19,241	422,923	-	74,095	578,864
Total Expenditures	\$ 35,805	\$ 5,000	\$ 7,418	\$ 95,311	\$ 4,710	\$ 4,710	\$ 7	\$ 23	\$ 53,287	\$ 10,243	\$ 7,635	\$ 26,900	\$ 853,006	\$ 7,353	\$ 74,095	\$ 1,180,793
Excess/(Deficiency) of Revenues																
Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,889
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,363	5,363
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,252	\$ 14,252

**GIBBSBORO SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION EXPANSION AID  
STATEMENT OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 273,984	\$ 263,033	\$ 10,951
Other Salaries for Instruction	72,483	72,483	-
Purchased Educational Services	5,724	5,724	-
Tuition	1,564	-	1,564
Supplies	106,578	88,843	17,735
Total Instruction	460,333	430,083	30,250
Support Services:			
Salaries of Program Directors	28,852	28,852	-
Salaries of Other Professional Staff	159,642	118,680	40,962
Salaries Clerical	15,321	15,321	-
Salaries Other	3,830	3,830	-
Salaries Community Parent Involment	12,362	11,917	445
Salaries of Master Teachers	48,677	47,738	939
Other Employee Benefits	87,426	87,426	-
Purchased Educational Services	5,000	5,000	-
Other Purchased Services	141,231	95,099	46,132
Supplies & Materials	14,607	9,060	5,547
Total Support Services	516,948	422,923	94,025
Total Expenditures	\$ 977,281	\$ 853,006	\$ 124,275

**CALCULATION OF BUDGET AND CARRYOVER**

Total Revised 2023-2024 Preschool Education Aid Allocation	\$ 733,776
Add: Actual Preschool Education Aid Carryover (June 30, 2023)	178,420
Add: Budgeted Transfer from the General Fund 2023-24	151,086
Total Preschool Education Aid Funds Available for 2023-2024 Budget	1,063,282
Less: 2023-2024 Budgeted Preschool Education Aid (Prior Year Budget Carryover)	(977,281)
Available & Unbudgeted Preschool Education Aid Funds June 30, 2024	86,001
Add: June 30, 2024 Unexpended Preschool Education Aid	124,275
Total Actual Preschool Education Aid Carryover	\$ 210,276
2023-2024 Preschool Education Aid Carryover Budgeted in 2024-2025	\$ 75,000



F. Capital Projects Fund

Not Applicable

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## G. Proprietary Funds

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## Enterprise Funds

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**GIBBSBORO SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF NET POSITION  
AS OF JUNE 30, 2024**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTALS
	FOOD SERVICE	PALS PROGRAM	
Cash & Cash Equivalents	\$ 3,258	\$ 58,251	\$ 61,509
Accounts Receivable:			
State	31	-	31
Federal	1,153	-	1,153
Interfund	110,500	-	110,500
Total Assets	114,942	58,251	173,193
LIABILITIES			
Current Liabilities:			
Interfund Payable	-	50,863	50,863
Total Current Liabilities	-	50,863	50,863
NET POSITION			
Unrestricted	114,942	7,388	122,330
Total Net Position	\$ 114,942	\$ 7,388	\$ 122,330

**GIBBSBORO SCHOOL DISTRICT**  
**ENTERPRISE FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2024**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	FOOD SERVICE	PALS PROGRAM	TOTALS
Operating Revenues:			
Operating Revenues:			
Daily Sales - Reimbursable Programs	\$ 23,626	\$ -	\$ 23,626
Daily Sales - Non-Reimbursable Programs	3,062	-	3,062
Miscellaneous	16,000	55,918	71,918
Total Operating Revenue	42,688	55,918	98,606
Operating Expenses:			
Salaries & Benefits	-	30,457	30,457
Cost of Sales - Reimbursable Programs	40,105	-	40,105
Cost of Sales - Non-Reimbursable Programs	1,999	-	1,999
Transportation	-	21,267	21,267
Supplies & Materials	3,085	4,845	7,930
Miscellaneous	58	-	58
Total Operating Expenses	45,247	56,569	101,816
Operating Income/(Loss)	(2,559)	(651)	(3,210)
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	759	-	759
State School Lunch Program - Reduced	238	-	238
State School Breakfast Program - After the Bell	23	-	23
Working Class Families State Supplement	120	-	120
Federal Sources:			
National School Lunch Program	29,843	-	29,843
National School Breakfast Program	4,618	-	4,618
Healthy Hunger-Free Kids Act	923	-	923
Supply Chain Assistance	11,393	-	11,393
Pandemic EBT Administrative Costs	653	-	653
Interest & Investment Revenue	165	-	165
Total Nonoperating Revenues	48,735	-	48,735
Change in Net Position	46,176	(651)	45,525
Total Net Position - Beginning	68,766	8,039	76,805
Total Net Position - Ending	\$ 114,942	\$ 7,388	\$ 122,330



**GIBBSBORO SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF CASH FLOWS  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

	FOOD SERVICE	PALS PROGRAM	TOTALS
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 42,688	\$ 55,918	\$ 98,606
Payments to Employees & Benefits	-	(30,457)	(30,457)
Payments to Suppliers	(45,247)	(26,112)	(71,359)
	<hr/>	<hr/>	<hr/>
Net Cash Provided/(Used) by Operating Activities	(2,559)	(651)	(3,210)
	<hr/>	<hr/>	<hr/>
Cash Flows From Investing Activities:			
Interest & Dividends	165	-	165
	<hr/>	<hr/>	<hr/>
Net Cash Provided/(Used) by Investing Activities	165	-	165
	<hr/>	<hr/>	<hr/>
Net Increase/(Decrease) in Cash & Cash Equivalents	(2,394)	(651)	(3,045)
Balances - Beginning of Year	5,652	58,902	64,554
	<hr/>	<hr/>	<hr/>
Balances - Ending of Year	\$ 3,258	\$ 58,251	\$ 61,509
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:</b>			
Operating Income/(Loss)	\$ (2,559)	\$ (651)	\$ (3,210)
	<hr/>	<hr/>	<hr/>
Net Cash Provided/(Used) by Operating Activities	\$ (2,559)	\$ (651)	\$ (3,210)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

Not Applicable

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## I. Long-Term Debt

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**GIBBSBORO SCHOOL DISTRICT  
LONG-TERM DEBT ACCOUNT GROUP  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2024**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE		
			DATE	AMOUNT		JULY 1, 2023	PAID	JUNE 30, 2024
Refunding Bonds, Series 2011	8/25/2011	\$ 2,755,000	9/1/24	190,000	4.000%	\$ 1,195,000	\$ 180,000	\$ 1,015,000
			9/1/25	195,000	4.000%			
			9/1/26	205,000	4.000%			
			9/1/27	210,000	4.000%			
			9/1/28	215,000	4.000%			
Total						\$ 1,195,000	\$ 180,000	\$ 1,015,000

**GIBBSBORO SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Local Sources:					
Local Tax Levy	\$ 224,200	\$ -	\$ 224,200	\$ 224,200	\$ -
Total Revenues	224,200	-	224,200	224,200	-
Expenditures:					
Regular Debt Service:					
Interest	44,200	-	44,200	44,200	-
Redemption of Principal	180,000	-	180,000	180,000	-
Total Regular Debt Service	224,200	-	224,200	224,200	-
Excess/(Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**STATISTICAL SECTION (Unaudited)**

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

	FISCAL YEAR ENDING JUNE 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 2,404,513	\$ 2,360,870	\$ 2,198,215	\$ 2,142,707	\$ 2,099,449	\$ 2,082,651	\$ 2,080,524	\$ 2,081,898	\$ 2,054,149	\$ 2,092,869
Restricted	649,040	688,668	834,190	1,035,611	981,373	955,255	891,785	646,875	375,874	253,666
Unrestricted	(623,673)	(764,110)	(701,281)	(771,841)	(769,794)	(676,175)	(640,662)	(649,609)	(584,457)	(562,610)
Total Governmental Activities										
Net Position	\$ 2,429,880	\$ 2,285,428	\$ 2,331,124	\$ 2,406,477	\$ 2,311,028	\$ 2,361,731	\$ 2,331,647	\$ 2,079,164	\$ 1,845,566	\$ 1,783,925
Business-Type Activities:										
Unrestricted	\$ 122,330	\$ 76,805	\$ 37,622	\$ 8,837	\$ 8,242	\$ 3,720	\$ 4,086	\$ 2,085	\$ 1,753	\$ 1,872
Total Business-Type Activities										
Net Position	\$ 122,330	\$ 76,805	\$ 37,622	\$ 8,837	\$ 8,242	\$ 3,720	\$ 4,086	\$ 2,085	\$ 1,753	\$ 1,872
District-Wide:										
Invested in Capital Assets,										
Net of Related Debt	\$ 2,404,513	\$ 2,360,870	\$ 2,198,215	\$ 2,142,707	\$ 2,099,449	\$ 2,082,651	\$ 2,080,524	\$ 2,081,898	\$ 2,054,149	\$ 2,092,869
Restricted	649,040	688,668	834,190	1,035,611	981,373	955,255	891,785	646,875	375,874	253,666
Unrestricted	(501,343)	(687,305)	(663,659)	(763,004)	(761,552)	(672,455)	(636,576)	(647,524)	(582,704)	(560,738)
Total District Net Position	\$ 2,552,210	\$ 2,362,233	\$ 2,368,746	\$ 2,415,314	\$ 2,319,270	\$ 2,365,451	\$ 2,335,733	\$ 2,081,249	\$ 1,847,319	\$ 1,785,797

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

	FISCAL YEAR ENDING JUNE 30.									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 2,705,687	\$ 2,292,570	\$ 1,916,193	\$ 1,742,183	\$ 1,644,438	\$ 3,078,363	\$ 3,353,328	\$ 1,687,676	\$ 1,728,217	\$ 1,630,988
Special Education	598,356	710,444	634,091	526,198	540,067	823,654	847,842	397,133	374,019	376,557
Other Instruction	135,424	128,126	160,592	105,173	102,664	195,906	189,062	84,095	81,515	80,461
Support Services:										
Tuition	-	-	-	-	-	26,626	20,022	-	-	-
Attendance/Social Work	9,289	6,964	8,713	9,263	9,023	-	-	8,328	7,941	7,563
Health Services	78,783	77,577	73,754	68,918	70,399	-	-	79,616	76,856	76,285
Student & Instruction Related Services	1,053,720	936,297	676,676	518,393	443,018	756,753	689,490	392,875	409,864	393,437
Educational Media/Library	128,034	60,054	48,055	65,512	63,834	-	-	3,256	4,491	6,489
Instructional Staff Training	-	1,040	29	275	858	-	-	858	226	1,080
General & Administrative Services	208,776	202,503	192,191	185,141	195,829	216,835	203,401	125,983	134,095	144,522
School Administrative Services	124,656	122,978	79,235	77,488	74,028	93,219	90,801	50,420	51,133	51,260
Central Services	127,214	111,471	143,172	140,937	135,628	144,511	125,823	99,935	88,888	89,803
Administrative Information Technology	-	-	-	-	-	-	-	-	-	-
Plant Operations & Maintenance	414,193	367,594	389,593	318,838	304,892	400,273	418,565	324,667	275,220	339,815
Pupil Transportation	102,664	77,376	71,014	33,337	49,964	154,014	108,546	53,248	54,856	71,156
Unallocated Benefits	2,289,175	1,999,471	2,090,618	2,662,720	1,963,717	-	-	2,293,904	2,021,761	1,857,541
Interest & Other Charges	75,266	82,433	89,399	95,899	100,866	105,641	111,594	76,492	115,631	105,337
Amortized Bond Issuance Costs	-	-	-	-	-	-	-	-	-	-
Unallocated Debt Absences	-	-	-	-	-	-	-	-	-	-
Adjustment Due to Appraisal	-	-	-	-	-	-	-	-	-	-
Unallocated Depreciation	136,683	131,729	130,900	129,455	140,329	-	-	157,723	183,720	191,609
Total Governmental Activities Expenses	8,187,919	7,308,627	6,704,225	6,679,730	5,839,554	5,995,795	6,158,474	5,836,209	5,608,433	5,423,903
Business-Type Activities:										
Food Service	45,247	55,045	97,125	63,600	32,732	55,162	54,123	51,807	50,837	53,557
PALS Program	56,569	32,432	42,759	1,855	58,265	59,205	54,594	47,660	46,087	34,294

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

	FISCAL YEAR ENDING JUNE 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Business-Type Activities Expense	101,816	87,477	139,884	65,455	90,997	114,367	108,717	99,467	96,924	87,851
Total District Expenses	\$ 8,289,735	\$ 7,396,104	\$ 6,844,109	\$ 6,745,185	\$ 5,930,551	\$ 6,110,162	\$ 6,267,191	\$ 5,935,676	\$ 5,705,357	\$ 5,511,754
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Operating Grants & Contributions	\$ 2,336,333	\$ 1,621,912	\$ 1,611,534	\$ 1,904,410	\$ 1,122,250	\$ 1,394,165	\$ 1,749,377	\$ 1,436,467	\$ 1,064,996	\$ 920,206
Total Governmental Activities Program Revenues	2,336,333	1,621,912	1,611,534	1,904,410	1,122,250	1,394,165	1,749,377	1,436,467	1,064,996	920,206
Business-Type Activities:										
Charges for Services:										
Food Service	91,258	86,083	125,899	64,185	37,218	54,796	56,125	52,135	50,714	52,652
PALS	55,918	40,471	64,114	4,218	85,411	120,036	126,570	101,713	107,620	81,622
Total Business Type Activities Program Revenues	147,176	126,554	190,013	68,403	122,629	174,832	182,695	153,848	158,334	134,274
Total District Program Revenues	\$ 2,483,509	\$ 1,748,466	\$ 1,801,547	\$ 1,972,813	\$ 1,244,879	\$ 1,568,997	\$ 1,932,072	\$ 1,590,315	\$ 1,223,330	\$ 1,054,480
Net (Expense)/Revenue:										
Governmental Activities	\$ (5,851,586)	\$ (5,686,715)	\$ (5,092,691)	\$ (4,775,320)	\$ (4,717,304)	\$ (4,601,630)	\$ (4,409,097)	\$ (4,399,742)	\$ (4,543,437)	\$ (4,503,697)
Business-Type Activities	45,360	39,077	50,129	2,948	31,632	60,465	73,978	54,381	61,410	46,423
Total District-Wide Net Expense	\$ (5,806,226)	\$ (5,647,638)	\$ (5,042,562)	\$ (4,772,372)	\$ (4,685,672)	\$ (4,541,165)	\$ (4,335,119)	\$ (4,345,361)	\$ (4,482,027)	\$ (4,457,274)

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
FISCAL YEAR ENDING JUNE 30,										
General Revenues & Other Changes in Net Assets:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 3,524,276	\$ 3,524,276	\$ 3,275,926	\$ 3,275,926	\$ 3,010,446	\$ 2,834,520	\$ 2,834,520	\$ 2,834,520	\$ 2,778,943	\$ 2,709,377
Taxes Levied for Debt Service	224,200	226,300	228,200	224,100	229,000	228,725	227,737	225,875	228,775	226,625
Unrestricted Grants & Contributions	2,250,947	1,855,481	1,454,369	1,338,100	1,353,325	1,371,424	1,392,654	1,417,487	1,412,099	1,411,573
Tuition From Individuals	5,300	15,370	15,925	-	29,175	111,253	131,335	87,463	54,108	57,085
Tuition From Other LEAs Within the State	-	-	17,271	-	-	-	-	-	60,955	-
Miscellaneous Income	31,902	19,592	4,292	13,537	17,509	24,961	3,355	13,942	8,665	4,162
Transfers	(40,588)	-	21,355	2,363	27,146	60,831	71,977	54,053	61,533	47,328
Total Governmental Activities	\$ 5,996,037	\$ 5,641,019	\$ 5,017,338	\$ 4,854,026	\$ 4,666,601	\$ 4,631,714	\$ 4,661,578	\$ 4,633,340	\$ 4,605,078	\$ 4,456,150
Business-Type Activities:										
Interest Earnings	\$ 165	\$ 106	\$ 11	\$ 10	\$ 36	\$ -	\$ -	\$ 4	\$ 4	\$ 4
Transfers	-	-	(21,355)	(2,363)	(27,146)	(60,831)	(71,977)	(54,053)	(61,533)	(47,328)
Total Business-Type Activities	165	106	(21,344)	(2,353)	(27,110)	(60,831)	(71,977)	(54,049)	(61,529)	(47,324)
Total District-Wide	\$ 5,996,202	\$ 5,641,125	\$ 4,995,994	\$ 4,851,673	\$ 4,639,491	\$ 4,570,883	\$ 4,589,601	\$ 4,579,291	\$ 4,543,549	\$ 4,408,826
Change in Net Position:										
Governmental Activities	\$ 144,452	\$ (45,696)	\$ (75,353)	\$ 78,706	\$ (50,703)	\$ 30,084	\$ 252,481	\$ 233,598	\$ 61,641	\$ (47,547)
Business-Type Activities	45,525	39,183	28,785	595	4,522	(366)	2,001	332	(119)	(901)
Total District	\$ 189,977	\$ (6,513)	\$ (46,568)	\$ 79,301	\$ (46,181)	\$ 29,718	\$ 254,482	\$ 233,930	\$ 61,522	\$ (48,448)



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

	FISCAL YEAR ENDING JUNE 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Restricted	\$ 634,788	\$ 683,305	\$ 821,071	\$ 1,019,473	\$ 981,373	\$ 955,255	\$ 891,785	\$ 643,639	\$ 401,923	\$ 280,891
Assigned	52,059	1,740	-	-	-	47,122	73,878	29,711	1,392	1,183
Unrestricted	79,664	121,053	109,433	123,233	117,897	117,063	115,172	112,689	113,386	113,386
Total General Fund	\$ 766,511	\$ 806,098	\$ 930,504	\$ 1,142,706	\$ 1,099,270	\$ 1,119,440	\$ 1,080,835	\$ 786,039	\$ 516,701	\$ 395,460
All Other Governmental Funds										
Restricted, Reported in:										
Special Revenue Fund	\$ 14,252	\$ 5,363	\$ 13,119	\$ 16,138	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned, Reported in:										
Special Revenue Fund	-	(145,699)	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 14,252	\$ (140,336)	\$ 13,119	\$ 16,138	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Revenues:</b>										
Tax Levy	\$ 3,748,476	\$ 3,750,576	\$ 3,504,126	\$ 3,500,026	\$ 3,239,446	\$ 3,063,245	\$ 3,062,257	\$ 3,060,395	\$ 3,007,718	\$ 2,936,002
Tuition From Individuals	5,300	15,370	15,925	-	29,175	111,253	131,335	87,463	54,108	57,085
Tuition - Other LEAs Within State	-	-	17,271	-	-	-	-	-	60,955	-
Miscellaneous	265,972	78,321	40,409	24,560	17,509	24,961	3,355	13,942	8,665	4,162
State Sources	4,578,254	3,423,277	2,667,832	2,288,729	2,097,529	2,048,064	2,009,512	1,923,790	1,858,240	1,786,821
Federal Sources	246,339	347,093	373,311	200,079	132,279	118,658	114,151	107,757	112,889	98,108
<b>Total Revenue</b>	<b>8,844,341</b>	<b>7,614,637</b>	<b>6,618,874</b>	<b>6,013,394</b>	<b>5,515,938</b>	<b>5,366,181</b>	<b>5,320,610</b>	<b>5,193,347</b>	<b>5,102,575</b>	<b>4,882,178</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	2,705,687	2,292,570	1,916,193	1,742,183	1,644,438	1,625,739	1,593,359	1,687,676	1,728,217	1,630,988
Special Education Instruction	598,356	710,444	634,091	526,198	540,067	434,987	402,859	397,133	374,019	376,557
Other Instruction	135,424	128,126	160,592	105,173	102,664	103,461	89,834	84,095	81,515	80,461
<b>Support Services:</b>										
Tuition	-	-	-	-	-	20,416	15,160	-	-	-
Attendance/Social Work	9,289	6,964	8,713	9,263	9,023	8,760	8,506	8,328	7,941	7,563
Health Services	78,783	77,577	73,754	68,918	70,399	83,829	83,417	79,616	76,856	76,285
Student & Instruction Related Services	1,053,720	936,297	676,676	518,393	443,018	487,678	430,149	392,875	409,864	393,437
Educational Media/Library	128,034	60,054	48,055	65,512	63,834	-	-	3,256	4,491	6,489
Instructional Staff Training	-	1,040	29	275	858	-	-	858	226	1,080
General & Administration Services	208,776	202,503	192,191	185,141	195,829	166,266	154,013	125,983	134,095	144,522
School Administrative Services	124,656	122,978	79,235	77,488	74,028	71,479	68,753	50,420	51,133	51,260
Central Services	127,214	111,471	143,172	140,937	135,628	110,809	95,272	99,935	88,888	89,803
Administrative Information Technology	-	-	-	-	-	-	-	-	-	-
Plant Operations & Maintenance	400,123	358,624	364,083	272,539	304,892	306,923	319,920	324,667	275,220	339,815
Pupil Transportation	102,664	77,376	71,014	33,337	49,964	118,095	82,189	53,248	54,856	71,156
Unallocated Benefits	1,271,631	1,122,327	970,606	960,362	924,815	1,586,660	1,490,067	1,405,098	1,496,178	1,402,158
On-Behalf TPAF & FICA Reimb.	1,472,335	1,296,026	1,213,463	950,629	744,204	-	-	-	-	-
Capital Outlay	17,269	131,228	44,790	61,885	-	3,985	5,963	38,999	30,593	30,593
<b>Debt Service:</b>										
Principal	180,000	175,000	170,000	160,000	160,000	155,000	150,000	145,000	145,000	140,000
Interest & Other Charges	74,793	81,893	88,793	94,693	99,593	104,318	108,330	80,875	83,775	86,625
<b>Total Expenditures</b>	<b>8,688,753</b>	<b>7,892,498</b>	<b>6,855,450</b>	<b>5,972,926</b>	<b>5,563,254</b>	<b>5,388,405</b>	<b>5,097,791</b>	<b>4,978,062</b>	<b>5,042,867</b>	<b>4,928,792</b>
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>155,589</b>	<b>(277,861)</b>	<b>(236,576)</b>	<b>40,468</b>	<b>(47,316)</b>	<b>(22,224)</b>	<b>222,819</b>	<b>215,285</b>	<b>59,708</b>	<b>(46,614)</b>
<b>Other Financing Sources/(Uses):</b>										
Transfers In/(Out)	(40,588)	-	21,355	2,363	27,146	60,831	71,977	54,053	61,553	47,328
<b>Total Other Financing Sources/(Uses)</b>	<b>(40,588)</b>	<b>-</b>	<b>21,355</b>	<b>2,363</b>	<b>27,146</b>	<b>60,831</b>	<b>71,977</b>	<b>54,053</b>	<b>61,553</b>	<b>47,328</b>
<b>Net Change in Fund Balances</b>	<b>\$ 115,001</b>	<b>\$ (277,861)</b>	<b>\$ (215,221)</b>	<b>\$ 42,831</b>	<b>\$ (20,170)</b>	<b>\$ 38,607</b>	<b>\$ 294,796</b>	<b>\$ 269,338</b>	<b>\$ 121,261</b>	<b>\$ 714</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>3.02%</b>	<b>3.36%</b>	<b>3.92%</b>	<b>4.45%</b>	<b>4.89%</b>	<b>5.06%</b>	<b>5.34%</b>	<b>4.75%</b>	<b>4.75%</b>	<b>4.82%</b>

Source: District records

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

FISCAL YEAR ENDING JUNE 30,	INTEREST EARNINGS	TUITION FROM OTHER LEA's	TUITION OTHER	MISCELLANEOUS	TOTAL
2024	\$ 31,895	\$ -	\$ 5,300	\$ 7	\$ 37,202
2023	9,263	-	\$ 15,370	\$ 10,329	\$ 34,962
2022	2,212	-	15,925	2,080	20,217
2021	5,578	-	-	7,959	13,537
2020	1,226	-	29,175	16,283	46,684
2019	24,836	53,160	58,093	125	136,214
2018	3,230	77,047	54,289	125	134,691
2017	1,226	-	-	12,716	13,942
2016	911	-	-	7,754	8,665
2015	867	-	-	3,295	4,162

Source: District records

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

YEAR ENDED DEC 31,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2024	\$ 7,214,600	\$ 177,024,400	\$ -	\$ 3,700	\$ 38,775,800	\$ 4,493,800	\$ 282,000	\$ 227,794,300	-	\$ 227,794,300	2.300	\$ 285,635,486
2023	6,686,400	176,158,000	-	2,800	39,290,600	7,032,100	282,000	229,451,900	-	229,451,900	2.300	276,814,935
2022	7,439,600	175,800,300	-	2,700	43,300,600	7,220,400	282,000	234,045,600	-	234,045,600	2.237	256,677,090
2021	7,439,600	176,203,100	-	2,700	35,821,600	7,220,400	282,000	226,969,400	-	226,969,400	2.056	228,316,900
2020	7,603,800	177,607,600	-	20,900	37,057,200	7,329,600	282,000	229,901,100	-	229,901,100	1.835	219,231,805
2019	5,692,300	124,312,800	-	16,600	27,632,100	4,848,700	192,700	162,695,200	-	162,695,200	2.626	216,378,907
2018	5,692,300	124,312,800	-	16,600	27,632,100	4,848,700	192,700	162,695,200	-	162,695,200	2.626	216,378,907
2017	5,796,600	124,630,800	-	16,600	27,918,700	4,848,800	192,700	163,404,200	-	163,404,200	2.649	Unavailable
2016	5,823,900	124,776,500	-	16,600	27,686,400	4,848,800	192,700	163,344,900	-	163,344,900	2.624	Unavailable
2015	5,817,700	126,048,100	-	16,600	26,530,100	5,088,700	192,700	163,693,900	-	163,693,900	2.522	Unavailable

Source: Local Tax Assessor and County Board of Taxation

N/A - Not Available

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

YEAR ENDED DEC 31,	SCHOOL DISTRICT DIRECT RATE		OVERLAPPING RATES		TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	TOTAL DIRECT	TOWNSHIP OF GIBBSBORO	ALL CAMDEN COUNTY	
2024 *	2.300	2.300	1.062	0.873	4.235
2023	2.300	2.300	1.062	0.873	4.235
2022	2.237	2.237	1.021	0.894	4.152
2021	2.056	2.056	0.987	0.967	4.010
2020	1.835	1.835	0.937	0.827	3.599
2019	2.626	2.626	1.299	1.193	5.118
2018	2.626	2.626	1.299	1.193	5.118
2017	2.649	2.649	1.248	1.162	5.036
2016	2.624	2.624	1.197	1.211	5.057
2015	2.522	2.522	1.165	1.180	4.969
2014	2.403	2.403	1.121	1.199	4.842

\* - Updated Information Unavailable

Source: Municipal Tax Collector

N/A - Not available at time of audit

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

TAXPAYER	2024		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
Brandywine/Operat Part	\$ 8,093,600	1	3.55%
59-63 N. Lakeview R. LLC	2,509,700	2	1.10%
4 S. Lakeview Dr., LLC	2,447,700	3	1.07%
Tahmed LLC	2,409,700	4	1.06%
Eureka Stone Quarry, Inc.	2,009,000	5	0.88%
20 E. Clementon LLC	2,000,000	6	0.88%
DC Gibbs c/o CVS	1,956,400	7	0.86%
Square Circle Sportsman	1,475,700	8	0.65%
Parisi Enterprises, LLC	1,200,000	9	0.53%
Brandywine 55 US Ave. LLC	1,145,500	10	0.50%
Total	<u>\$ 25,247,300</u>		<u>11.08%</u>

TAXPAYER	2015		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
Brandywine Realty	\$11,931,900	1	7.29%
CIT Lending Serv. Corp	2,100,000	2	1.28%
Taxpayer #1	1,700,000	3	1.04%
Eureka Stone Quarry Inc.	1,426,800	4	0.87%
Parisi Enterprises, LLC	1,375,000	5	0.84%
DG Gibbs, LLC	1,250,000	6	0.76%
Square Circle Sportsmen	1,185,700	7	0.72%
Clementon LLC	875,000	8	0.53%
Hueyroo LLC c/o Gibraltar Construction	803,300	9	0.49%
Taxpayer #2	741,300	10	0.45%
Total	<u>\$23,389,000</u>		<u>14.29%</u>

Source: Municipal Tax Assessor

**GIBBSBORO SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2024	\$ 3,748,476	\$ 3,748,476	100.00%	\$ -
2023	3,750,576	3,750,576	100.00%	-
2022	3,504,126	3,504,126	100.00%	-
2021	3,500,026	3,500,026	100.00%	-
2020	3,239,446	3,239,446	100.00%	-
2019	3,063,245	3,063,245	100.00%	-
2018	3,062,257	3,062,257	100.00%	-
2017	3,060,395	3,060,395	100.00%	-
2016	3,007,718	3,007,718	100.00%	-
2015	2,936,002	2,936,002	100.00%	-

Source: Municipal audit report

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

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	BOND ANTICIPATION NOTES (BANs)			
2024	\$ 1,015,000	-	\$ 1,015,000	Unavailable	Unavailable
2023	1,195,000	-	1,195,000	Unavailable	534
2022	1,370,000	-	1,370,000	1.02%	615
2021	1,540,000	-	1,540,000	1.12%	692
2020	1,700,000	-	1,700,000	1.31%	770
2019	1,860,000	-	1,860,000	1.53%	839
2018	2,015,000	-	2,015,000	1.71%	905
2017	2,165,000	-	2,165,000	1.90%	971
2016	2,310,000	-	2,310,000	2.09%	1,034
2015	2,455,000	-	2,455,000	2.29%	1,098



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

FISCAL YEAR ENDED JUNE 30,	<u>GENERAL BONDED DEBT OUTSTANDING</u>		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	NET TAXABLE VALUATION	NET GENERAL BONDED DEBT OUTSTANDING		
2024	\$ 229,451,900	\$ 1,015,000	0.44%	Unavailable
2023	229,451,900	1,195,000	0.52%	534
2022	226,543,200	1,370,000	0.60%	615
2021	226,969,400	1,540,000	0.68%	692
2020	229,901,100	1,700,000	0.74%	770
2019	162,695,200	1,860,000	1.14%	839
2018	162,695,200	2,015,000	1.24%	905
2017	163,404,200	2,015,000	1.23%	904
2016	163,344,900	2,165,000	1.33%	969
2015	163,693,900	2,310,000	1.41%	1,033

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2024**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Gibbsboro Borough	\$ 4,708,506	100.00%	\$ 4,708,506
Eastern Regional School District	3,385,000	5.30%	179,328
Local School District	1,015,000	100.00%	1,015,000
Camden County	472,941,249	0.54%	2,561,990
Total Overlapping Debt			<u>\$ 8,464,825</u>

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

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

	FISCAL YEAR									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Debt Limit	\$ 8,181,798	\$ 7,852,269	\$ 7,731,723	\$ 6,960,910	\$ 6,959,929	\$ 6,470,003	\$ 6,527,556	\$ 6,615,159	\$ 6,838,383	\$ 6,866,255
Total Net Debt Applicable to Limit	1,015,000	1,195,000	1,370,000	1,540,000	1,700,000	1,860,000	2,015,000	2,165,000	2,310,000	2,455,000
Legal Debt Margin	\$ 7,166,798	\$ 6,657,269	\$ 6,361,723	\$ 5,420,910	\$ 5,259,929	\$ 4,610,003	\$ 4,512,556	\$ 4,450,159	\$ 4,528,383	\$ 4,411,255
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	12.41%	15.22%	17.72%	22.12%	24.43%	28.75%	30.87%	32.73%	33.78%	35.75%

**Legal Debt Margin Calculation**

	Equalized Valuation Basis
	2023 \$ 287,713,981
	2022 273,305,827
	2021 257,159,982
	<u>\$ 818,179,790</u>
Average Equalized Valuation of Taxable Property	\$ 272,726,597
Debt Limit (3 % of Average Equalization Value)	8,181,798
Net Bonded School Debt	<u>1,015,000</u>
Legal Debt Margin	<u>\$ 7,166,798</u>

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

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

YEAR	POPULATION (a)	PERSONAL INCOME(b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2024	2,239	Unavailable	Unavailable	4.1%
2023	2,228	134,769,492	60,489	3.8%
2022	2,224	137,091,808	61,642	5.1%
2021	2,207	129,837,810	58,830	7.8%
2020	2,218	121,896,844	54,958	2.8%
2019	2,227	118,088,902	53,026	4.5%
2018	2,229	113,892,984	51,096	4.5%
2017	2,235	110,391,120	49,392	4.4%
2016	2,236	107,332,472	48,002	5.8%
2015	2,241	103,518,513	46,193	7.4%

Source:

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

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

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

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

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

**NOT AVAILABLE**

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

Function/Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Instruction:										
Regular	28.0	26.0	24.0	23.0	23.0	23.0	22.0	21.9	22.9	24.2
Special Education	7.0	7.0	6.0	5.0	5.0	5.3	5.3	4.5	4.5	5.2
Other Special Education	12.0	12.0	11.0	11.0	11.0	11.0	9.5	9.6	8.2	7.6
Support Services:										
Student & Instruction Related Services	2.5	2.5	2.5	2.5	2.5	2.4	2.4	3.0	2.2	4.0
School Administrative Services	3.8	3.8	3.8	3.8	3.8	1.6	1.6	1.0	2.8	1.5
General & Business Administrative Services	2.0	2.0	2.0	2.0	2.0	3.9	3.9	4.3	4.0	4.3
Plant Operations & Maintenance	3.7	3.7	3.7	3.7	3.7	3.7	3.2	3.7	2.2	3.9
Total	59.0	57.0	53.0	51.0	51.0	50.9	47.9	48.0	46.8	50.7

**Source:** District Personnel Records

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

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/ TEACHER RATIO ELEMENTARY	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2024	280	\$ 6,944,356	24,801	19.05%	35	8.00	304.19	283.31	3.15%	93.14%
2023	298	6,208,351	20,833	12.00%	33	9.03	294.91	279.58	-0.67%	94.80%
2022	287	5,338,404	18,601	8.70%	30	9.567	296.9	266.2	8.56%	89.66%
2021	275	4,705,719	17,112	0.58%	27	10.185	273.5	265.0	2.67%	96.89%
2020	268	4,559,457	17,013	5.17%	27	9.926	266.4	252.7	0.34%	94.86%
2019	275	4,448,464	16,176	0.89%	27	10.185	265.5	253.3	0.00%	95.40%
2018	263	4,216,640	16,033	-12.92%	27	9.741	265.5	253.3	3.43%	95.40%
2017	256	4,713,188	18,411	-1.85%	28	9.143	256.7	245.7	0.12%	95.71%
2016	255	4,783,499	18,759	10.22%	33	7.727	256.4	244.9	-6.05%	95.51%
2015	273	4,646,493	17,020	5.07%	31	8.806	272.9	260.9	-1.48%	95.60%

**Sources:** District records

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

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

DISTRICT BUILDINGS	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Elementary Schools:										
Elementary School:										
Square Feet	54,167	54,167	54,167	54,167	54,167	54,167	54,167	54,167	54,167	54,167
Capacity (Students)	411	411	411	411	411	411	411	411	411	411
Enrollment	280	298	287	275	268	275	263	256	255	273

Number of Schools at June 30, 2024:  
Elementary = 1

Source: District Facilities Office

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

**GIBBSBORO SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS**

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

	ELEMENTARY SCHOOL
2024	\$ 33,425
2023	47,181
2022	38,770
2021	23,830
2020	18,163
2019	32,148
2018	33,900
2017	53,883
2016	22,428
2015	73,828

Source: District records

**INSURANCE SCHEDULE**

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

Source: District records.

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**SINGLE AUDIT SECTION**

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Certified Public Accountants & Advisors

EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Gibbsboro School District (the "School District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 4, 2024.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Report on Compliance and Other Matters**

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

## **The Gibbsboro School District's Response to Findings**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

**HOLT MCNALLY & ASSOCIATES, INC.**  
*Certified Public Accountants & Advisors*

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

Medford, New Jersey  
October 4, 2024



**HOLT MCNALLY & ASSOCIATES**

Certified Public Accountants & Advisors

EXHIBIT K-2

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

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

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

**Opinion on Each Major State Program**

We have audited the Gibbsboro School District's (the "School District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2024. The School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2024.

**Basis for Opinion on Each Major State Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

## **Responsibilities of Management for Compliance**

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

## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*; the Office of School Finance Department of Education, State of New Jersey; Uniform Guidance; and State of New Jersey Circular 15-08-OMB, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individual or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the New Jersey OMB's Circular 15-08, we:

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

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

## Report on Internal Control Over Compliance

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

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

**HOLT MCNALLY & ASSOCIATES, INC**  
*Certified Public Accountants & Advisors*

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

Medford, New Jersey  
October 4, 2024

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**GIBBSBORO SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2023	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2024	DUE TO GRANTOR AT JUNE 30, 2024
<b>U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:</b>											
Child Nutrition Cluster:											
National School Lunch Program	10.555	24INB04N1099	100-010-3350-028	\$ 29,843	7/1/23-6/30/24	\$ -	28,940	\$ (29,843)	\$ -	\$ (903)	\$ -
National School Lunch Program	10.555	23INB04N1099	100-010-3350-028	30,627	7/1/22-6/30/23	(1,120)	1,120	-	-	-	-
Healthy Hunger-Free Kids Act	10.555	24INB04N1099	100-010-3350-026	923	7/1/23-6/30/24	-	896	(923)	-	(27)	-
Healthy Hunger-Free Kids Act	10.555	23INB04N1099	100-010-3350-026	1,000	7/1/22-6/30/23	(38)	38	-	-	-	-
Supply Chain Assistance	10.555	23INB04N1099	100-010-3350-118	11,393	10/1/22-9/30/24	-	11,393	(11,393)	-	-	-
						(1,158)	42,387	(42,159)	-	(980)	-
School Breakfast Program	10.553	24INB04N1099	100-010-3350-028	4,618	7/1/23-6/30/24	-	4,395	(4,618)	-	(223)	-
Subtotal						-	4,395	(4,618)	-	(223)	-
Total Child Nutrition Cluster:						(1,158)	46,782	(46,777)	-	(1,153)	-
COVID-19 Pandemic EBT Food Benefit Program	10.649	23INB04S9009	100-010-3350-115	653	7/1/23-6/30/24	-	653	(653)	-	-	-
Subtotal						-	653	(653)	-	-	-
Total U.S. Department of Agriculture						(1,158)	47,435	(47,430)	-	(1,153)	-
<b>U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:</b>											
Title I, Part A	84.010	S011A230030	100-034-5064-194	48,722	7/1/23-9/30/24	-	13,213	(35,505)	-	(22,592)	-
Title I, Part A	84.010	S011A220030	100-034-5064-194	36,218	7/1/22-9/30/23	(1,643)	1,643	-	-	-	-
Title I, Part A	84.010	S011A210030	100-034-5064-194	44,702	7/1/21-9/30/22	(23,010)	-	-	23,010	-	-
Title I, Part A - SIA	84.010	S010A210030	100-034-5064-194	25,914	7/1/21-9/30/22	(40,565)	1,409	-	14,503	-	-
							16,365	(35,505)	-	(22,592)	-
Title II - Part A, Supporting Effective Instructor	84.367	S367A230029	100-034-5063-290	5,000	7/1/23-9/30/24	-	5,000	(5,000)	-	-	-
Effective Instructor	84.367	S367A220029	100-034-5063-290	6,836	7/1/22-9/30/23	(4,233)	1,155	-	3,078	-	-
						(4,233)	6,155	(5,000)	-	-	-
Title IV - Student Support and Enrichment (ESSA)	84.424	S424A230031	100-034-5064-187	10,000	7/1/23-9/30/24	(10,000)	7,418	(7,418)	-	-	-
Title IV - Student Support and Enrichment (ESSA)	84.424	S424A220031	100-034-5064-187	10,000	7/1/22-9/30/23	(10,000)	10,000	-	-	-	-
						(10,000)	17,418	(7,418)	-	-	-
Special Education Cluster:											
ID.E.A. Part B, Basic Regular	84.027	H027A230100	100-034-5065-016	86,178	7/1/23-9/30/24	-	90,161	(95,311)	-	(5,150)	-
ID.E.A. Part B, Basic Regular	84.027	H027A220100	100-034-5065-016	80,108	7/1/22-9/30/23	(7,792)	7,792	-	-	-	-
						(7,792)	97,953	(95,311)	-	(5,150)	-
ID.E.A. Preschool	84.173A	H173A230114	100-034-5065-020	4,686	7/1/23-9/30/24	-	4,239	(4,710)	-	(471)	-
ID.E.A. Preschool	84.173A	H173A220114	100-034-5065-095	4,686	7/1/22-9/30/23	(465)	465	-	-	-	-
						(465)	4,704	(4,710)	-	(471)	-
Total Special Education Cluster:						(8,257)	102,657	(100,021)	-	(5,621)	-
Education Stabilization Fund:											
COVID-19 Coronavirus Response & Relief Suppl. Appr. Act:											
CRRSA - ESSER II	84.425D	S425D210027	100-034-5120-518	75,558	3/13/20-9/30/23	(8,545)	7	(7)	-	(8,545)	-
CR Learning Acceleration	84.425D	S425D210027	100-034-5120-518	25,000	3/13/20-9/30/23	(7,741)	7,764	(23)	-	-	-
COVID-19 American Rescue Plan:											
ARP - ESSER III	84.425U	S425U210027	100-034-5120-523	169,812	3/13/20-9/30/24	(10,183)	51,137	(53,287)	-	(12,333)	-
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	100-034-5120-523	50,000	3/13/20-9/30/24	(2,128)	12,371	(10,243)	-	-	-
Evidence Based Summer Learning & Enrichment	84.425U	S425U210027	100-034-5120-523	40,000	3/13/20-9/30/24	-	25,185	(26,900)	-	(1,715)	-
Beyond the School Day	84.425U	S425U210027	100-034-5120-523	40,000	3/13/20-9/30/24	(3,831)	11,128	(7,635)	-	(338)	-
Total Education Stabilization Fund						(32,428)	107,992	(98,095)	-	(22,931)	-
Total U.S. Department of Education						(95,483)	250,087	(246,339)	-	(51,144)	-
Total Expenditures of Federal Awards						(96,641)	297,522	(293,769)	\$ -	\$ 40,591	\$ -

**GIBBSBORO SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR FISCAL YEAR ENDED JUNE 30, 2024**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2023	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	UNEARNED REVENUE AT JUNE 30, 2024	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2024	DUE TO GRANTOR AT JUNE 30, 2024	MEMO	
											BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
<b>State Department of Education:</b>												
General Fund:												
State Aid Public:												
Equalization Aid	495-034-5120-078	\$ 1,784,755	7/1/23-6/30/24	\$ -	\$ 1,784,755	\$ (1,784,755)	\$ -	\$ -	\$ -	\$ -	\$ 176,038	\$ 1,784,755
Security Aid	495-034-5120-084	25,761	7/1/23-6/30/24	-	25,761	(25,761)	-	-	-	-	2,541	25,761
Adjustment Aid	495-034-5120-085	245,443	7/1/23-6/30/24	-	245,443	(245,443)	-	-	-	-	24,209	245,443
Special Education Categorical Aid	495-034-5120-089	163,500	7/1/23-6/30/24	-	163,500	(163,500)	-	-	-	-	16,127	163,500
Total State Aid Public				-	2,219,459	(2,219,459)	-	-	-	-	218,915	2,219,459
Transportation Aid	495-034-5120-014	20,818	7/1/23-6/30/24	-	20,818	(20,818)	-	-	-	-	2,053	20,818
Extraordinary Aid	495-034-5120-044	46,992	7/1/23-6/30/24	-	-	(46,992)	-	-	(46,992)	-	-	46,992
Extraordinary Aid	495-034-5120-044	49,251	7/1/22-6/30/23	(49,251)	49,251	-	-	-	-	-	-	-
Additional Nonpublic School Transportation Aid	495-034-5120-014	3,640	7/1/23-6/30/24	-	-	(3,640)	-	-	(3,640)	-	-	3,640
Additional Nonpublic School Transportation Aid	495-034-5120-014	2,808	7/1/22-6/30/23	(2,808)	2,808	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	495-034-5094-003	233,214	7/1/23-6/30/24	-	222,322	(233,214)	-	-	(10,892)	-	-	233,214
Reimbursed TPAF Social Security Contributions	495-034-5094-003	216,660	7/1/22-6/30/23	(21,513)	21,513	-	-	-	-	-	-	-
On-Behalf TPAF Pension Contributions (Noncash Assistance)	495-034-5094-001	973,547	7/1/23-6/30/24	-	973,547	(973,547)	-	-	-	-	-	973,547
On-Behalf TPAF Post-Retirement												
Medical Contributions (Noncash Assistance)	495-034-5094-002	264,964	7/1/23-6/30/24	-	264,964	(264,964)	-	-	-	-	-	264,964
On-Behalf TPAF Long-Term Disability Insurance Contributions (Noncash Assistance)	495-034-5120-004	610	7/1/23-6/30/24	-	610	(610)	-	-	-	-	-	610
Total General Fund				(73,572)	3,775,292	(3,763,244)	-	-	(61,524)	-	220,968	3,763,244
Special Revenue Fund:												
Emergent and Capital Maintenance Needs	Unavailable	7,353	7/1/23-6/30/24	-	7,353	(7,353)	-	-	-	-	-	7,353
Preschool Education Aid	495-034-5120-086	733,776	7/1/23-6/30/24	-	733,776	(523,500)	-	210,276	-	-	73,378	523,500
Preschool Expansion Aid	495-034-5120-086	582,793	7/1/22-6/30/23	178,420	-	(178,420)	-	-	-	-	-	178,420
Total Special Revenue Fund				178,420	741,129	(709,273)	-	210,276	-	-	73,378	709,273
<b>New Jersey Department of Agriculture:</b>												
Enterprise Fund:												
National School Lunch Program (State Share)	495-010-3350-001	759	7/1/23-6/30/24	-	737	(759)	-	-	(22)	-	-	759
National School Lunch Program - Reduced (State Share)	495-010-3350-002	238	7/1/23-6/30/24	-	230	(238)	-	-	(8)	-	-	238
National School Lunch Program - Reduced (State Share)	495-010-3350-002	73	7/1/22-6/30/23	(8)	8	-	-	-	-	-	-	-
National School Lunch Program (State Share)	495-010-3350-001	737	7/1/22-6/30/23	(30)	30	-	-	-	-	-	-	-
State School Breakfast Program	495-010-3350-001	23	7/1/23-6/30/24	-	22	(23)	-	-	(1)	-	-	23
Working Class Families State Supplement	495-010-3350-006	120	7/1/23-6/30/24	-	120	(120)	-	-	-	-	-	120
Total New Jersey Department of Agriculture				(38)	1,147	(1,140)	-	-	(31)	-	-	1,140
Total State Financial Assistance				\$ 104,810	\$ 4,517,568	\$ (4,473,657)	\$ -	\$ 210,276	\$ (61,555)	\$ -	\$ 294,346	\$ 4,473,657
State Financial Assistance Programs not subject to Calculation for Major Program Determination:												
On-Behalf TPAF Pension Contributions	495-034-5094-001	\$ 973,547										
On-Behalf TPAF Post-Retirement Medical Contributions	495-034-5094-002	264,964										
On-Behalf TPAF Long-Term Disability Insurance Contributions	495-034-5120-004	610										
Total State Financial Assistance Subject to Major Program Determination						\$ (3,234,536)						

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

**GIBBSBORO SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Note 1. Basis of Presentation**

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

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

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2024. 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, 2024.

**Note 3. Relationship to Basic Financial Statements**

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

**GIBBSBORO SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(39,962) for the general fund and \$145,699 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u><b>Fund</b></u>	<u><b>Federal</b></u>	<u><b>State</b></u>	<u><b>Total</b></u>
General Fund	\$ -	\$ 3,723,282	\$ 3,723,282
Special Revenue Fund	246,339	854,972	1,101,311
Food Service Fund	<u>47,430</u>	<u>1,140</u>	<u>48,570</u>
Total State & Federal Expenditures	<u>\$ 293,769</u>	<u>\$ 4,579,394</u>	<u>\$ 4,873,163</u>

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

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

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

The Gibbsboro School District had no loan balances outstanding at June 30, 2024.



**GIBBSBORO SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**State Financial Assistance**

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

Auditee qualified as low-risk auditee?   X   yes        no

Internal control over major programs:

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

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

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

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

Identification of major programs:

**State Grant/Project Number(s)**

**Name of State Program**

495-034-5120-078  
495-034-5120-084  
495-034-5120-085  
495-034-5120-089  
                                    
                                    
                                  

State Aid Public:  
Equalization Aid  
Security Aid  
Adjustment Aid  
Special Education Categorical Aid

**GIBBSBORO SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Section II – Financial Statement Findings**

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

**No Current Year Findings.**

**GIBBSBORO SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**FEDERAL AWARDS – N/A**

**STATE FINANCIAL ASSISTANCE – N/A**

**GIBBSBORO SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

Financial Statement Findings

**Finding No. 2023-001:**

Condition:

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

Current Status:

The condition has been corrected.

Federal Awards – No Prior Year Findings.

State Financial Assistance – No Prior Year Findings.