

**SCHOOL DISTRICT
OF
THE BOROUGH OF GLEN RIDGE**

**Borough of Glen Ridge School District
Board of Education
Glen Ridge, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015**

**Comprehensive Annual
Financial Report**

of the

**Borough of Glen Ridge School District
Board of Education**

Glen Ridge, New Jersey

For the Fiscal Year Ended June 30, 2015

Prepared by

**Borough of Glen Ridge School District
Board of Education**

Finance Department

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2015

INTRODUCTORY SECTION (UNAUDITED)	
Letter of Transmittal	1
Organizational Chart.....	5
Roster of Officials.....	6
Consultants and Advisors	7
FINANCIAL SECTION	8
Independent Auditors' Report.....	9
Required Supplementary Information.....	12
Management's Discussion and Analysis (Unaudited).....	13
Basic Financial Statements (Sections A. and B.).....	23
A. District-Wide Financial Statements.....	24
A-1 Statement of Net Position	25
A-2 Statement of Activities	27
B. Fund Financial Statements	28
B-1 Balance Sheet – Governmental Funds.....	29
B-2 Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds	30
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	32
B-4 Statement of Net Position – Proprietary Funds	33
B-5 Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds	34
B-6 Statement of Cash Flows – Proprietary Funds	35
B-7 Statement of Fiduciary Net Position – Fiduciary Funds.....	36
B-8 Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	37
Notes to the Basic Financial Statements	38
Required Supplementary Information (Unaudited)	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68) (Unaudited).....	73
L-1 Schedule of District's Proportionate Share of the Net Pension Liability – Public Employees Retirement System.....	73
L-2 Schedule of District Contributions – Public Employees Retirement System.....	74
L-3 Schedule of District's Proportionate Share of the Net Pension Liability – Teachers' Pension and Annuity Fund	75
L-4 Schedule of District's Proportionate Share of the Net Pension Liability – Board of Education Employees' Pension Fund of Essex County	76
L-5 Schedule of District Contributions – Board of Education Employees' Pension Fund of Essex County.....	77
Notes to Required Supplementary Information.....	78

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

FINANCIAL SECTION (Cont'd)

C. Budgetary Comparison Schedules (Unaudited)	79
C-1 Budgetary Comparison Schedule – General Fund.....	80
C-2 Combining Budgetary Schedule – Special Revenue Fund	90
C-3 Budgetary Comparison Schedule- Note to Required Supplementary Information	91

Other Supplementary Schedules (D. - I.)

D. School Level Schedules (Not Applicable)	92
E. Special Revenue Fund	93
E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis	94
E-2 Preschool Education Aid Schedule of Expenditures Special Revenue Fund – Budgetary Basis (Not Applicable)	
F. Capital Projects Fund	95
F-1 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance.....	96
F-1a Schedule of Project Revenues, Expenditures, Project Balance and Project Status - High School Windows and Door Project	97
G. Proprietary Funds	98
Enterprise Funds:	
G-1 Combining Statement of Net Position	99
G-2 Combining Statement of Revenue, Expenses and Changes in Fund Net Position	100
G-3 Combining Statement of Cash Flows	101
H. Fiduciary Funds.....	102
H-1 Combining Statement of Fiduciary Net Position.....	103
H-2 Statement of Changes in Fiduciary Net Position.....	104
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	105
H-4 Student Activity Agency Fund Statement of Activity	106
H-5 Payroll Agency Fund Schedule of Receipts and Disbursements.....	107
I. Long-Term Debt.....	108
I-1 Schedule of Serial Bonds.....	109
I-2 Schedule of Obligations Under Capital Leases	110
I-3 Debt Service Fund Budgetary Comparison Schedule (Unaudited)	111

STATISTICAL SECTION

J. Statistical Section (Unaudited).....	112
J-1 Net Position by Component.....	113
J-2 Changes in Net Position	114
J-3 Fund Balances- Governmental Funds.....	117
J-4 Changes in Fund Balances- Governmental Funds.....	118
J-5 General Fund Other Local Revenue by Source	120
J-6 Assessed Value and Actual Value of Taxable Property	121
J-7 Direct and Overlapping Property Tax Rates.....	122
J-8 Principal Property Taxpayers	123

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

STATISTICAL SECTION

J.	Statistical Section (Unaudited) (Cont'd)	
	J-9 Property Tax Levies and Collections.....	124
	J-10 Ratios of Outstanding Debt by Type	125
	J-11 Ratios of Net General Bonded Debt Outstanding.....	126
	J-12 Ratios of Overlapping Governmental Activities Debt.....	127
	J-13 Legal Debt Margin Information	128
	J-14 Demographic and Economic Statistics	129
	J-15 Principal Employers	130
	J-16 Full-Time Equivalent District Employees by Function/Program	131
	J-17 Operating Statistics.....	132
	J-18 School Building Information	133
	J-19 Schedule of Required Maintenance for School Facilities.....	134
	J-20 Insurance Schedule.....	135
K.	SINGLE AUDIT SECTION	136
	K-1 Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	137
	K-2 Report on Compliance For Each Major State Program; Report on Internal Control over Compliance Required by OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08	139
	Schedule of Expenditures of Federal Awards	141
	Schedule of Expenditures of State Awards	142
	Notes to the Schedules of Expenditures of Federal and State Awards.....	143
	Schedule of Findings and Questioned Costs	145
	Summary Schedule of Prior Audit Findings	146

INTRODUCTORY SECTION



Glen Ridge Public Schools
BOARD OF EDUCATION

December 11, 2015

The Honorable President and Members of
the Board of Education
Borough of Glen Ridge School District
County of Essex, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Borough of Glen Ridge School District (the "District") for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, is included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Borough of Glen Ridge School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Borough of Glen Ridge School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These services are provided for regular, vocational and special education youngsters. The District completed the 2014-2015 fiscal year with an average daily enrollment of 1,908 students, which is twenty-five students below the previous year's average daily enrollment.

The Honorable President and Members of
the Board of Education
Borough of Glen Ridge School District
Page 2
December 11, 2015

2) MAJOR INITIATIVES: The school system is viewed as the center of a very active community that is committed to its excellent education system. There is a close relationship between the home, school and community as demonstrated through the large donations of equipment and services by the Glen Ridge Educational Foundation ("GREF") and the numerous other activities supported through the GREF Mini-Grant process. The Home and School Associations continue to actively provide support through a variety of programs. Students and their parents understand and value their educational experience as an opportunity to prepare for the most competitive colleges and universities as well as for the workplace. Glen Ridge High School has been repeatedly cited by a number of state and national publications as an outstanding school and is accredited by the New Jersey Department of Education. Students at all grades score above the state and national averages on all levels of the PARCC, PSAT, SAT, ACT, and the AP tests.

During the 2014-2015 school year, curriculum revisions were completed in Language Arts and World Languages and will be implemented in the 2015-2016 school year. In addition, new courses in the Middle School Cycle Program along with the following high school course; online Financial Literacy course, Chinese 1, Calculus BC, Criminology, and Criminal Law, will be implemented during the 2015-2016 school year. Teachers were provided training and the community was provided information about the curriculum revisions. The District continues to work towards completing goals from its strategic planning, Mission 2020.

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

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

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

4) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. 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 canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and/or assignments of fund balance at June 30, 2015.

The Honorable President and Members of
the Board of Education
Borough of Glen Ridge School District
Page 3
December 11, 2015

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

6) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

7) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. Insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the District's CAFR.

The Board is a member of the Morris Essex Insurance Group (the "Group") and the School Alliance Insurance Fund (the "Fund"). The Group and the Fund are risk-sharing public entity risk pools that are insured and self-administered groups of school boards established for the purpose of providing low-cost insurance coverage for their respective members. Additional information on the Group and the Fund is included in Note 10 to the Basic Financial Statements.

8) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related Federal OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

The Honorable President and Members of
the Board of Education
Borough of Glen Ridge School District
Page 4
December 11, 2015

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

Respectfully submitted,

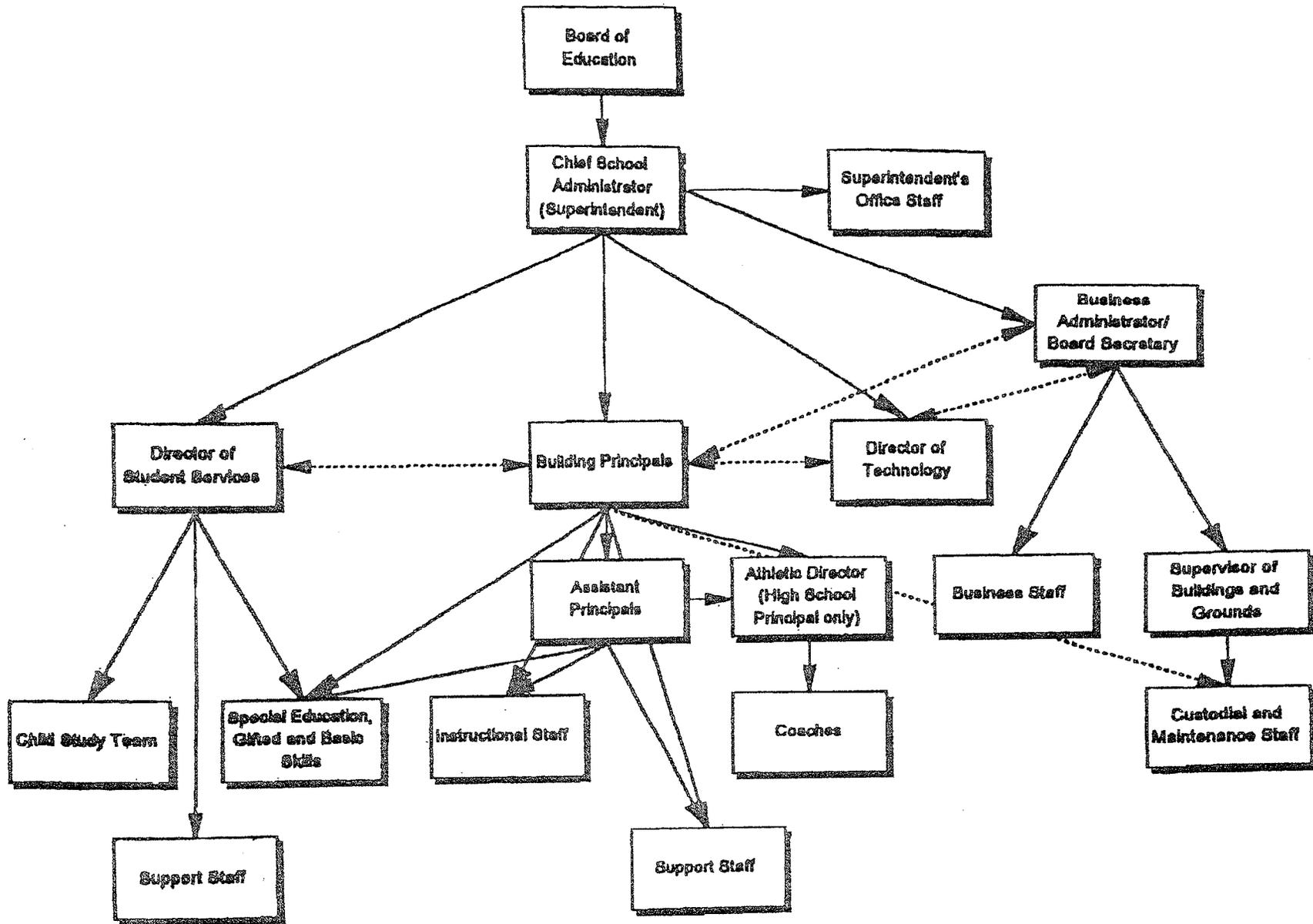


Dirk Phillips
Superintendent of Schools



Peter R. Caprio
Board Secretary/Business Administrator

GLEN RIDGE BOARD OF EDUCATION ORGANIZATIONAL CHART



**BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2015**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mrs. Elisabeth Ginsburg, President	2016
Mr. Timothy Keppel, 1st Vice President	2015
Mr. Michael de Leeuw, 2nd Vice President	2016
Mr. David Campbell	2015
Ms. Alexandra Hilberth	2015
Ms. Alison Lang	2017
Mr. Paul Romano	2017
Ms. Tracey St. Auburn	2017
Dr. Heather Yaros-Ramos	2016

Other OfficialsTitle

Dr. John M. Mucciolo	Superintendent of Schools (to 7/31/15)
Dirk Phillips	Superintendent of Schools (from 8/1/15)
Peter R. Caprio	School Business Administrator/Board Secretary
John Calavano	Treasurer of School Monies

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
Consultants and Advisors

Architects

Design Resource Group, Architects, AIA
371 Hoes Lane, Suite 301
Piscataway, NJ 08854

Audit Firm

Nisivoccia LLP, CPAs
Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mount Arlington, NJ 07856-1320
and
Lawrence Business Park
11 Lawrence Road
Newton, NJ 07860

Attorney

Sciarrillo, Cornell, Merlino, McKeever and Osborne
238 St. Paul Street
Westfield, NJ 07090

Official Depository

Wells Fargo Bank NA
Bloomfield Avenue
Glen Ridge, NJ 07028

FINANCIAL SECTION



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax
 Lawrence Business Park
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Borough of Glen Ridge School District
 County of Essex, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Borough of Glen Ridge School District (the "District") in the County of Essex, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The Honorable President and Members
of the Board of Education
Borough of Glen Ridge School District
Page 2

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Borough of Glen Ridge School District, in the County of Essex, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 16 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* during the fiscal year ended June 30, 2015. Our opinions are not modified with respect to this matter. The implementation resulted in the restatement of certain balances on the Statement of Net Position and the ending balance for Net Position for the Governmental Activities as of June 30, 2014 as detailed in Note 16 to the basic financial statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, which follows this report, the required supplementary information pension schedules and the budgetary comparison information in Exhibits C-1 through C-3 and I-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey’s OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Honorable President and Members
of the Board of Education
Borough of Glen Ridge School District
Page 3

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

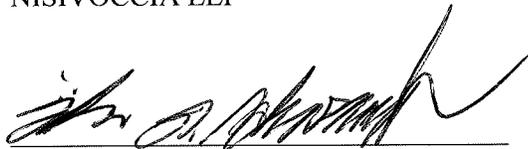
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2015 on our consideration of the 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 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 District's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
December 11, 2015

NISIVOCCIA LLP



William F. Schroeder
Licensed Public School Accountant #2112
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

This section of Borough of Glen Ridge School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2015. 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.

Financial Highlights

- The District's net position increased by \$1,522,773 on a district-wide basis.
- Overall revenue was \$36.5 million and overall expenses were \$35.0 million.
- Enrollment in the District has declined in the current year and cost per pupil has increased.
- The District had a reduction in outstanding long-term debt of 5.92 percent.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food service, after school and summer programs and the consortium.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1
Organization of the Borough of Glen Ridge School District's Financial Report

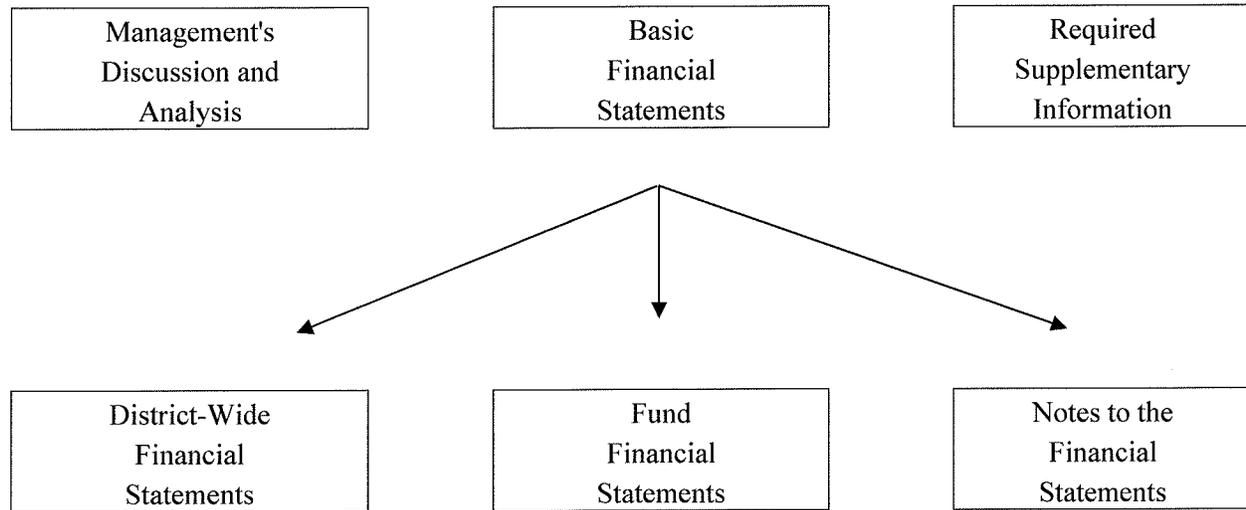


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services, after school and summer programs, and the consortium	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies.
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

District-wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflows and outflows and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows and liabilities – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service, after school and summer programs and the consortium are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The District uses *internal service funds* (the other kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities. The District currently does not maintain any internal service funds.

Fund Financial Statements

- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's combined net position increased by 35.32%. Net position from governmental activities increased by \$1,452,852 and net position from business-type activities increased by \$69,921. Net investment in capital assets increased by \$1,345,254, restricted net position increased by \$462,994, and unrestricted net position decreased \$285,475.

Figure A-3
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2014/2015	2013/2014*	2014/2015	2013/2014	2014/2015	2013/2014*	2014/2015
Current and							
Other Assets	\$ 4,029,628	\$ 3,971,702	\$ 180,228	\$ 127,880	\$ 4,209,856	\$ 4,099,582	2.69%
Capital Assets, Net	13,062,735	12,303,095	20,888	22,977	13,083,623	12,326,072	6.15%
Total Assets	17,092,363	16,274,797	201,116	150,857	17,293,479	16,425,654	5.28%
Deferred Outflows of Resources	368,250	156,046			368,250	156,046	135.99%
Long-Term Debt Outstanding	11,148,757	11,849,815			11,148,757	11,849,815	-5.92%
Other Liabilities	293,913	400,679		19,662	293,913	420,341	-30.08%
Total Liabilities	11,442,670	12,250,494		19,662	11,442,670	12,270,156	-6.74%
Deferred Inflows of Resources	384,742				384,742		100.00%
Net Position:							
Net Investment in Capital Assets	8,930,658	7,583,315	20,888	22,977	8,951,546	7,606,292	17.69%
Restricted	3,292,295	2,829,301			3,292,295	2,829,301	16.36%
Unrestricted/(Deficit)	(6,589,752)	(6,232,267)	180,228	108,218	(6,409,524)	(6,124,049)	-4.66%
Total Net Position	\$ 5,633,201	\$ 4,180,349	\$ 201,116	\$ 131,195	\$ 5,834,317	\$ 4,311,544	35.32%

* Restated

Changes in Net Position. The District's combined net position was \$5,834,317 on June 30, 2015, an increase of \$1,522,773 or 35.32% greater than the prior year (See Figure A-3). Net investment in capital assets increased \$1,345,254 due to \$1,128,181 of capital asset additions, the payment of \$510,000 in bond principal and the retirement of \$77,703 of capital lease principal, offset by \$342,955 in depreciation and \$27,675 in capital deletions, net of accumulated depreciation.

Restricted net position increased by \$462,994 due to a budgeted increase in capital reserve of \$465,379 offset by a decrease in other purposes of \$2,385. Unrestricted net position decreased by \$285,475 due to a decrease in unamortized bond issuance premium of \$15,743, a decrease in accrued interest of \$6,375, a net decrease in compensated absences of \$4,549, a change in assumptions in pensions of \$204,513, a change in proportions in pensions of \$27,196, a decrease in net pension liability of \$108,806 and an increase in unrestricted net position in business-type activities of \$72,010; offset by a \$320,420 net decrease in unassigned and assigned (including encumbrances) General Fund fund balance, a decrease in deferred interest of \$19,505 and a difference in investments in pensions of \$384,742 (See Figure A-3).

Figure A-4
Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015
Revenue:							
Program Revenue:							
Charges for Services	\$ 473,942	\$ 488,530	\$ 714,991	\$ 630,797	\$ 1,188,933	\$ 1,119,327	6.22%
Grants and Contributions:							
Operating	7,183,317	3,786,877			7,183,317	3,786,877	89.69%
General Revenue:							
Property Taxes	27,841,642	26,857,652			27,841,642	26,857,652	3.66%
Federal and State Aid Not Restricted	60,874				60,874		100.00%
Other	219,326	169,066			219,326	169,066	29.73%
Total Revenue	35,779,101	31,302,125	714,991	630,797	36,494,092	31,932,922	14.28%
Expenses:							
Instruction	20,930,605	19,448,787			20,930,605	19,448,787	7.62%
Pupil and Instruction Services	5,539,689	4,909,127			5,539,689	4,909,127	12.84%
Administrative and Business	4,320,187	3,867,729			4,320,187	3,867,729	11.70%
Maintenance and Operations	2,758,792	2,680,745			2,758,792	2,680,745	2.91%
Transportation	568,312	622,782			568,312	622,782	-8.75%
Other	208,664	174,649	645,070	646,608	853,734	821,257	3.95%
Total Expenses	34,326,249	31,703,819	645,070	646,608	34,971,319	32,350,427	8.10%
Increase/(Decrease) in Net Position	\$ 1,452,852	\$ (401,694)	\$ 69,921	\$ (15,811)	\$ 1,522,773	\$ (417,505)	464.73%

Revenue Sources. The District's total revenue for the 2014/15 school year was \$36,494,092. (See Figure A-4). Property taxes and state formula aid accounted for most of the District's revenue, with local taxes accounting for \$27,841,642 of the total, or 76.29 percent. (See Figure A-5). Another 19.85 percent came from state and federal aid and the remainder from miscellaneous sources and charges for services.

Figure A-5
Sources of Revenue for Fiscal Year 2015

Sources of Income:	<u>Amount</u>	<u>Percentage</u>
Grants and Contributions	\$ 7,183,317	19.68%
Property Taxes	27,841,642	76.29%
Unrestricted Federal and State Aid	60,874	0.17%
Charges for Services	1,188,933	3.26%
Other	219,326	0.60%
	<u>\$ 36,494,092</u>	<u>100.00%</u>

The total cost of all programs and services was \$34,971,319. The District's expenses are predominantly related to instructing, caring for (pupil and instruction services) and transporting students (77.32 percent) (See Figure A-6). The District's administrative and business activities accounted for 12.35 percent of total costs. It is important to note that depreciation of \$342,955 is included in expenses for the year.

Figure A-6
Expenses for Fiscal Year 2015

Expense Category:	<u>Amount</u>	<u>Percentage</u>
Instruction	\$ 20,930,605	59.85%
Pupil and Instruction Services	5,539,689	15.84%
Administrative and Business	4,320,187	12.35%
Maintenance and Operations	2,758,792	7.89%
Transportation	568,312	1.63%
Other	853,734	2.44%
	<u>\$ 34,971,319</u>	<u>100.00%</u>

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District improved. Maintaining existing programs with decreased enrollment, the provision of a multitude of special programs/services for disabled pupils, and increases in District health benefits costs places a great demand on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.

Because State aid has declined over the past few years, the burden of funding education in the District has fallen on property taxes. Therefore, it is crucial that the District examine its expenses carefully, since any proposed increase to the School District budget will be funded entirely through property taxes.

Figure A-7 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

Figure A-7
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2014/2015	2013/2014	2014/2015	2013/2014
Instruction	\$ 20,930,605	\$ 19,448,787	\$14,491,460	\$15,530,640
Pupil and Instruction Services	5,539,689	4,909,127	4,889,798	4,777,880
Administrative and Business	4,320,187	3,867,729	3,780,022	3,648,308
Maintenance and Operations	2,758,792	2,680,745	2,758,792	2,680,745
Transportation	568,312	622,782	540,254	616,190
Other	208,664	174,649	208,664	174,649
	<u>\$ 34,326,249</u>	<u>\$ 31,703,819</u>	<u>\$ 26,668,990</u>	<u>\$ 27,428,412</u>

- The cost of all governmental activities this year was \$34,326,249.
- The federal and state governments subsidized certain programs with grants and contributions (\$7,183,317).
- Most of the District's costs, however, were financed by District taxpayers (\$27,841,642).
- A portion of governmental activities was financed with federal and state aid not restricted (\$60,874).
- The remainder of governmental activities funding came from private contributions, tuition, investment earnings, charges for services and miscellaneous revenue.

Business-Type Activities

Net position from the District's business-type activities increased by \$69,921. This is comprised of a decrease in Food Service of \$7,702 and an increase in After School and Summer Programs of \$77,623. (Refer to Figure A-4)

Financial Analysis of the District's Funds

The District's financial situation increased which has had a direct impact upon the District's revenue sources. Interest from investments increased and tuition revenue decreased as compared to years past. However, ratables of the municipality remain more or less stable, thus generating concern for the local tax levy in the future.

As a result, to maintain a stable financial position, the District must continue to practice sound fiscal management.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into the following category:

- Changes made within budgetary line items were in school-based needs for programs and textbooks, and increased maintenance, and capital outlay expenditures, as well as legal and other professional services expenditures.

Capital Asset and Debt Administration**Figure A-8****Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2013/2014
	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	
Sites (Land)	\$ 736,853	\$ 736,853			\$ 736,853	\$ 736,853	0.00%
Construction in Progress	555,446	904,830			555,446	904,830	-38.61%
Site Improvements	491,448	123,082			491,448	123,082	299.29%
Buildings and Building Improvements	10,313,998	9,799,379			10,313,998	9,799,379	5.25%
Machinery and Equipment	964,990	738,951	\$ 20,888	\$ 22,977	985,878	761,928	29.39%
Total Capital Assets (Net of Depreciation)	<u>\$ 13,062,735</u>	<u>\$ 12,303,095</u>	<u>\$ 20,888</u>	<u>\$ 22,977</u>	<u>\$ 13,083,623</u>	<u>\$ 12,326,072</u>	<u>6.15%</u>

The District's overall capital assets (net of depreciation) increased by \$757,551 due to capital additions of \$1,128,181 offset by capital deletions of \$27,675, net of accumulated depreciation, and \$342,955 in depreciation.

Long-term Debt

At year-end, the District had \$4,055,000 in net general obligation bonds – an decrease of \$510,000 from last year – as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 7 to the basic financial statements.)

Figure A-9**Outstanding Long-Term Debt**

	Total School District		Total Percentage Change 2014/2015
	2014/2015	2013/2014*	
General Obligation Bonds, Net (Financed with Property Taxes)	\$ 4,055,000	\$ 4,565,000	-11.17%
Net Pension Liability	6,593,946	6,702,752	-1.62%
Other Long-term Debt	499,811	582,063	-14.13%
	<u>\$ 11,148,757</u>	<u>\$ 11,849,815</u>	<u>-5.92%</u>

* Restated

The District continued to pay down its debt, retiring \$510,000 of outstanding bonds and \$77,703 of outstanding capital lease payables. In fiscal year 2015, there was a net decrease of \$4,549 in compensated absences and a net decrease of \$108,806 in net pension liability.

Factors Bearing on the District's Future Revenue/Expense Changes

At the time these financial statements were prepared and audited, the District was aware of three existing circumstances that could significantly affect its financial health in the future:

- An increase in student enrollment and in the number of special education students continues to impact the financial resources of the school district through the employment of additional teaching and support staff and out of district special education tuition and transportation costs.
- The volatility of health costs continue to be a concern that could impact the District's financial resources.
- The volatility of State Aid continues to be a concern that could impact the District's financial resources and educational programs.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 12 High Street, Glen Ridge, New Jersey 07028.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Exhibit A-1

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 3,284,651	\$ 178,631	\$ 3,463,282
Internal Balances	42,831	(42,831)	
Receivables from State Government	192,871		192,871
Receivables from Federal Government	36,925		36,925
Other Receivables	5,984	39,472	45,456
Inventory		4,956	4,956
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	466,366		466,366
Capital Assets, Net:			
Sites (Land) and Construction in Progress	1,641,683		1,641,683
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	11,421,052	20,888	11,441,940
Total Assets	<u>17,092,363</u>	<u>201,116</u>	<u>17,293,479</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
Deferred Interest	136,541		136,541
Changes in Assumptions - Pensions	204,513		204,513
Changes in Proportion - Pensions	27,196		27,196
Total Deferred Outflows of Resources	<u>368,250</u>		<u>368,250</u>
<u>LIABILITIES</u>			
Current Liabilities			
Accrued Interest Payable	61,182		61,182
Accounts Payable-Vendors	83,880		83,880
Unearned Revenue	38,655		38,655
Unamortized Bond Premium	110,196		110,196
Noncurrent Liabilities:			
Due Within One Year	599,645		599,645
Due Beyond One Year	10,549,112		10,549,112
Total Liabilities	<u>11,442,670</u>		<u>11,442,670</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Investment Gains - Pensions	384,742		384,742
Total Deferred Inflows of Resources	<u>384,742</u>		<u>384,742</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	8,930,658	20,888	8,951,546
Restricted for:			
Capital Projects	466,366		466,366
Debt Service	1		1
Other Purposes	2,825,928		2,825,928
Unrestricted/(Deficit)	(6,589,752)	180,228	(6,409,524)
Total Net Position	<u>\$ 5,633,201</u>	<u>\$ 201,116</u>	<u>\$ 5,834,317</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 15,125,388	\$ 473,942	\$ 3,813,072		\$ (10,838,374)		\$ (10,838,374)
Special Education	3,984,945		1,750,015		(2,234,930)		(2,234,930)
Other Special Instruction	596,961		149,021		(447,940)		(447,940)
School Sponsored/Other Instruction	1,223,311		253,095		(970,216)		(970,216)
Support Services:							
Tuition	1,774,916		345,674		(1,429,242)		(1,429,242)
Student & Instruction Related Services	3,764,773		304,217		(3,460,556)		(3,460,556)
General Administrative Services	754,711				(754,711)		(754,711)
School Administrative Services	2,653,631		540,165		(2,113,466)		(2,113,466)
Central Services	574,446				(574,446)		(574,446)
Administration Information Technology	337,399				(337,399)		(337,399)
Plant Operations and Maintenance	2,758,792				(2,758,792)		(2,758,792)
Pupil Transportation	568,312		28,058		(540,254)		(540,254)
Interest on Long-Term Debt	159,524				(159,524)		(159,524)
Capital Outlay	49,140				(49,140)		(49,140)
Total Governmental Activities	34,326,249	473,942	7,183,317	\$ -0-	(26,668,990)	\$ -0-	(26,668,990)
Business-Type Activities:							
Food Service	339,945	332,243				(7,702)	(7,702)
After School and Summer Programs	305,125	382,748				77,623	77,623
Total Business-Type Activities	645,070	714,991				69,921	69,921
Total Primary Government	\$ 34,971,319	\$ 1,188,933	\$ 7,183,317	\$ -0-	\$ (26,668,990)	\$ 69,921	\$ (26,599,069)

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Net (Expenses)/Revenues and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 27,169,504		\$ 27,169,504
Taxes Levied for Debt Service	672,138		672,138
Federal and State Aid Not Restricted	60,874		60,874
Investment Earnings	83		83
Miscellaneous Income	219,243		219,243
 Total General Revenues	 28,121,842		 28,121,842
 Change in Net Position	 1,452,852	 \$ 69,921	 1,522,773
 Net Position - Beginning (Restated)	 4,180,349	 131,195	 4,311,544
 Net Position - Ending	 \$ 5,633,201	 \$ 201,116	 \$ 5,834,317

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

Exhibit B-1

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 3,284,650			\$ 1	\$ 3,284,651
Interfund Receivable	204,281				204,281
Receivable from State Government	192,871				192,871
Receivable from Federal Government		\$ 36,925			36,925
Other Receivables	5,984				5,984
Restricted Cash and Cash Equivalents	466,366				466,366
Total Assets	<u>\$ 4,154,152</u>	<u>\$ 36,925</u>	<u>\$ -0-</u>	<u>\$ 1</u>	<u>\$ 4,191,078</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable		\$ 14,112	\$ 147,338		\$ 161,450
Accounts Payable-Vendors	\$ 82,972	908			83,880
Unearned Revenue	16,750	21,905			38,655
Total Liabilities	<u>99,722</u>	<u>36,925</u>	<u>147,338</u>		<u>283,985</u>
Fund Balances:					
Restricted:					
Excess Surplus	1,195,937				1,195,937
Excess Surplus - Designated for Subsequent Year's Expenditures	1,629,991				1,629,991
Capital Reserve Account	466,366				466,366
Debt Service				\$ 1	1
Assigned:					
Year-End Encumbrances	84,856				84,856
Designated for Subsequent Year's Expenditures	85,862				85,862
Unassigned / (Deficit)	591,418		(147,338)		444,080
Total Fund Balances/ (Deficit)	<u>4,054,430</u>		<u>(147,338)</u>	<u>1</u>	<u>3,907,093</u>
Total Liabilities and Fund Balances	<u>\$ 4,154,152</u>	<u>\$ 36,925</u>	<u>\$ -0-</u>	<u>\$ 1</u>	
Amounts Reported for <i>Governmental Activities</i> 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 \$21,474,210 and the accumulated depreciation is \$8,411,475.					13,062,735
Long-Term Liabilities, Including Bonds Payable, are not due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds (see Note 7).					(4,554,811)
Accrued Interest on Long-Term Liabilities, Including Bonds Payable, is not due and Payable in the Current Period and Therefore is not Reported as a Liability in the Funds.					(61,182)
Deferred interest costs are not reported as expenditures in the Governmental Funds in the year of the expenditure					136,541
Bond Premiums are reported as revenue in the Governmental Funds. The Premium is \$204,654 and the Amortization is \$94,458.					(110,196)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.					(6,593,946)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:					
Changes in Assumptions - Pensions					204,513
Changes in Proportions - Pensions					27,196
Investment Gains - Pensions					(384,742)
Net Position of Governmental Activities					<u>\$ 5,633,201</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources:					
Local Tax Levy	\$ 27,169,504			\$ 672,138	\$ 27,841,642
Tuition from Individuals	459,621				459,621
Tuition from Other LEAs	14,321				14,321
Miscellaneous	219,326	\$ 19,037			238,363
Total - Local Sources	<u>27,862,772</u>	<u>19,037</u>		<u>672,138</u>	<u>28,553,947</u>
State Sources	3,699,357				3,699,357
Federal Sources		382,599			382,599
Total Revenues	<u>31,562,129</u>	<u>401,636</u>		<u>672,138</u>	<u>32,635,903</u>
EXPENDITURES					
Current:					
Regular Instruction	9,959,515	30,452			9,989,967
Special Education Instruction	2,412,269	11,510			2,423,779
Other Special Instruction	364,839				364,839
School-Sponsored/Other Instruction	829,078				829,078
Support Services and Undistributed Costs:					
Tuition	1,429,242	345,674			1,774,916
Student & Instruction Related Services	2,847,735	14,000			2,861,735
General Administrative Services	712,547				712,547
School Administrative Services	1,709,929				1,709,929
Central Services	481,746				481,746
Administration Information Technology	301,449				301,449
Plant Operations and Maintenance	2,470,637				2,470,637
Pupil Transportation	535,573				535,573
Unallocated Benefits	7,010,082				7,010,082

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
EXPENDITURES					
Debt Service:					
Principal				\$ 510,000	\$ 510,000
Interest and Other Charges				162,137	162,137
Capital Outlay	\$ 354,915				354,915
Total Expenditures	<u>31,419,556</u>	<u>\$ 401,636</u>		<u>672,137</u>	<u>32,493,329</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>142,573</u>	<u>-0-</u>		<u>1</u>	<u>142,574</u>
Net Change in Fund Balances	142,573			1	142,574
Fund Balance/(Deficit)—July 1	<u>3,911,857</u>		<u>\$ (147,338)</u>		<u>3,764,519</u>
Fund Balance/(Deficit)—June 30	<u>\$ 4,054,430</u>	<u>\$ -0-</u>	<u>\$ (147,338)</u>	<u>\$ 1</u>	<u>\$ 3,907,093</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Total Net Change in Fund Balances - Governmental Funds (from B-2)		\$ 142,574
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 depreciation and deletion of capital assets differs from capital outlays in the period.		
	Depreciation expense	\$ (340,866)
	Deletion of Capital Assets, net of Accumulated Depreciation	(27,675)
	Capital outlays	<u>1,128,181</u> 759,640
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+).		
		4,549
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).		
		6,375
Also, the governmental funds report the effect of deferred interest costs relative to an advance refunding when debt is first issued whereas these amounts are deferred and amortized in the statement of activities.		
		(19,505)
The governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
		15,743
Repayment of capital leases 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. (+)		
		77,703
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. (+)		
		510,000
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
	Change in Net Pension Liability	108,806
	Deferred Outflows:	
	Changes in Assumptions	204,513
	Changes in Proportion	27,196
	Deferred Inflows:	
	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	<u>(384,742)</u>
Change in Net Position of Governmental Activities (Exhibit A-2)		<u>\$ 1,452,852</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Business-Type Activities - Enterprise Funds			
	Major Funds			Total
	Food Service	After School	Non-Major Funds	
ASSETS:				
Current Assets:				
Cash and Cash Equivalents		\$ 174,386	\$ 4,245	\$ 178,631
Other Accounts Receivable		39,472		39,472
Inventory	\$ 4,956			4,956
Total Current Assets	4,956	213,858	4,245	223,059
Non-Current Assets:				
Capital Assets	102,573			102,573
Less: Accumulated Depreciation	(81,685)			(81,685)
Total Non-Current Assets	20,888			20,888
Total Assets	25,844	213,858	4,245	243,947
LIABILITIES:				
Current Liabilities:				
Interfund Payable	42,831			42,831
Total Current Liabilities	42,831			42,831
Total Liabilities	42,831			42,831
NET POSITION:				
Net Investment in Capital Assets	20,888			20,888
Unrestricted	(37,875)	213,858	4,245	180,228
Total Net Position	\$ (16,987)	\$ 213,858	\$ 4,245	\$ 201,116

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Totals</u>
	<u>Major Funds</u>			
	<u>Food Service</u>	<u>After School and Summer Programs</u>	<u>Non-Major Funds</u>	
Operating Revenue:				
Charges for Services:				
Daily Sales	\$ 328,845			\$ 328,845
Special Events	3,398			3,398
Program Fees		\$ 382,748		382,748
Total Operating Revenue	<u>332,243</u>	<u>382,748</u>		<u>714,991</u>
Operating Expenses:				
Cost of Sales	144,314			144,314
Salaries	139,278	226,747		366,025
Payroll Taxes		16,523		16,523
Employee Benefits		37,499		37,499
Purchased Professional Services	20,604			20,604
Supplies and Materials	33,660	24,356		58,016
Depreciation Expense	2,089			2,089
Total Operating Expenses	<u>339,945</u>	<u>305,125</u>		<u>645,070</u>
Change in Net Position	(7,702)	77,623		69,921
Net Position - Beginning of Year	<u>(9,285)</u>	<u>136,235</u>	<u>\$ 4,245</u>	<u>131,195</u>
Net Position - End of Year	<u>\$ (16,987)</u>	<u>\$ 213,858</u>	<u>\$ 4,245</u>	<u>\$ 201,116</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-6

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-Type Activities - Enterprise Funds			Totals
	Major Funds		Non-Major Funds	
	Food Service	After School and Summer Programs		
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 333,955	\$ 344,421		\$ 678,376
Payments to Employees		(226,747)		(226,747)
Payments to Food Service Vendor	(338,263)			(338,263)
Payments to Suppliers		(24,356)		(24,356)
Payments to Other Vendors		(54,022)		(54,022)
Net Cash Provided by Operating Activities	(4,308)	39,296		34,988
Cash Flows from Noncapital Financing Activities:				
Interfund Advanced - General Fund	42,831			42,831
Interfund Returned - General Fund	(38,523)			(38,523)
Net Cash Provided by Noncapital Financing Activities	4,308			4,308
Net Increase in Cash and Cash Equivalents		39,296		39,296
Cash and Cash Equivalents, July 1		135,090	\$ 4,245	139,335
Cash and Cash Equivalents, June 30	\$ -0-	\$ 174,386	\$ 4,245	\$ 178,631
Reconciliation of Operating Income to Net Cash Used for Operating Activities:				
Operating Income	\$ (7,707)	\$ 77,623		\$ 69,921
Net Cash Used for Operating Activities:				
Depreciation	2,089			2,089
Changes in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	1,713	(18,665)		(16,952)
(Increase) in Inventory	(408)			(408)
(Decrease) in Deposits Payable		(19,662)		(19,662)
Net Cash Provided by Operating Activities	\$ (4,313)	\$ 39,296	\$ -0-	\$ 34,988

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-7

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2015

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>
ASSETS:		
Cash and Cash Equivalents	\$ 240,816	\$ 116,941
Total Assets	<u>240,816</u>	<u>116,941</u>
LIABILITIES:		
Payroll Deductions and Withholdings	104,698	
Due to Student Groups	<u>136,118</u>	
Total Liabilities	<u>240,816</u>	
NET POSITION:		
Held in Trust for Unemployment Claims		<u>116,941</u>
Total Net Position	<u>\$ -0-</u>	<u>\$ 116,941</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-8

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Plan Member	\$ 59,964
Total Contributions	<u>59,964</u>
Total Additions	<u>59,964</u>
DEDUCTIONS:	
Quarterly Contribution Reports and Claims	<u>27,321</u>
Total Deductions	<u>27,321</u>
Change in Net Position	32,643
Net Position - Beginning of the Year	<u>84,298</u>
Net Position - End of the Year	<u><u>\$ 116,941</u></u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of Borough of Glen Ridge School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significances) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary, junior high school and senior high schools located in the Borough of Glen Ridge. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall District in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental, proprietary and fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all governmental funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed 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 expenses by board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

The District reports the following proprietary fund:

Enterprise (Food Service and After School and Summer Programs and Consortium) Funds: The Enterprise Funds account for all revenue and expenses pertaining to the Board's cafeteria, after school and summer programs, and consortium operations. The food service, after school and summer programs, and consortium funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Student Activities Fund, Payroll Agency Fund, and Unemployment Compensation Insurance Trust Fund.

C. Measurement Focus and Basis of Accounting

The District-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budget for the fiscal year ended June 30, 2015 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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 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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The general fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the June state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements in the current year.

The Capital Projects Fund budgetary revenue differs from the GAAP revenue due to a difference in the recognition of School Development Authority (SDA) grants revenue. SDA grants are recognized on the budgetary basis in full when they are awarded but are recognized on the GAAP basis as they are expended and requested for reimbursement.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 31,567,971	\$ 401,636
Difference - Budget to GAAP:		
Current Year State Aid Payments Recognized for GAAP Statements, Not Recognized for Budgetary Purposes	(71,260)	
Prior Year State Aid Payments Recognized for Budgetary Purposes, Not Recognized for GAAP Statements	65,418	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 31,562,129	\$ 401,636
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 31,419,556	\$ 401,636
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 31,419,556	\$ 401,636
		Capital Projects Fund Fund Balance
Amount per Summary Schedule of Revenue, Expenditures, and Charges in Fund Balance (Budgetary Basis) (per Exhibit F-1)		\$ 74,840
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Revenue/Receivable not Recognized on GAAP Basis		(222,178)
Deficit Fund Balance per Summary Schedule of Revenue, Expenditures, and Charges in Fund Balance - Governmental Funds (GAAP Basis) (per Exhibit B-2)		\$ (147,338)

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 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 a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41et 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 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 of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of government units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the governmental units.

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. 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 the enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. 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 restricted, committed and/or 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.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

H. Encumbrances: (Cont'd)

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

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

I. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost, including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings	40 years
Site Improvements	15 to 30 years
Machinery and Equipment	5 to 20 years
Computer and Related Technology	5 years
Vehicles	8 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

L. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year; therefore, there are no accrued salaries and wages as of June 30, 2015.

N. Compensated Absences:

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

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

In the district-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

O. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the special revenue fund.

P. Fund Balance Appropriated:

General Fund: Of the \$4,054,430 General Fund fund balance at June 30, 2015, \$84,856 is assigned for encumbrances; \$466,366 is restricted in the capital reserve account; \$1,195,937 is restricted as current year excess surplus and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2017; \$1,629,991 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2016; \$85,862 is assigned fund balance and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2016 and unassigned fund balance is \$591,418, which is \$71,260 less than the calculated maximum unassigned fund balance due to the final two State Aid payments that are not recognized on GAAP basis until the fiscal year ending June 30, 2016.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Fund Balance Appropriated: (Cont'd)

Capital Projects Fund: The deficit fund balance of \$147,338 in the Capital Projects Fund at June 30, 2015 is unassigned. This deficit is due to the difference in the recognition of the SDA grant receivable of \$222,178. The Budgetary basis of accounting recognizes the grant revenue when the grant is awarded whereas the GAAP basis recognizes the SDA grant revenue when grant expenditures are submitted for reimbursement.

Debt Service Fund: The Debt Service Fund has \$1 fund balance at June 30, 2015 that has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2016.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school Districts are required to restrict 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 year's budget. The District had excess surplus as defined on the previous page.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$71,260 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, Districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school Districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school District cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

Q. Deficit Fund Balance/Net Position:

The District has a deficit in unrestricted net position of \$6,589,752 in governmental activities, which is due to accrued interest payable of \$61,182, \$422,734 of compensated absences payable, an unamortized bond premium of \$110,196, unassigned Capital Projects Fund fund balance of \$147,338, investment gains in pensions of \$384,742 and net pension liability of \$6,593,946; net of \$84,856 of fund balance assigned for subsequent year's expenditures, \$85,862 assigned for encumbrances, \$591,418 unassigned General Fund fund balance, deferred interest of \$136,541, changes in pension assumptions of \$204,513 and changes in proportion in pensions of \$27,196. There is a deficit fund balance of \$147,338 in the Capital Projects Fund as of June 30, 2015 as reported in the fund statements (modified accrual basis) due to the School Development Authority grant receivable in the amount of \$222,178 which is not recognized on a GAAP basis until these grant funds are expended and reported for reimbursement. The Food Service Enterprise Fund has a deficit in unrestricted net position of \$37,875 primarily due to operating deficits in the last two years.

The deficits in Governmental Activities and the Capital Projects Fund do not indicate that the District is facing financial difficulties and is a permitted practice by generally accepted accounting principles.

R. Net Position:

Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

R. Net Position: (Cont'd)

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2015 for the deferred amount on refunding of debt related to the District's 2010 refunding bonds, changes in assumptions in pensions and changes in proportion in pensions.

The District had a deferred inflow of resources at June 30, 2015 for the net difference between projected and actual investment earnings on pension plan investments.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

S. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for excess surplus, the debt service fund, and a capital reserve.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District did not have committed resources on the GAAP basis at June 30, 2015.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

S. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2015.

T. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end. Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, interest and tuition.

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the respective Enterprise Fund. For the School District, these revenues are sales for Food Service and program fees for After School Care and Summer Programs and Consortium. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the respective Enterprise Fund.

V. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

W. 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 fiduciary net position of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Board ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Board limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below and on the following page.

Deposits:

New Jersey statutes permit the deposit of public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School Districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; or
- (7) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2015, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Restricted Cash and Cash Equivalents</u> <u>Capital Reserve Account</u>	<u>Total</u>
Checking and Savings Accounts	\$ 3,718,063	\$ 466,366	\$ 4,184,429
New Jersey Cash Management Fund	102,976		102,976
	<u>\$ 3,821,039</u>	<u>\$ 466,366</u>	<u>\$ 4,287,405</u>

During the period ended June 30, 2015, the District did not hold any investments.

The carrying amount of the Board's cash and cash equivalents at June 30, 2015, was \$4,287,405 and the bank balance was \$5,199,484. The \$102,976 in the New Jersey Cash Management Fund is uninsured and unregistered.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the District by inclusion of \$100 on October 2, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both. A district may also 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 on the of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A: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, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 987
Add:	
Budgeted Increase	<u>465,379</u>
Ending Balance, June 30, 2015	<u><u>\$ 466,366</u></u>

The June 30, 2015 LRFP balance of local support costs of uncompleted capital projects exceeds the June 30, 2015 capital reserve account balance.

NOTE 5: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2015, the District transferred a total net amount of \$30,191 to the capital outlay accounts. The total amount transferred was for equipment and did not require approval from the County Superintendent.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2015 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 736,853			\$ 736,853
Construction in Progress	904,830		\$ (349,384)	555,446
Total Capital Assets Not Being Depreciated	<u>1,641,683</u>		<u>(349,384)</u>	<u>1,292,299</u>
Capital Assets Being Depreciated:				
Site Improvements	381,313	\$ 24,590	349,384	755,287
Buildings and Building Improvements	16,494,726	828,933		17,323,659
Machinery and Equipment	1,917,470	274,658	(89,163)	2,102,965
Total Capital Assets Being Depreciated	<u>18,793,509</u>	<u>1,128,181</u>	<u>260,221</u>	<u>20,181,911</u>
Governmental Activities Capital Assets	<u>20,435,192</u>	<u>1,128,181</u>	<u>(89,163)</u>	<u>21,474,210</u>
Less Accumulated Depreciation for:				
Site Improvements	(258,231)	(5,608)		(263,839)
Buildings and Building Improvements	(6,695,347)	(314,314)		(7,009,661)
Machinery and Equipment	(1,178,519)	(20,944)	61,488	(1,137,975)
	<u>(8,132,097)</u>	<u>(340,866)</u>	<u>61,488</u>	<u>(8,411,475)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 12,303,095</u>	<u>\$ 787,315</u>	<u>\$ (27,675)</u>	<u>\$ 13,062,735</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 102,573			\$ 102,573
Less Accumulated Depreciation	(79,596)	\$ (2,089)		(81,685)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 22,977</u>	<u>\$ (2,089)</u>	<u>\$ -0-</u>	<u>\$ 20,888</u>

Increases totaling \$1,128,181 represent current year capitalized expenditures in the General Fund, as well as capital deletions of \$27,675, net of accumulated depreciation, during the current year.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 62,396
Special Education	38,623
Student and Instruction Related Services	103,108
General Administrative Services	56,094
School Administrative Services	1,007
Plant Operations and Maintenance	57,216
Pupil Transportation	22,422
	<u>\$ 340,866</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2015, the following changes occurred in liabilities reported in the district-wide financial statements:

	(Restated) Balance 6/30/2014	Accrued	Retired	Balance 6/30/2015
Serial Bonds Payable	\$ 4,565,000		\$ 510,000	\$ 4,055,000
Capital Leases Payable	154,780		77,703	77,077
Net Pension Liability	6,702,752		108,806	6,593,946
Compensated Absences Payable	427,283	\$ 36,806	41,355	422,734
	<u>\$ 11,849,815</u>	<u>\$ 36,806</u>	<u>\$ 737,864</u>	<u>\$ 11,148,757</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds. The current portion of bonds at June 30, 2015 is \$525,000 and the long-term portion is \$3,530,000. The Debt Service Fund will be used to liquidate bonds payable.

The District had bonds outstanding as of June 30, 2015 as follows:

<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
02/01/2022	2.00%-4.50%	<u>\$ 4,055,000</u>

Principal and interest due on serial bonds outstanding are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 525,000	\$ 146,838	\$ 671,838
2017	540,000	131,088	671,088
2018	565,000	106,787	671,787
2019	575,000	91,250	666,250
2020	590,000	74,000	664,000
Thereafter:			
2021-2022	1,260,000	76,200	1,336,200
	<u>\$ 4,055,000</u>	<u>\$ 626,163</u>	<u>\$ 4,681,163</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

On January 20, 2010, the Borough of Glen Ridge School District issued \$6,085,000 refunding bonds with interest rates ranging from 2.00% to 4.50% to advance refund \$5,917,000 school bonds with interest rates of 4.60%. The refunding bonds mature on February 1, 2011 through 2022 and February 1, 2011 was the first optional redemption date at 102.27% of par. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the school bonds are called on February 1, 2022. The advance refunding met the requirements of an in-substance debt defeasance and the school bonds were removed from the District's financial statements.

As a result of the advance refunding, the District reduced its total debt service requirements by \$367,254, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$309,054. Interest in the amount of \$253,571 was deferred upon issuance and \$136,541 is deferred at June 30, 2015.

B. Bonds Authorized But Not Issued:

As of June 30, 2015, the Board had no bonds authorized but not issued.

C. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance is \$3,600 and the long-term liability balance of compensated absences is \$419,134.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, no liability existed for compensated absences in the Enterprise Funds.

The General Fund will be used to liquidate compensated absences payable.

D. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2015 is \$-0- and the long-term portion is \$6,503,743. See Note 8 for further information on the PERS.

The Board of Education Employee's Pension Fund of Essex County's (the "Plan") net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2015 is \$-0- and the long-term portion is \$90,203. See Note 8 for further information on the Plan.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

E. Capital Leases Payable:

The District is leasing photocopiers. The lease term is for four years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2015.

Year Ending June 30,	Amount
2016	\$ 72,588
2017	6,049
	78,637
Less: Amount Representing Interest	(1,560)
Present Value of Net Minimum Lease Payments	\$ 77,077

The current portion of Capital Leases payable at June 30, 2015 is \$72,588. Capital leases will be liquidated by the General Fund.

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP). A small number of the District's retirees participate in the Board of Education Employees' Pension Fund of Essex County (the "Plan").

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 the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Benefits Provided (Cont'd)

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to 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 members 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 50 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 members. 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. District contributions to PERS amounted to \$286,368 for fiscal year 2015.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the District reported a liability of \$6,503,743 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the District's proportion was 0.035%, which was an increase of 0.0002% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$342,520. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 204,513	
Changes in Proportion	27,196	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		\$ 387,588
	<u>\$ 231,709</u>	<u>\$ 387,588</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion) related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2015	\$ (59,303)
2016	(59,303)
2017	(59,303)
2018	(59,303)
2019	37,594
Thereafter	<u>16,543</u>
	<u>\$ (183,075)</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% as of June 30, 2014 based on 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. 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 upon the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2014 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2014		
	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of the Net Pension Liability	\$ 8,181,931	\$ 6,503,743	\$ 5,094,493

Pension plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. 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 included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014, the State's pension contribution was less than the actuarially determined amount.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Contributions (Cont'd)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2015, the State of New Jersey contributed \$719,522 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$3,862,720.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the State's proportionate share of the net pension liability associated with the District was \$71,785,249. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the District's proportion was 0.134%, which was a decrease of 0.571% from its proportion measured as of June 30, 2013.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		<u>71,785,249</u>
Total	\$	<u><u>71,785,249</u></u>

For the fiscal year ended June 30, 2014, the State recognized pension expense on behalf of the District in the amount of \$3,862,720 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2015 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 2,306,623,861	
Difference Between Expected and Actual Experience		\$ 21,969,019
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		1,741,236,574
	<u>\$ 2,306,623,861</u>	<u>\$ 1,763,205,593</u>

The \$2,306,623,861 reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The \$21,969,019 reported as reported as deferred outflows of resources related to pensions resulting from differences between expected and actual experiences will be amortized over a period of 8.5 years. The \$1,741,236,574 reported as a deferred inflow of resources resulting from the difference between projected and actual investment earnings on pension plan investments will be amortized over 5 years.

Fiscal Year Ending June 30,	Total
2015	\$ (130,688,498)
2016	(130,688,498)
2017	(130,688,498)
2018	(130,688,496)
2019	304,620,646
Thereafter	761,551,612
	<u>\$ 543,418,268</u>

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Actuarial Assumptions (Cont'd)

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

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 is summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-U.S. Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad U.S. Equities	25.90%	5.88%
Large CAP U.S. Equities	0.00%	5.62%
Mid CAP U.S. Equities	0.00%	6.39%
Small CAP U.S. Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% as of June 30, 2014 based on 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. 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 upon the average of the last five years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the State as of June 30, 2014 calculated using the discount rate as disclosed above, as well as what the State's 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:

	Fiscal Year Ended June 30, 2014		
	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
Total Net Pension Liability	\$ 64,722,984,539	\$53,813,067,539	\$44,738,870,539

Pension Plan Fiduciary Net Position - TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (DCRP) (Cont'd)

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$40,698 for the fiscal year ended June 30, 2015. Employee contributions to DCRP amounted to \$47,252 for the fiscal year ended June 30, 2015.

D. Board of Education Employees' Pension Fund of Essex County (the Plan)

Plan Description

The Board of Education Employees' Pension Fund of Essex County (the "Plan"), is a multiple-employer contributory defined benefit pension plan that provides pension and life insurance benefits to employees of the Boards of Education within Essex County employed before July 1, 1981, except temporary employees and employees eligible for coverage under any New Jersey State administered pension plan created under prior New Jersey laws. The ECPF became effective April 16, 1929. The Plan provides for retirement, service, and non-service connected death and disability benefits for its members. The Plan is governed by New Jersey Statutes under Title 18A, and is administered by a Board of Trustees for the Plan who is also responsible for the management and investment of Plan assets. The Board of Trustees consists of one active and five retired elected Plan members.

Pursuant to New Jersey Public Law enacted in 1980, members were given the option to transfer their membership in the Plan to the PERS. Approximately 2,775 members, 58% of the membership, elected to transfer to PERS effective July 1, 1981. The Plan is closed to new entrants.

Benefits Provided

Regular service retirement benefits are determined as 1/45th of the highest 3 year average salary multiplied by the member's years of credited service. A member may elect early retirement benefits if they are under age 60 and have at least 25 years of credited service. The Plan also offers a special veterans benefit, disability and deferred benefits. Group life insurance benefits and death benefits are available to be paid to beneficiaries if elected by the member.

For more complete information about the Plan agreement and vesting and benefit provisions, participants are referred to the pamphlet, *A Summary of Benefits*. Copies of this pamphlet are available from the Pension Fund Administration Office.

Contributions

Contributions are made by the members at 3%, the maximum contribution rate required by statute, of their annual compensation. Contributions made by the Boards are determined annually based upon actuarial valuations. The Boards are required to reimburse the Plan for administrative expenses and cost of living increases associated with its retirees. Plan provisions and contribution requirements are established by New Jersey state statute assets. District contributions to the Plan amounted to \$13,706 for fiscal year 2015.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

D. Board of Education Employees' Pension Fund of Essex County (the Plan) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the District reported a liability of \$90,203 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the District's proportion was 0.234%, which was an increase of 0.007% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$5,074. At June 30, 2015, the District reported deferred outflows of resources related to pensions from the following source. There were no deferred inflows of resources.

	<u>Deferred Outflows of Resources</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	\$ 2,846
	<u>\$ 2,846</u>

The amounts reported as a deferred outflows of resource related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2016	\$ 569
2017	569
2018	569
2019	569
2020	570
	<u>\$ 2,846</u>

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of June 30, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.30%
Salary Increases	4.50%
Investment Rate of Return, net of Plan investment expense, including inflation	7.00%
Cost of Living Adjustments ("COLA")	3.00%

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

D. Board of Education Employees' Pension Fund of Essex County (the Plan) (Cont'd)

Actuarial Assumptions (Cont'd)

For active members, inactive members and healthy retirees, mortality rates were based on the RP-2000 separate annuitant and non-annuitant tables with static projections using Scale AA through the valuation year plus 7 years for annuitants and the valuation year plus 15 years for no annuitants. For disabled retirees, mortality rates are based on the 1994 Group Annuity Mortality Table set forward 10 years.

Long Term Expected Rate of Return

The long-term rate of return on pension plan investments 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 weighing 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 including in the Plan's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
U.S. Fixed Income	40.00%	1.60%
U.S. Large CAP Equities	50.00%	6.70%
U.S. Small CAP Equities	10.00%	6.70%

* - Net of 2.6% inflation assumption

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2015. The projection of cash flows used to determine the discount rate assumed that contributions will be made at the actuarially determined amount, including the reimbursement of administrative expenses and COLA payments. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2015 calculated using the discount rate of 7%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

D. Board of Education Employees' Pension Fund of Essex County (the Plan) (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate (Cont'd)

	Fiscal Year Ended June 30, 2015		
	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of the Net Pension Liability	\$ 122,756	\$ 90,203	\$ 62,035

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial statements.

NOTE 9. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. Chapter 103 of Public Law amended the law to eliminate the funding of post-retirement medical benefits through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State's on-behalf Post-Retirement Medical Contributions to TPAF for the District amounted to \$1,142,241, \$931,622 and \$939,581 for 2015, 2014, and 2013, respectively.

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District obtains its health care coverage through the Oxford Health Plan.

Property and Liability Insurance

The Borough of Glen Ridge School District is a member of the Morris Essex Insurance Group (the "Group") and the School Alliance Insurance Fund (the "Fund"). The Group provides worker's compensation coverage for its members and the Fund provides general liability, property and automobile coverage for its members.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Group and Fund are risk-sharing public entity risk pools that are insured and self-administered groups of school boards established for the purpose of providing low-cost insurance for their respective members in order to keep local property taxes to a minimum.

Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Group and Fund are elected.

As a member of the Group and the Fund, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Group or the Fund were to be exhausted, members would become responsible for their respective shares of the Group's or Fund's liabilities. The Group and the Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

The June 30, 2015 financial information for the Group and the Fund were available as of the date of this audit report. Selected, and summarized financial information for the Group and the Fund as of June 30, 2015 is as follows:

	<u>Morris-Essex</u> <u>Insurance Group</u>	<u>School Alliance</u> <u>Insurance Fund</u>
Total Assets	\$ 9,175,098	\$ 35,565,090
Net Position	\$ 6,102,625	\$ 7,171,390
Total Revenue	\$ 3,268,234	\$ 38,392,884
Total Expenses	\$ 1,811,032	\$ 36,335,763
Change in Net Position	\$ 1,457,202	\$ 2,057,121
Member Dividends	\$ 764,521	\$ -0-

Financial statements for the Group and the Fund are available at the Executive Directors' Offices:

<u>Group</u>	<u>Fund</u>
Burton Agency	Public Entity Group Administrative Services
44 Bergen Street	51 Everett Drive
P.O. Box 270	Suite B-40
Westwood, NJ 07675	West Windsor, NJ 08550
(201) 664-0310	(609) 275-1155

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$ -0-	\$ -0-	\$ 59,964	\$ 27,321	\$ 116,941
2013-2014	40,000	-0-	7,750	40,927	84,298
2012-2013	20,000	-0-	18,304	65,842	77,475

NOTE 11. ECONOMIC DEPENDENCY

The Board of Education 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, may have an effect on the Board of Education's programs and activities.

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2015 there were interfund receivables and payables as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 204,281	
Special Revenue Fund		\$ 14,112
Capital Projects Fund		147,338
Proprietary Fund-Food Service Fund		42,831
	<u>\$ 204,281</u>	<u>\$ 204,281</u>

A portion of the interfund receivable in the General Fund is comprised of \$14,112 due from the Special Revenue Fund for cash advanced. The portion of the interfund receivable in the General Fund of \$147,338 due from the Capital Projects Fund is for the deficit in the Capital Projects Fund cash balance caused by the SDA grants reimbursement not having been submitted for reimbursement. The remaining \$42,831 is a loan due from the Food Service Fund for the deficit in the Food Service Fund cash balance due to increased costs.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 13. DEFERRED COMPENSATION

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

The plan administrators are as follows:

- The Vanguard Fiduciary Trust Company
- AIM Fund
- Equitable Life
- Janus Fund
- State of New Jersey Supplemental Annuity Plan
- MetLife
- AXA Financial

NOTE 14. TAX CALENDAR

Property taxes are levied by the District's constituent municipality as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipality and are remitted to the school district on a predetermined mutually agreed-upon schedule.

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation

The Board is periodically involved in claims or lawsuits arising in the normal course of business. The Board does not believe that the ultimate outcome of these cases would have a material adverse effect on the District's financial position.

Grant Programs

The District participates in federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management of the District is not aware of any material items of noncompliance which would result in the disallowance of grant program expenditures.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 15. COMMITMENTS AND CONTINGENCIES (Cont'd)

Encumbrances

At June 30, 2015, the District had \$84,856 of encumbrances in the General Fund.

NOTE 16. PRIOR PERIOD ADJUSTMENTS

The District made a prior year adjustment in the District Wide Financial Statements to record the net pension liability as of June 30, 2014 as a result of implementing Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The District also made a prior year adjustment in the District Wide Financial Statements to record a capital lease payable as of June 30, 2014.

	<u>Balance 6/30/14</u> <u>as Previously</u> <u>Reported</u>	<u>Retroactive</u> <u>Adjustments</u>	<u>Balance 6/30/14</u> <u>as Restated</u>
<u>Governmental Activities:</u>			
Statement of Net Position:			
Liabilities:			
Non-Current Liabilities	\$ 5,001,347	\$ 6,848,468	11,849,815
Total Liabilities	5,402,026	6,848,468	12,250,494
Net Position:			
Unrestricted/(Deficit)	470,485	(6,848,468)	(6,377,983)
Total Net Position	11,028,817	(6,848,468)	4,180,349

**SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION**

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
District's proportion of the net pension liability	0.0345686875%	0.0347371434%
District's proportionate share of the net pension liability	\$ 6,606,763	\$ 6,503,743
District's covered employee payroll	\$ 2,279,184	\$ 2,288,641
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	289.87%	284.17%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$ 260,468	\$ 286,368
Contributions in relation to the contractually required contribution	<u>(260,468)</u>	<u>(286,368)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 2,279,184	\$ 2,288,641
Contributions as a percentage of covered employee payroll	11.43%	12.51%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
State's proportion of the net pension liability attributable to the District	0.1343117308%	0.1285972766%
State's proportionate share of the net pension liability attributable to the District	\$ 64,992,052	\$ 71,785,249
District's covered employee payroll	\$ 13,351,970	\$ 13,573,769
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	486.76%	528.85%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
BOARD OF EDUCATION EMPLOYEES' PENSION FUND OF ESSEX COUNTY
LAST TWO FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,	
	2014	2015
District's Proportion of the Net Pension Liability	0.2408000%	0.2341794%
District's Proportionate Share of the Net Pension Liability	\$ 95,989	\$ 90,203
District's Covered Employee Payroll	\$ -0-	\$ -0-
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	0.00%	0.00%
Plan Fiduciary Net Position (*) as a Percentage of the Total Pension Liability	75.92%	76.05%

* - Fiduciary Net Position Excludes an Amount Designated for Insurance Benefits of \$18,914,961 for fiscal year ending June 30, 2014 and \$19,628,046 for the fiscal year ending June 30, 2015.

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
BOARD OF EDUCATION EMPLOYEES' PENSION FUND OF ESSEX COUNTY
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
Contractually Required Contribution	\$ 11,345	\$ 13,706
Contributions in Relation to the Contractually Required Contribution	<u>(11,345)</u>	<u>(13,706)</u>
Contribution Deficiency (Excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's Covered Employee Payroll	\$ -0-	\$ -0-
Contributions as a Percentage of Covered Employee Payroll	0.00%	0.00%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

C. BOARD OF EDUCATION EMPLOYEES' PENSION FUND OF ESSEX COUNTY

Benefit Changes

There were none.

Changes of Assumptions

The inflation rate changed from 2.60% as of June 30, 2014 to 2.30% as of June 30, 2015.

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 27,169,504		\$ 27,169,504	\$ 27,169,504	
Tuition from Individuals	504,999		504,999	459,621	\$ (45,378)
Tuition from other LEAs				14,321	14,321
Rentals	8,000		8,000	21,145	13,145
Miscellaneous	96,000		96,000	198,181	102,181
Total - Local Sources	<u>27,778,503</u>		<u>27,778,503</u>	<u>27,862,772</u>	<u>84,269</u>
State Sources:					
Extraordinary Special Education Costs Aid				84,609	84,609
Categorical Special Education Aid	667,725		667,725	667,725	
Categorical Security Aid	29,268		29,268	29,268	
Categorical Transportation Aid	23,478		23,478	23,478	
Nonpublic School Transportation Costs				6,786	6,786
Other State Aids	37,920		37,920	37,920	
TPAF Pension Contribution (On-Behalf - Non-Budgeted)				719,522	719,522
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				1,142,241	1,142,241
TPAF Social Security (Reimbursed - Non-Budgeted)				993,650	993,650
Total State Sources	<u>758,391</u>		<u>758,391</u>	<u>3,705,199</u>	<u>2,946,808</u>
TOTAL REVENUES	<u>28,536,894</u>		<u>28,536,894</u>	<u>31,567,971</u>	<u>3,031,077</u>
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	192,772	\$ (4,000)	188,772	187,437	1,335
Kindergarten - Salaries of Teachers	430,604	30,000	460,604	459,929	675
Grades 1-5 - Salaries of Teachers	2,863,616	(14,785)	2,848,831	2,848,225	606
Grades 6-8 - Salaries of Teachers	1,856,310	18,300	1,874,610	1,868,485	6,125
Grades 9-12 - Salaries of Teachers	3,498,386	(80,460)	3,417,926	3,414,268	3,658

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Home Instruction:					
Salaries of Teachers	\$ 9,500		\$ 9,500	\$ 600	\$ 8,900
Purchased Professional - Educational Services	8,150		8,150	4,575	3,575
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	478,997	\$ (24,420)	454,577	440,933	13,644
General Supplies	576,839	(44,471)	532,368	468,991	63,377
Textbooks	215,748	60,155	275,903	265,487	10,416
Other Objects	7,694		7,694	585	7,109
Total Regular Programs - Instruction	10,138,616	(59,681)	10,078,935	9,959,515	119,420
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	135,998	53,435	189,433	183,769	5,664
Other Salaries for Instruction	181,871	(91,600)	90,271	85,052	5,219
General Supplies	6,200		6,200	2,723	3,477
Textbooks	1,000		1,000		1,000
Total Learning and/or Language Disabilities	325,069	(38,165)	286,904	271,544	15,360
Resource Room/Resource Center:					
Salaries of Teachers	1,614,997	5,320	1,620,317	1,620,315	2
Other Salaries for Instruction	291,696	91,615	383,311	382,193	1,118
General Supplies	13,000		13,000	12,093	907
Total Resource Room/Resource Center	1,919,693	96,935	2,016,628	2,014,601	2,027
Preschool Disabilities - Full-time:					
Salaries of Teachers	71,789		71,789	70,689	1,100
Other Salaries for Instruction	61,780		61,780	55,178	6,602
General Supplies	600		600	257	343
Total Preschool Disabilities - Full-time	134,169		134,169	126,124	8,045

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Total Special Education Instruction	\$ 2,378,931	\$ 58,770	\$ 2,437,701	\$ 2,412,269	\$ 25,432
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	299,290	64,200	363,490	363,230	260
General Supplies	2,400		2,400	1,609	791
Total Basic Skills/Remedial - Instruction	301,690	64,200	365,890	364,839	1,051
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	178,000	41,610	219,610	195,493	24,117
Purchased Services (300-500 series)	3,000		3,000	3,000	
Supplies and Materials	49,819	(3,030)	46,789	44,871	1,918
Total School-Sponsored Cocurricular Activities - Instruction	230,819	38,580	269,399	243,364	26,035
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	409,749	11,665	421,414	421,409	5
Purchased Services (300-500 series)	49,100	(21,480)	27,620	23,173	4,447
Supplies and Materials	50,450	(220)	50,230	41,132	9,098
Transfer to Cover Deficit (Agency Funds)	104,535		104,535	100,000	4,535
Total School-Sponsored Cocurricular Athletics - Instruction	613,834	(10,035)	603,799	585,714	18,085
Community Service Programs:					
Supplies and Materials	2,500		2,500		2,500
Total Community Service Programs	2,500		2,500		2,500
Total Instruction	13,666,390	91,834	13,758,224	13,565,701	192,523
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	23,000	206,600	229,600	220,714	8,886
Tuition to County Vocational Schools - Regular	5,911		5,911	2,955	2,956

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Instruction:					
Tuition to County Vocational Schools - Special	\$ 28,500	\$ (10,000)	\$ 18,500	\$ 18,208	\$ 292
Tuition to Private Schools for the Disabled - Within the State	1,262,045	(61,700)	1,200,345	1,187,365	12,980
Total Undistributed Expenditures - Instruction:	<u>1,319,456</u>	<u>134,900</u>	<u>1,454,356</u>	<u>1,429,242</u>	<u>25,114</u>
Health Services:					
Salaries	286,539	(20,000)	266,539	260,621	5,918
Purchased Professional and Technical Services	26,500		26,500	21,234	5,266
Supplies and Materials	5,139	145	5,284	4,165	1,119
Total Health Services	<u>318,178</u>	<u>(19,855)</u>	<u>298,323</u>	<u>286,020</u>	<u>12,303</u>
Speech, OT, PT and Related Services:					
Salaries	201,284		201,284	200,664	620
Supplies and Materials	1,100		1,100	215	885
Total Speech, OT, PT and Related Services	<u>202,384</u>		<u>202,384</u>	<u>200,879</u>	<u>1,505</u>
Other Support Services - Students - Extraordinary Services:					
Salaries	48,209	(24,935)	23,274	23,270	4
Purchased Professional - Educational Services	499,600	(21,185)	478,415	452,504	25,911
Total Other Support Services - Students - Extraordinary Services	<u>547,809</u>	<u>(46,120)</u>	<u>501,689</u>	<u>475,774</u>	<u>25,915</u>
Guidance:					
Salaries of Other Professional Staff	433,047		433,047	409,011	24,036
Salaries of Secretarial and Clerical Assistants	115,172		115,172	110,776	4,396
Supplies and Materials	10,300	8,130	18,430	17,062	1,368
Total Guidance	<u>558,519</u>	<u>8,130</u>	<u>566,649</u>	<u>536,849</u>	<u>29,800</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Child Study Team:					
Salaries of Other Professional Staff	\$ 668,898	\$ (18,000)	\$ 650,898	\$ 648,043	\$ 2,855
Salaries of Secretarial and Clerical Assistants	63,329	26,400	89,729	89,496	233
Miscellaneous Purchased Services	720	1,425	2,145	784	1,361
Supplies and Materials	12,610	2,585	15,195	13,141	2,054
Total Child Study Team	745,557	12,410	757,967	751,464	6,503
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	38,250		38,250	34,430	3,820
Other Purchased Professional and Technical Services	3,000		3,000		3,000
Supplies and Materials	1,200		1,200		1,200
Total Improvement of Instructional Services	42,450		42,450	34,430	8,020
Educational Media Services/School Library:					
Salaries	445,600	40,155	485,755	483,449	2,306
Supplies and Materials	41,966	1,600	43,566	38,199	5,367
Total Educational Media Services/School Library	487,566	41,755	529,321	521,648	7,673
Instructional Staff Training Services:					
Other Purchased Services (400-500 series)	24,532	27,225	51,757	40,671	11,086
Total Instructional Staff Training Services	24,532	27,225	51,757	40,671	11,086
Support Services - General Administration:					
Salaries	269,811	9,300	279,111	278,745	366
Legal Services	65,000	2,100	67,100	67,058	42
Audit Fees	64,500		64,500	57,975	6,525
Architectural/Engineering Services	1,500		1,500		1,500
Other Purchased Professional Services	20,500	(6,000)	14,500	7,857	6,643
Communications/Telephone	226,160		226,160	199,150	27,010

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - General Administration: (Cont'd)					
BOE Other Purchased Services	\$ 4,000	\$ (3,000)	\$ 1,000		\$ 1,000
Miscellaneous Purchased Services (400-500 Series)	37,254		37,254	\$ 28,342	8,912
General Supplies	14,084		14,084	4,146	9,938
Judgments Against the School District		15,000	15,000	15,000	
Miscellaneous Expenditures	48,200	(2,480)	45,720	38,887	6,833
BOE Membership Dues and Fees	19,000		19,000	15,387	3,613
Total Support Services - General Administration	770,009	14,920	784,929	712,547	72,382
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	1,303,039	17,000	1,320,039	1,316,616	3,423
Salaries of Secretarial and Clerical Assistants	245,701	(10,000)	235,701	224,920	10,781
Other Purchased Services (400-500 series)	163,140	(8,350)	154,790	115,226	39,564
Supplies and Materials	35,069	2,665	37,734	34,475	3,259
Other Objects	23,018	4,295	27,313	18,692	8,621
Total Support Services - School Administration	1,769,967	5,610	1,775,577	1,709,929	65,648
Central Services:					
Salaries	412,574	(3,000)	409,574	405,189	4,385
Purchased Technical Services	40,675	60,800	101,475	58,706	42,769
Miscellaneous Purchased Services	22,600	(17,200)	5,400	4,238	1,162
Supplies and Materials	25,000	(10,300)	14,700	10,617	4,083
Miscellaneous Expenditures	2,700	700	3,400	2,996	404
Total Central Services	503,549	31,000	534,549	481,746	52,803
Administration Information Technology:					
Salaries	158,636		158,636	157,136	1,500
Purchased Technical Services	141,330		141,330	141,014	316
Supplies and Materials	1,000	420	1,420	1,406	14

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Administration Information Technology:					
Other Objects	\$ 3,000		\$ 3,000	\$ 1,893	\$ 1,107
Total Administration Information Technology	<u>303,966</u>	<u>\$ 420</u>	<u>304,386</u>	<u>301,449</u>	<u>2,937</u>
Required Maintenance of School Facilities:					
Salaries	209,020	(2,370)	206,650	202,015	4,635
Cleaning, Repair and Maintenance Services	422,246	39,200	461,446	431,833	29,613
General Supplies	85,680	(8,200)	77,480	60,086	17,394
Total Required Maintenance of School Facilities	<u>716,946</u>	<u>28,630</u>	<u>745,576</u>	<u>693,934</u>	<u>51,642</u>
Custodial Services:					
Salaries	855,753	(26,995)	828,758	810,673	18,085
Rental of Land and Buildings - Other Than Lease Purchase Agreements	92,000		92,000	92,000	
Other Purchased Property Services	26,000	2,770	28,770	21,017	7,753
Insurance	105,728	55	105,783	105,780	3
Miscellaneous Purchased Services	2,500		2,500	509	1,991
General Supplies	124,900	(10,405)	114,495	104,438	10,057
Energy (Electricity)	301,800	9,800	311,600	294,878	16,722
Other Objects	1,500	3,010	4,510	4,492	18
Salaries of Non-Instructional Aides	8,615		8,615	6,337	2,278
Energy (Gasoline)	30,625	(15,650)	14,975	9,074	5,901
Energy (Natural Gas)	214,500	(8,655)	205,845	192,738	13,107
Total Custodial Services	<u>1,763,921</u>	<u>(46,070)</u>	<u>1,717,851</u>	<u>1,641,936</u>	<u>75,915</u>
Care & Upkeep of Grounds:					
Salaries	43,000	(5,000)	38,000	12,801	25,199
Purchased Professional and Technical Services	2,600	(2,000)	600		600
Cleaning, Repair, and Maintenance Services	41,425	31,300	72,725	69,058	3,667
General Supplies	11,700	(6,060)	5,640	1,636	4,004

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Care & Upkeep of Grounds:					
Other Objects		\$ 300	\$ 300	\$ 300	
Total Care & Upkeep of Grounds	\$ 98,725	18,540	117,265	83,795	\$ 33,470
Security:					
Purchased Professional and Technical Services	2,600	7,715	10,315	10,315	
Cleaning, Repair, and Maintenance Services	24,000	22,285	46,285	36,799	9,486
General Supplies	5,000		5,000	3,858	1,142
Total Security	31,600	30,000	61,600	50,972	10,628
Student Transportation Services:					
Salaries of Non-Instructional Aides	24,906	(3,000)	21,906	21,837	69
Salaries for Pupil Transportation:					
Between Home and School - Regular	33,250	(10,000)	23,250	21,040	2,210
Between Home and School - Special	33,452	18,300	51,752	45,171	6,581
Cleaning, Repair, & Maintenance Services	27,460	(4,800)	22,660	13,578	9,082
Contracted Services:					
Other Than Between Home and School - Vendors	82,000	22,915	104,915	104,915	
Special Education Students - Joint Agreements	23,000		23,000	10,000	13,000
Special Education Students - ESC's and CSTA's	329,868		329,868	283,309	46,559
Aid in Lieu - Non-public Schools	45,840		45,840	34,957	10,883
Supplies and Materials	550		550		550
Transportation Supplies	3,000		3,000	766	2,234
Total Student Transportation Services	603,326	23,415	626,741	535,573	91,168
Unallocated Benefits:					
Social Security Contributions	336,707	40,395	377,102	338,139	38,963
Other Retirement Contributions - PERS	384,649	(96,185)	288,464	286,368	2,096
Other Retirement Contributions - Regular	42,802	12,405	55,207	40,698	14,509
Unemployment Compensation	30,000		30,000		30,000

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Unallocated Benefits:					
Workmen's Compensation	\$ 196,463	\$ (6,000)	\$ 190,463	\$ 188,601	\$ 1,862
Health Benefits	3,785,381	(350,015)	3,435,366	3,161,005	274,361
Tuition Reimbursement	35,000		35,000	32,508	2,492
Other Employee Benefits	96,226	12,465	108,691	107,350	1,341
Total Unallocated Benefits	4,907,228	(386,935)	4,520,293	4,154,669	365,624
On-Behalf Contributions:					
On-Behalf TPAF Pension Contributions (non-budgeted)				719,522	(719,522)
On-Behalf TPAF Post Retirement Medical (non-Budgeted)				1,142,241	(1,142,241)
Reimbursed TPAF Social Security Contributions (non-budgeted)				993,650	(993,650)
Total On-Behalf Contributions				2,855,413	(2,855,413)
Total Personal Services - Employee Benefits	4,907,228	(386,935)	4,520,293	7,010,082	(2,489,789)
Total Undistributed Expenses	15,715,688	(122,025)	15,593,663	17,498,940	(1,905,277)
TOTAL GENERAL CURRENT EXPENSE	29,382,078	(30,191)	29,351,887	31,064,641	(1,712,754)
CAPITAL OUTLAY					
Regular Programs - Instruction:					
Grades 1-5		30,190	30,190	24,590	5,600
Undistributed Expenditures:					
General Administration	295,011	1	295,012	268,055	26,957
Required Maintenance for School Facilities	63,107		63,107	38,029	25,078
Total Equipment	358,118	30,191	388,309	330,674	57,635

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding	\$ 24,241		\$ 24,241	\$ 24,241	
Total Facilities Acquisition and Construction Services	24,241		24,241	24,241	
TOTAL CAPITAL OUTLAY	382,359	\$ 30,191	412,550	354,915	\$ 57,635
TOTAL EXPENDITURES	29,764,437		29,764,437	31,419,556	(1,655,119)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,227,543)		(1,227,543)	148,415	1,375,958
Fund Balance, July 1	3,977,275		3,977,275	3,977,275	
Fund Balance, June 30	\$ 2,749,732	\$ -0-	\$ 2,749,732	\$ 4,125,690	\$ 1,375,958
Recapitulation:					
Restricted:					
Excess Surplus - Restricted For 2016-2017				\$ 1,195,937	
Excess Surplus - Restricted For 2015-2016				1,629,991	
Capital Reserve				466,366	
Assigned:					
Year-End Encumbrances				84,856	
Designated for Subsequent Year's Expenditures				85,862	
Unassigned				662,678	
				4,125,690	
Reconciliation to Governmental Funds Statement (GAAP):					
Last Two State Aid Payments not Recognized on GAAP Basis				(71,260)	
Fund Balance per Governmental Funds (GAAP)				\$ 4,054,430	

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources		\$ 19,037	\$ 19,037	\$ 19,037	
Federal Sources	\$ 306,749	75,850	382,599	382,599	
Total Revenues	<u>306,749</u>	<u>94,887</u>	<u>401,636</u>	<u>401,636</u>	
EXPENDITURES:					
Instruction:					
Purchased Professional and Technical Services		11,010	11,010	11,010	
Other Purchased Services		2,195	2,195	2,195	
Tuition	290,000	55,674	345,674	345,674	
General Supplies		28,067	28,067	28,067	
Other Objects		690	690	690	
Total Instruction	<u>290,000</u>	<u>97,636</u>	<u>387,636</u>	<u>387,636</u>	
Support Services:					
Other Purchased Services	16,749	(2,749)	14,000	14,000	
Total Support Services	<u>16,749</u>	<u>(2,749)</u>	<u>14,000</u>	<u>14,000</u>	
Total Expenditures	<u>\$ 306,749</u>	<u>\$ 94,887</u>	<u>\$ 401,636</u>	<u>\$ 401,636</u>	<u>\$ -0-</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

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	\$ 31,567,971	\$ 401,636
Difference - Budget to GAAP:		
Current Year State Aid Payments Recognized for Budgetary Purposes, Not Recognized for GAAP Statements	(71,260)	
Prior Year State Aid Payments Recognized for GAAP Statements, Not Recognized for Budgetary Purposes	65,418	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 31,562,129	\$ 401,636
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 31,419,556	\$ 401,636
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 31,419,556	\$ 401,636

Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2015 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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 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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The general fund budgetary revenue differs from the GAAP revenue due to a difference in the recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

**SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)**

SPECIAL REVENUE FUND

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Local Donations	I.D.E.A.		Title IIA	Totals 2015
		Basic	Preschool		
REVENUES:					
Local Sources	\$ 19,037				\$ 19,037
Federal Sources		\$ 349,674	\$ 11,510	\$ 21,415	382,599
Total Revenues	<u>19,037</u>	<u>349,674</u>	<u>11,510</u>	<u>21,415</u>	<u>401,636</u>
EXPENDITURES:					
Instruction:					
Purchased Professional and Technical Services			11,010		11,010
Other Purchased Services	2,195				2,195
Tuition		345,674			345,674
General Supplies	16,152		500	11,415	28,067
Other Objects	690				690
Total Instruction	<u>19,037</u>	<u>345,674</u>	<u>11,510</u>	<u>11,415</u>	<u>387,636</u>
Support Services:					
Other Purchased Services		4,000		10,000	14,000
Total Support Services		<u>4,000</u>		<u>10,000</u>	<u>14,000</u>
Total Expenditures	<u>\$ 19,037</u>	<u>\$ 349,674</u>	<u>\$ 11,510</u>	<u>\$ 21,415</u>	<u>\$ 401,636</u>

CAPITAL PROJECTS FUND

Exhibit F-1

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Fund Balance - Beginning	<u>\$ 74,840</u>
Fund Balance - Ending	<u><u>\$ 74,840</u></u>
Recapitulation:	
Committed	<u>\$ 74,840</u>
Fund Balance - Budgetary Basis	74,840
Reconciliation to Governmental Funds Statement (GAAP):	
SDA Grants not Recognized on GAAP Basis	<u>(222,178)</u>
Fund Balance per Governmental Funds (GAAP)/(Deficit)	<u><u>\$ (147,338)</u></u>

Exhibit F-1a

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL WINDOWS AND DOOR PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 222,178		\$ 222,178	\$ 272,072
Transfer from Capital Reserve	302,457		302,457	302,457
Transfer from Capital Outlay	105,651		105,651	105,651
Total Revenue and Other Financing Sources	<u>630,286</u>	<u>\$ -0-</u>	<u>630,286</u>	<u>680,180</u>
Expenditures:				
Purchased Professional and Technical Services	73,446		73,446	79,100
Construction Services	482,000		482,000	601,080
Total Expenditures	<u>555,446</u>	<u>-0-</u>	<u>555,446</u>	<u>680,180</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 74,840</u>	<u>\$ -0-</u>	<u>\$ 74,840</u>	<u>\$ -0-</u>
Additional Project Information:				
Project Number(s)	1750-050-09-1001			
Grant Date	2010			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 680,180			
Percentage Completion	100.00%			
Original Target Completion Date	December 2010			
Revised Target Completion Date	December 2011			

PROPRIETARY FUNDS

Exhibit G-1

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
PROPRIETARY FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Major Funds</u>		<u>Non-Major Funds</u>	<u>Totals</u>
	<u>Food Service</u>	<u>After School and Summer Programs</u>	<u>Consortium</u>	
ASSETS:				
Current Assets:				
Cash and Cash Equivalents		\$ 174,386	\$ 4,245	\$ 178,631
Other Accounts Receivable		39,472		39,472
Inventory	\$ 4,956			4,956
Total Current Assets	<u>4,956</u>	<u>213,858</u>	<u>4,245</u>	<u>223,059</u>
Non-Current Assets:				
Capital Assets	102,573			102,573
Less: Accumulated Depreciation	<u>(81,685)</u>			<u>(81,685)</u>
Total Non-Current Assets	<u>20,888</u>			<u>20,888</u>
Total Assets	<u>25,844</u>	<u>213,858</u>	<u>4,245</u>	<u>243,947</u>
LIABILITIES:				
Current Liabilities:				
Interfund Payable - General Fund	<u>42,831</u>			<u>42,831</u>
Total Current Liabilities	<u>42,831</u>			<u>42,831</u>
Total Liabilities	<u>42,831</u>			<u>42,831</u>
NET POSITION:				
Net Investment In Capital Assets	20,888			20,888
Unrestricted/ (Deficit)	<u>(37,875)</u>	<u>213,858</u>	<u>4,245</u>	<u>180,228</u>
Total Net Position	<u>\$ (16,987)</u>	<u>\$ 213,858</u>	<u>\$ 4,245</u>	<u>\$ 201,116</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
PROPRIETARY FUND
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Major Funds</u>		<u>Non-Major Funds</u>	<u>Totals</u>
	<u>Food Service</u>	<u>After School and Summer Programs</u>	<u>Consortium</u>	
Operating Revenue:				
Charges for Services:				
Daily Sales	\$ 328,845			\$ 328,845
Special Events	3,398			3,398
Program Fees		\$ 382,748		382,748
Total Operating Revenue	<u>332,243</u>	<u>382,748</u>		<u>714,991</u>
Operating Expenses:				
Cost of Sales	144,314			144,314
Salaries	139,278	226,747		366,025
Payroll Taxes		16,523		16,523
Employee Benefits		37,499		37,499
Purchased Professional Services	20,604			20,604
Supplies and Materials	33,660	24,356		58,016
Depreciation Expense	2,089			2,089
Total Operating Expenses	<u>339,945</u>	<u>305,125</u>		<u>645,070</u>
Change in Net Position	(7,702)	77,623		69,921
Net Position/(Deficit) Beginning of Year	<u>(9,285)</u>	<u>136,235</u>	\$ 4,245	<u>131,195</u>
Net Position/(Deficit) End of Year	<u>\$ (16,987)</u>	<u>\$ 213,858</u>	<u>\$ 4,245</u>	<u>\$ 201,116</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
PROPRIETARY FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Major Funds</u>		<u>Non-Major Funds</u>	<u>Totals</u>
	<u>Food Service</u>	<u>After School and Summer Programs</u>	<u>Consortium</u>	
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 333,955	\$ 344,421		\$ 678,376
Payments to Employees		(226,747)		(226,747)
Payments to Food Service Vendor	(338,263)			(338,263)
Payments to Suppliers		(24,356)		(24,356)
Payments to Other Vendors		(54,022)		(54,022)
Net Cash (Used for)/ Provided by Operating Activities	<u>(4,308)</u>	<u>39,296</u>		<u>34,988</u>
Cash Flows from Noncapital Financing Activities:				
Interfund Advanced - General Fund	42,831			42,831
Interfund Returned - General Fund	(38,523)			(38,523)
Net Cash Provided by Noncapital Financing Activities	<u>4,308</u>			<u>4,308</u>
Net Increase in Cash and Cash Equivalents		39,296		39,296
Cash and Cash Equivalents, July 1		135,090	\$ 4,245	139,335
Cash and Cash Equivalents, June 30	<u>\$ -0-</u>	<u>\$ 174,386</u>	<u>\$ 4,245</u>	<u>\$ 178,631</u>
Reconciliation of Operating Income to Net Cash Provided by/(Used for) Operating Activities:				
Operating Income/(Loss)	\$ (7,702)	\$ 77,623		\$ 69,921
Adjustment to Reconcile Operating Income/ (Loss) to Net Cash Provided by/(Used for) Operating Activities:				
Depreciation	2,089			2,089
Changes in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	1,713	(18,665)		(16,952)
(Increase) in Inventory	(408)			(408)
(Decrease) in Deposits Payable		(19,662)		(19,662)
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (4,308)</u>	<u>\$ 39,296</u>	<u>\$ -0-</u>	<u>\$ 34,988</u>

FIDUCIARY FUNDS

Exhibit H-1

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Agency</u>		<u>Unemployment Compensation Trust</u>	
	<u>Student Activity</u>	<u>Payroll</u>		<u>Total</u>
ASSETS:				
Cash and Cash Equivalents	\$ 136,118	\$ 104,698	\$ 240,816	\$ 116,941
Total Assets	<u>136,118</u>	<u>104,698</u>	<u>240,816</u>	<u>116,941</u>
LIABILITIES:				
Payroll Deductions and Withholdings Due to Student Groups	<u>136,118</u>	<u>104,698</u>	<u>104,698</u>	<u>136,118</u>
Total Liabilities	<u>136,118</u>	<u>104,698</u>	<u>240,816</u>	
NET POSITION:				
Held in Trust: for Unemployment Claims				<u>116,941</u>
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 116,941</u>

Exhibit H-2

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
FIDUCIARY FUND
STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Plan Member	<u>\$ 59,964</u>
Total Contributions	<u>59,964</u>
Total Additions	<u>59,964</u>
 DEDUCTIONS:	
Quarterly Contribution Reports and Claims	<u>27,321</u>
Total Deductions	<u>27,321</u>
Change in Net Position	32,643
Net Position - Beginning of the Year	<u>84,298</u>
Net Position - End of the Year	<u><u>\$ 116,941</u></u>

Exhibit H-3

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
ASSETS:				
Cash and Cash Equivalents	<u>\$ 144,457</u>	<u>\$ 616,379</u>	<u>\$ 624,718</u>	<u>\$ 136,118</u>
Total Assets	<u><u>\$ 144,457</u></u>	<u><u>\$ 616,379</u></u>	<u><u>\$ 624,718</u></u>	<u><u>\$ 136,118</u></u>
LIABILITIES:				
Due to Student Groups	<u>\$ 144,457</u>	<u>\$ 616,379</u>	<u>624,718</u>	<u>\$ 136,118</u>
Total Liabilities	<u><u>\$ 144,457</u></u>	<u><u>\$ 616,379</u></u>	<u><u>\$ 624,718</u></u>	<u><u>\$ 136,118</u></u>

Exhibit H-4

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
Elementary Schools:				
Forest Avenue School	\$ 3,910	\$ 5,172	\$ 4,434	\$ 4,648
Linden Avenue School	9,440	10,464	16,483	3,421
Total Elementary Schools	<u>13,350</u>	<u>15,636</u>	<u>20,917</u>	<u>8,069</u>
Junior High School:				
Ridgewood Avenue Upper Elementary School	<u>6,791</u>	<u>87,153</u>	<u>83,530</u>	<u>10,414</u>
Total Junior High School	<u>6,791</u>	<u>87,153</u>	<u>83,530</u>	<u>10,414</u>
Senior High School:				
Activity Fund	123,448	404,457	411,704	116,201
Athletic Fund	868	109,133	108,567	1,434
Total Senior High School	<u>124,316</u>	<u>513,590</u>	<u>520,271</u>	<u>117,635</u>
Total All Schools	<u>\$ 144,457</u>	<u>\$ 616,379</u>	<u>\$ 624,718</u>	<u>\$ 136,118</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
ASSETS:				
Cash and Cash Equivalents	<u>\$ 182,388</u>	<u>\$ 21,064,553</u>	<u>\$ 21,142,243</u>	<u>\$ 104,698</u>
Total Assets	<u><u>\$ 182,388</u></u>	<u><u>\$ 21,064,553</u></u>	<u><u>\$ 21,142,243</u></u>	<u><u>\$ 104,698</u></u>
 LIABILITIES:				
Payroll Deductions and Withholdings	<u>\$ 182,388</u>	<u>\$ 21,064,553</u>	<u>\$ 21,142,243</u>	<u>\$ 104,698</u>
Total Liabilities	<u><u>\$ 182,388</u></u>	<u><u>\$ 21,064,553</u></u>	<u><u>\$ 21,142,243</u></u>	<u><u>\$ 104,698</u></u>

LONG-TERM DEBT

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding June 30, 2015		Interest Rate	Balance June 30, 2014	Matured	Balance June 30, 2015
			Date	Amount				
Refunding Bonds	01/07/10	\$6,085,000	02/01/16	\$ 525,000	3.00%	<u>\$4,565,000</u>	<u>\$ 510,000</u>	<u>\$4,055,000</u>
			02/01/17	540,000	4.50%			
			02/01/18	565,000	2.75%			
			02/01/19	575,000	3.00%			
			02/01/20	590,000	4.00%			
			02/01/21	615,000	4.00%			
			02/01/22	645,000	4.00%			
					<u>\$4,565,000</u>	<u>\$ 510,000</u>	<u>\$4,055,000</u>	

Exhibit I-2

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES

Item	Interest Rate	Original Issue	Restated Balance July 1, 2014	Issued	Retired or Matured	Balance June 30, 2015
Xerox Copiers	0.50%	\$ 65,442	\$ 9,064		\$ 9,064	
Savin Copiers	0.29%	206,572	145,716		68,639	\$ 77,077
			<u>\$ 154,780</u>	<u>\$ -0-</u>	<u>\$ 77,703</u>	<u>\$ 77,077</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 672,138		\$ 672,138	\$ 672,138	
Total Revenues	672,138		672,138	672,138	
EXPENDITURES:					
Regular Debt Service:					
Interest	162,138		162,138	162,137	\$ 1
Redemption of Principal	510,000		510,000	510,000	
Total Regular Debt Service	672,138		672,138	672,137	1
Total Expenditures	672,138		672,138	672,137	1
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-0-		-0-	1	1
Fund Balance, July 1	-0-		-0-	-0-	
Fund Balance, June 30	\$ -0-	\$ -0-	\$ -0-	\$ 1	\$ 1
Recapitulation:					
Restricted				\$ 1	

STATISTICAL SECTION

STATISTICAL SECTION
(UNAUDITED)

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

Contents

	<u>Exhibit</u>
<p>Financial Trends</p> <p>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</p>	J-1 thru J-5
<p>Revenue Capacity</p> <p>These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.</p>	J-6 thru J-9
<p>Debt Capacity</p> <p>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</p>	J-10 thru J-13
<p>Demographic and Economic Information</p> <p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.</p>	J-14 thru J-15
<p>Operating Information</p> <p>These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.</p>	J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
UNAUDITED

	June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014 *	2015
Governmental Activities:										
Net Investment in Capital Assets	\$ 5,416,244	\$ 5,479,077	\$ 5,572,690	\$ 5,142,448	\$ 6,011,082	\$ 6,575,230	\$ 7,027,583	\$ 7,383,893	\$ 7,583,315	\$ 8,930,658
Restricted	1,145,470	1,815,531	1,889,351	2,265,608	1,825,116	3,051,335	4,147,272	4,017,874	2,829,301	3,292,295
Unrestricted / (Deficit)	(171,057)	(83,874)	(34,584)	(49,264)	52,210	252,501	149,382	28,744	(6,232,267)	(6,589,752)
Total governmental activities net position	<u>\$ 6,390,657</u>	<u>\$ 7,210,734</u>	<u>\$ 7,427,457</u>	<u>\$ 7,358,792</u>	<u>\$ 7,888,408</u>	<u>\$ 9,879,066</u>	<u>\$ 11,324,237</u>	<u>\$ 11,430,511</u>	<u>\$ 4,180,349</u>	<u>\$ 5,633,201</u>
Business-type Activities:										
Net Investment in Capital Assets	\$ 29,088	\$ 28,028	\$ 28,796	\$ 30,945	\$ 29,405	\$ 25,320	\$ 22,029	\$ 22,490	\$ 22,977	\$ 20,888
Unrestricted	74,933	77,631	87,785	113,641	122,341	127,584	149,799	124,516	108,218	180,228
Total business-type activities net position	<u>\$ 104,021</u>	<u>\$ 105,659</u>	<u>\$ 116,581</u>	<u>\$ 144,586</u>	<u>\$ 151,746</u>	<u>\$ 152,904</u>	<u>\$ 171,828</u>	<u>\$ 147,006</u>	<u>\$ 131,195</u>	<u>\$ 201,116</u>
District-wide:										
Net Investment in Capital Assets	\$ 5,445,332	\$ 5,507,105	\$ 5,601,486	\$ 5,173,393	\$ 6,040,487	\$ 6,600,550	\$ 7,049,612	\$ 7,406,383	\$ 7,606,292	\$ 8,951,546
Restricted	1,145,470	1,815,531	1,889,351	2,265,608	1,825,116	3,051,335	4,147,272	4,017,874	2,829,301	3,292,295
Unrestricted / (Deficit)	(96,124)	(6,243)	53,201	64,377	174,551	380,085	299,181	153,260	(6,124,049)	(6,409,524)
Total District Net Position	<u>\$ 6,494,678</u>	<u>\$ 7,316,393</u>	<u>\$ 7,544,038</u>	<u>\$ 7,503,378</u>	<u>\$ 8,040,154</u>	<u>\$ 10,031,970</u>	<u>\$ 11,496,065</u>	<u>\$ 11,577,517</u>	<u>\$ 4,311,544</u>	<u>\$ 5,834,317</u>

*-Restated

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities:										
Instruction:										
Regular	\$ 11,068,075	\$ 12,106,638	\$ 12,916,246	\$ 13,729,905	\$ 13,203,439	\$ 12,626,948	\$ 13,210,211	\$ 13,757,682	\$ 14,352,234	\$ 15,125,388
Special Education	1,766,283	2,029,694	2,253,979	2,317,859	2,761,131	2,884,656	3,381,303	3,638,143	3,665,019	3,984,945
Other Special Instruction	301,344	454,922	485,905	473,687	472,657	410,050	418,083	481,996	419,442	596,961
School Sponsored Other Instruction	707,856	825,755	895,851	1,039,444	1,096,059	899,324	997,945	1,018,513	1,012,092	1,223,311
Support Services:										
Tuition	545,733	603,765	465,624	547,777	642,026	565,261	729,571	1,257,636	1,241,988	1,774,916
Student & Instruction Related Services	2,479,838	2,559,979	2,789,871	2,997,101	3,110,107	3,234,169	3,090,307	3,596,196	3,667,139	3,764,773
General Administrative Services	686,913	849,990	810,744	855,088	867,867	755,488	802,334	701,273	792,211	754,711
School Administrative Services	1,473,242	1,722,261	1,857,277	1,860,047	1,850,831	1,801,705	2,190,587	2,147,754	2,209,187	2,653,631
Central Services	414,827	453,801	449,035	493,326	527,979	497,867	508,690	527,167	538,581	574,446
Administration Information Technology	174,743	184,057	222,705	235,262	246,275	278,101	300,360	364,018	327,750	337,399
Plant Operations and Maintenance	2,294,627	2,373,083	2,557,176	2,526,151	2,622,379	2,411,118	2,463,284	2,565,377	2,680,745	2,758,792
Pupil Transportation	533,598	522,088	462,156	491,533	490,377	494,636	502,488	581,905	622,782	568,312
Interest on Long-term Debt	437,816	411,789	390,253	362,957	306,952	250,503	211,424	200,849	174,649	159,524
Capital Outlay										49,140
Unallocated Depreciation	129,445	424,094	424,094							
Total Governmental Activities Expenses	<u>23,014,340</u>	<u>25,521,916</u>	<u>26,980,916</u>	<u>27,930,137</u>	<u>28,198,079</u>	<u>27,109,826</u>	<u>28,806,587</u>	<u>30,838,509</u>	<u>31,703,819</u>	<u>34,326,249</u>
Business-type Activities:										
Food Service	364,515	368,753	413,620	413,662	397,527	369,111	330,192	373,264	372,782	339,945
After School and Summer Programs	294,536	368,693	308,789	352,872	323,466	232,712	248,786	250,110	272,912	305,125
Total Business-type Activities Expenses	<u>659,051</u>	<u>737,446</u>	<u>734,909</u>	<u>766,664</u>	<u>720,993</u>	<u>601,823</u>	<u>578,978</u>	<u>623,374</u>	<u>645,694</u>	<u>645,070</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Total District Expenses	\$ 23,673,391	\$ 26,259,362	\$ 27,715,825	\$ 28,696,801	\$ 28,919,072	\$ 27,711,649	\$ 29,385,565	\$ 31,461,883	\$ 32,349,513	\$ 34,971,319
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Regular)				201,191	237,365	346,301	558,027	591,448	488,530	473,942
Operating Grants and Contributions	2,730,078	3,471,547	3,516,682	3,206,933	3,296,372	2,521,449	3,290,092	3,945,854	3,786,877	7,183,317
Capital Grants and Contributions		203								
Total Governmental Activities Program Revenues	2,730,078	3,471,750	3,516,682	3,408,124	3,533,737	2,867,750	3,848,119	4,537,302	4,275,407	7,657,259
Business-type Activities:										
Charges for Services:										
Food Service	340,662	379,990	416,494	416,169	401,666	364,194	336,954	344,190	350,555	332,243
After School and Summer Programs	280,789	359,094	312,462	372,149	327,454	238,787	260,948	254,362	280,242	382,748
Operating Grants and Contributions	11,103									
Total Business-type Activities Revenues	632,554	739,084	745,831	788,318	729,120	602,981	597,902	598,552	630,797	714,991
Total District Program Revenues	3,362,632	4,210,834	4,262,513	4,196,442	4,262,857	3,470,731	4,446,021	5,135,854	4,906,204	8,372,250
Net (Expense)/Revenue										
Governmental Activities	(20,284,262)	(22,050,166)	(23,464,234)	(24,522,013)	(24,664,342)	(24,242,076)	(24,958,468)	(26,301,207)	(27,428,412)	(26,668,990)
Business-type Activities	(26,497)	1,638	10,922	21,654	8,127	1,158	18,924	(24,822)	(14,897)	69,921
Total District-wide Net (Expense)/Revenue	(20,310,759)	(22,048,528)	(23,453,312)	(24,500,359)	(24,656,215)	(24,240,918)	(24,939,544)	(26,326,029)	(27,443,309)	(26,599,069)

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 19,531,281	\$ 21,227,705	\$ 22,076,813	\$ 23,244,935	\$ 24,146,288	\$ 24,933,275	\$ 25,163,894	\$ 25,667,172	\$ 26,180,515	\$ 27,169,504
Taxes Levied for Debt Service	958,564	949,784	940,745	926,742	726,589	877,377	866,612	676,937	677,137	672,138
Unrestricted Grants and Contributions	213,589	235,394	303,850	73,294	87,700	13,449	41,527			60,874
Tuition Charges	176,205	180,517	189,188							
Investment Earnings	84,323	164,666	122,791	24,103	21					83
Miscellaneous Income	116,644	168,175	106,199	184,274	233,360	408,633	331,606	189,148	169,066	219,243
Transfers	(53,755)	(55,998)	(58,629)							
Total Governmental Activities	<u>21,026,851</u>	<u>22,870,243</u>	<u>23,680,957</u>	<u>24,453,348</u>	<u>25,193,958</u>	<u>26,232,734</u>	<u>26,403,639</u>	<u>26,533,257</u>	<u>27,026,718</u>	<u>28,121,842</u>
Business-type Activities:										
Miscellaneous Income/(Expenses)				6,351						
Capital (Disposals)-Special Item					(967)				(914)	
Total Business-type Activities				<u>6,351</u>	<u>(967)</u>				<u>(914)</u>	
Total District-wide	<u>21,026,851</u>	<u>22,870,243</u>	<u>23,680,957</u>	<u>24,459,699</u>	<u>25,192,991</u>	<u>26,232,734</u>	<u>26,403,639</u>	<u>26,533,257</u>	<u>27,025,804</u>	<u>28,121,842</u>
Change in Net Position										
Governmental Activities	742,589	820,077	216,723	(68,665)	529,616	1,990,658	1,445,171	232,050	(401,694)	1,452,852
Business-type Activities	(26,497)	1,638	10,922	28,005	7,160	1,158	18,924	(24,822)	(15,811)	69,921
Total District	<u>\$ 716,092</u>	<u>\$ 821,715</u>	<u>\$ 227,645</u>	<u>\$ (40,660)</u>	<u>\$ 536,776</u>	<u>\$ 1,991,816</u>	<u>\$ 1,464,095</u>	<u>\$ 207,228</u>	<u>\$ (417,505)</u>	<u>\$ 1,522,773</u>

Source: School District Financial Reports.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED

	June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Reserved	\$ 845,693	\$1,520,912	\$1,600,334	\$2,006,111	\$1,828,377					
Unreserved	360,485	394,075	457,785	498,606	447,733					
Restricted						\$2,923,456	\$3,912,321	\$2,961,173	\$2,829,301	\$3,292,294
Assigned						126,180	280,520	1,114,943	494,599	170,718
Unassigned						566,715	531,364	568,196	587,957	591,418
Total General Fund	<u>\$1,206,178</u>	<u>\$1,914,987</u>	<u>\$2,058,119</u>	<u>\$2,504,717</u>	<u>\$2,276,110</u>	<u>\$3,616,351</u>	<u>\$4,724,205</u>	<u>\$4,644,312</u>	<u>\$3,911,857</u>	<u>\$4,054,430</u>
All Other Governmental Funds:										
Reserved					\$ 189,410					
Unreserved/(Deficit), Reported in:										
Capital Projects Fund	\$ 207,272	\$ 207,272	\$ 207,475	\$ 189,975	(172,992)					
Debt Service Fund	13,661	7,683	5,161	736	21		\$ 1			
Debt Service - Designated for Subsequent Year's Expenditures		5,690	7,683	5,161	736					
Restricted						\$ 22				\$ 1
Unassigned/(Deficit)						(147,338)	(147,338)	\$ (147,338)	\$ (147,338)	(147,338)
Total All Other Governmental Funds/(Deficit)	<u>\$ 220,933</u>	<u>\$ 220,645</u>	<u>\$ 220,319</u>	<u>\$ 195,872</u>	<u>\$ 17,175</u>	<u>\$ (147,316)</u>	<u>\$ (147,337)</u>	<u>\$ (147,338)</u>	<u>\$ (147,338)</u>	<u>\$ (147,337)</u>
Total All Governmental Funds:										
Reserved	\$ 845,693	\$1,520,912	\$1,600,334	\$2,006,111	\$2,017,787					
Unreserved	581,418	614,720	678,104	694,478	275,498					
Restricted						\$2,923,478	\$3,912,322	\$2,961,173	\$2,829,301	\$3,292,295
Assigned						126,180	280,520	1,114,943	494,599	170,718
Unassigned						419,377	384,026	420,858	440,619	444,080
Total All Governmental Funds	<u>\$1,427,111</u>	<u>\$2,135,632</u>	<u>\$2,278,438</u>	<u>\$2,700,589</u>	<u>\$2,293,285</u>	<u>\$3,469,035</u>	<u>\$4,576,868</u>	<u>\$4,496,974</u>	<u>\$3,764,519</u>	<u>\$3,907,093</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax Levy	\$ 20,489,845	\$ 22,177,489	\$ 23,017,558	\$ 24,171,677	\$ 24,872,877	\$ 25,810,652	\$ 26,030,506	\$ 26,344,109	\$ 26,857,652	\$ 27,841,642
Tuition Charges	176,205	180,517	189,188	201,191	237,365	346,301	558,027	591,448	488,530	473,942
Interest Earnings				3,630						
Miscellaneous	212,994	340,911	241,999	240,859	265,488	438,389	438,593	201,217	276,299	238,363
State Sources	2,603,672	3,368,907	3,460,525	2,894,309	2,753,443	2,034,345	2,792,432	3,560,427	3,318,029	3,699,357
Federal Sources	327,968	330,167	346,998	349,806	598,522	470,797	432,200	373,358	361,615	382,599
Total Revenues	<u>23,810,684</u>	<u>26,397,991</u>	<u>27,256,268</u>	<u>27,861,472</u>	<u>28,727,695</u>	<u>29,100,484</u>	<u>30,251,758</u>	<u>31,070,559</u>	<u>31,302,125</u>	<u>32,635,903</u>
Expenditures										
Instruction:										
Regular Instruction	8,095,779	8,630,094	9,226,473	9,660,384	9,716,849	9,278,286	9,592,245	9,841,153	9,862,163	9,989,967
Special Education Instruction	1,353,055	1,496,436	1,668,212	1,795,927	2,283,545	2,137,197	2,485,282	2,607,089	2,679,951	2,423,779
Other Special Instruction	219,750	318,548	342,047	349,730	344,923	297,890	299,575	338,316	299,820	364,839
School Sponsored Other Instruction	546,484	615,679	718,451	810,209	843,616	694,481	771,303	770,109	776,961	829,078
Support Services:										
Tuition	545,733	603,765	465,624	547,777	642,026	565,261	729,571	1,257,636	1,241,988	1,774,916
Student & Instruction Related Services	2,024,497	2,055,930	2,217,858	2,418,456	2,492,648	2,535,505	2,379,373	2,782,245	2,873,593	2,861,735
General Administrative Services	620,329	787,456	721,372	720,091	750,230	669,635	700,292	673,822	685,365	712,547
School Administrative Services	1,125,454	1,275,044	1,379,083	1,431,663	1,439,063	1,336,269	1,560,548	1,562,614	1,643,665	1,709,929
Central Services	352,000	385,816	374,261	407,504	408,503	408,738	418,146	436,950	449,354	481,746
Administration Information Technology	149,101	157,500	194,746	206,861	214,265	244,059	265,359	309,827	290,598	301,449
Plant Operations and Maintenance	2,091,713	2,232,920	2,342,425	2,219,198	2,255,365	2,083,797	2,143,163	2,201,074	2,342,941	2,470,637
Pupil Transportation	522,729	504,278	446,865	478,176	450,326	462,047	448,921	517,870	575,069	535,573
Unallocated Benefits	4,573,734	5,538,502	5,874,512	5,431,852	5,885,288	5,779,795	6,317,335	6,887,184	6,536,657	7,010,082
Capital Outlay	61,114	73,546	195,301	27,068	769,777	619,104	166,179	287,626	1,099,318	354,915
Debt Service:										
Principal	520,000	535,000	550,000	565,000	580,000	640,000	665,000	490,000	500,000	510,000
Interest and Other Charges	448,476	422,755	396,435	369,425	341,725	238,112	201,633	186,938	177,137	162,137
Total Expenditures	<u>23,249,948</u>	<u>25,633,269</u>	<u>27,113,665</u>	<u>27,439,321</u>	<u>29,418,149</u>	<u>27,990,176</u>	<u>29,143,925</u>	<u>31,150,453</u>	<u>32,034,580</u>	<u>32,493,329</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>560,736</u>	<u>764,722</u>	<u>142,603</u>	<u>422,151</u>	<u>(690,454)</u>	<u>1,110,308</u>	<u>1,107,833</u>	<u>(79,894)</u>	<u>(732,455)</u>	<u>142,574</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other Financing Sources (Uses)										
Capital Leases (non-budgeted)					\$ 283,150	\$ 65,442				
Serial Bonds Issued					(6,085,000)					
Serial Bonds Defeased					5,917,000					
Bond Issuance Costs					119,083					
Bond Premium					(204,654)					
Deferred Interest					253,571					
State Receivable Cancelled	\$ (10,013)									
Private Contributions Receivable Cancelled	(3,339)									
Transfers In	5,689	\$ 7,683	\$ 5,161	\$ 736	598,104					
Transfers Out	(59,444)	(63,681)	(5,161)	(736)	(598,104)					
Total Other Financing Sources (Uses)	(67,107)	(55,998)	-0-	-0-	283,150	\$ 65,442	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Net Change in Fund Balances	<u>\$ 493,629</u>	<u>\$ 708,724</u>	<u>\$ 142,603</u>	<u>\$ 422,151</u>	<u>\$ (407,304)</u>	<u>\$ 1,175,750</u>	<u>\$ 1,107,833</u>	<u>\$ (79,894)</u>	<u>\$ (732,455)</u>	<u>\$ 142,574</u>
Debt Service as a Percentage of Noncapital Expenditures	4.4%	3.9%	3.6%	3.5%	3.3%	3.3%	3.1%	2.2%	2.2%	2.1%

Exhibit J-5

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Tuition</u>	<u>Interest on</u> <u>Investments</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Rentals - Use</u> <u>of Facilities</u>	<u>Other</u>	<u>Total</u>
2006	\$ 176,205	\$ 78,634	\$ 31,164	\$ 3,670	\$ 81,810	\$ 371,483
2007	180,517	156,983	43,762	17,490	106,923	505,675
2008	189,188	114,798	75	24,037	84,919	413,017
2009	201,191	24,103	59,636	6,800	117,102	408,832
2010	237,365	9,540	35,171	18,903	169,746	470,725
2011	346,301	982	49,859	4,400	353,392	754,934
2012	558,026	93	44,995	11,559	274,960	889,633
2013	591,448	81	44,582	8,630	135,855	780,596
2014	488,530	75	52,282	6,213	110,496	657,596
2015	473,942	83	14,010	21,145	184,088	693,268

Source: Borough of Glen Ridge School District records.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Commercial	Apartment	Total Assessed Value	Tax-Exempt Property	Add: Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2005	\$ 130,000	\$ 219,328,400	\$ 9,056,400	\$ 4,600,000	\$ 233,114,800	\$ 63,423,400	\$ 105,300	\$ 233,220,100	\$ 8.060	\$ 1,173,554,300
2006	130,000	220,175,300	8,933,300	4,670,000	233,908,600	63,417,000	85,584	233,994,184	8.060	1,293,879,116
2007	130,000	220,588,900	8,142,700	5,689,000	234,550,600	24,585,900	78,885	234,629,485	9.810	1,520,605,865
2008	* 1,339,900	1,349,284,700	66,372,700	25,705,300	1,442,702,600	91,701,200	492,991	1,443,195,591	1.675	1,582,624,839
2009	815,200	1,432,728,300	67,533,800	25,705,300	1,526,782,600	91,224,700	485,429	1,527,268,029	1.731	1,577,767,832
2010	1,106,100	1,334,332,900	61,982,300	25,705,300	1,423,126,600	90,642,200	501,732	1,423,628,332	1.813	1,555,624,133
2011	605,100	1,330,347,600	62,083,000	25,705,300	1,418,741,000	90,642,200	472,439	1,419,213,439	1.830	1,496,091,333
2012	485,100	1,322,815,600	62,299,600	24,056,700	1,409,657,000	91,236,600	503,201	1,410,160,201	1.868	1,453,453,496
2013	448,900	1,236,037,100	111,991,000	20,266,700	1,368,743,700	113,202,810	537,600	1,369,281,300	1.961	1,469,148,346
2014	448,900	1,238,234,100	111,891,000	20,266,700	1,370,840,700	113,380,210	507,600	1,371,348,300	2.030	1,484,045,317

* - Revaluation Year

a - Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

b - Tax rates are per \$100.

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

Source: Municipal Tax Assessor.

Exhibit J-7

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(rate per \$100 of assessed value)
UNAUDITED

Year Ended December 31,	Borough of Glen Ridge School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Borough of Glen Ridge	Essex County	
2005	\$ 7.665	\$ 0.395	\$ 8.060	\$ 3.080	\$ 2.400	\$ 13.540
2006	7.683	0.377	8.060	3.160	2.410	13.630
2007	7.715	0.345	9.810	3.437	2.359	15.606
2008	* 9.409	0.401	1.675	0.588	0.423	2.686
2009	1.611	0.064	1.731	0.615	0.430	2.776
2010	1.680	0.051	1.813	0.649	0.444	2.906
2011	1.751	0.062	1.830	0.672	0.462	2.964
2012	1.769	0.061	1.868	0.707	0.475	3.050
2013	1.820	0.048	1.961	0.721	0.528	3.210
2014	1.912	0.049	2.030	0.777	0.565	3.372

* - Revaluation Year

a - The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

b - Rates for debt service are based on each year's requirements.

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

Source: Municipal Tax Collector and School Business Administrator.

Exhibit J-8

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Taxpayer	2014		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Mountainside Hospital	\$ 79,539,296	1	5.80%
Tap Property Management	10,560,000	2	0.77%
Glen Ridge Country Club	8,091,000	3	0.59%
Glen Ridge Manor	5,310,000	4	0.39%
Ko & Ko Investments	4,715,000	5	0.34%
Domus Augusta Fam, LP	4,548,100	6	0.33%
Preservations Partners LLC	3,918,000	7	0.29%
Rey Associates	3,168,300	8	0.23%
Glenmont RR Crossing C/O Cary Heller	3,115,900	9	0.23%
Individual Taxpayer #1	2,937,900	10	0.21%
Total	\$ 125,903,496		9.18%

Taxpayer	2005		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
NYC Controller David Jeter	\$ 3,200,000	1	1.37%
Glen Ridge Country Club	1,886,200	2	0.81%
Glen Ridge Manor	1,400,000	3	0.60%
Individual Taxpayer #1	1,300,000	4	0.56%
Just Condos LLC	897,900	5	0.39%
FUNB, Corp Re	775,700	6	0.33%
Domus Augusta Fam, LP	648,600	7	0.28%
Rey Associates	630,000	8	0.27%
Bay Street Realty Company	450,000	9	0.19%
Bank of America	447,600	10	0.19%
Total	\$ 11,636,000		4.99%

Note - A revaluation was effective in 2008.

Note - Individual taxpayers in 2014 and 2005 may be different.

Source: Municipal Tax Assessor.

Exhibit J-9

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	\$ 20,489,845	\$ 20,489,845	100.00%	-0-
2007	22,177,489	22,177,489	100.00%	-0-
2008	23,017,558	23,017,558	100.00%	-0-
2009	24,171,677	24,171,677	100.00%	-0-
2010	24,872,877	24,872,877	100.00%	-0-
2011	25,810,652	25,810,652	100.00%	-0-
2012	26,030,506	26,030,506	100.00%	-0-
2013	26,344,109	26,344,109	100.00%	-0-
2014	26,857,652	26,857,652	100.00%	-0-
2015	27,841,642	27,841,642	100.00%	-0-

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

Source: Borough of Glen Ridge School District records, including the Certificate and Report of School Taxes (A4F form).

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases			
2006	\$ 8,922,000	\$ 47,987	\$ 8,969,987	2.95%	\$ 1,296.24
2007	8,387,000	33,897	8,420,897	2.60%	1,239.28
2008	7,837,000	16,603	7,853,603	2.34%	1,170.96
2009	7,272,000	-0-	7,272,000	2.14%	1,093.37
2010	6,860,000	261,136	7,121,136	2.15%	1,069.72
2011	6,220,000	228,381	6,448,381	1.66%	855.90
2012	5,555,000	117,521	5,672,521	1.40%	747.76
2013	5,065,000	26,396	5,091,396	1.23%	669.92
2014	4,565,000	* 154,780	4,719,780	1.13%	617.29
2015	4,055,000	77,077	4,132,077	0.99%	537.96

* - As Restated

a - See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Note: Details regarding the District's outstanding debt can be found in the notes to the basic financial statements.

Source: School District Financial Reports.

Exhibit J-11

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	\$ 8,922,000	\$ -0-	\$ 8,922,000	3.826%	\$ 1,289.31
2007	8,387,000	-0-	8,387,000	3.584%	1,234.29
2008	7,837,000	-0-	7,837,000	3.340%	1,168.48
2009	7,272,000	-0-	7,272,000	0.504%	1,093.37
2010	6,860,000	-0-	6,860,000	0.449%	1,030.49
2011	6,220,000	-0-	6,220,000	0.437%	825.59
2012	5,555,000	-0-	5,555,000	0.391%	732.27
2013	5,065,000	-0-	5,065,000	0.359%	666.45
2014	4,565,000	-0-	4,565,000	0.333%	597.04
2015	4,055,000	-0-	4,055,000	0.296%	527.93

a - See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

b - See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Note: Details regarding the District's outstanding debt can be found in the notes to the basic financial statements.

Source: School District Financial Reports.

Exhibit J-12

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Borough of Glen Ridge	\$ 6,329,083	100.00%	\$ 6,329,083
Essex County General Obligation Debt	329,424,039	1.81%	<u>5,973,026</u>
Subtotal, Overlapping Debt			12,302,109
Borough of Glen Ridge School District Direct Debt			<u>4,055,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 16,357,109</u></u>

a - For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of another governmental unit's equalized property value that is within the district's boundaries and dividing it by each unit's total equalized property value.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by residents and businesses of Glen Ridge. This process recognizes that, when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping unit.

Sources: Assessed value data used to estimate applicable percentages provided by the Essex County Board of Taxation; debt outstanding data provided by each governmental unit.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2015

Year Ended December 31,	Equalized Valuation Basis
2012	\$ 1,462,603,237
2013	1,479,882,906
2014	1,500,810,926
	\$ 4,443,297,069
Average Equalized Valuation of Taxable Property	\$ 1,481,099,023
Debt Limit (4% of Average Equalization Value)	\$ 59,243,961 ^a
Net Bonded School Debt	4,055,000
Legal Debt Margin	\$ 55,188,961

	Fiscal Year				
	2006	2007	2008	2009	2010
Debt Limit	\$ 46,864,064	\$ 51,559,569	\$ 56,182,966	\$ 60,105,061	\$ 62,281,033
Total Net Debt Applicable to Limit	8,922,000	8,387,000	7,837,000	7,272,000	6,860,000
Legal Debt Margin	\$ 37,942,064	\$ 43,172,569	\$ 48,345,966	\$ 52,833,061	\$ 55,421,033
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	19.04%	16.27%	13.95%	12.10%	11.01%

	Fiscal Year				
	2011	2012	2013	2014	2015
Debt Limit	\$ 60,875,824	\$ 60,371,202	\$ 58,480,252	\$ 58,960,995	\$ 59,243,961
Total Net Debt Applicable to Limit	6,220,000	5,555,000	5,065,000	4,565,000	4,055,000
Legal Debt Margin	\$ 54,655,824	\$ 54,816,202	\$ 53,415,252	\$ 54,395,995	\$ 55,188,961
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.22%	9.20%	8.66%	7.74%	6.84%

^a - Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts.

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

Exhibit J-14

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS
UNAUDITED

Year	Population ^a	Personal Income ^b	Essex County Per Capita Personal Income ^c	Unemployment Rate ^d
2006	6,795	\$ 323,462,385	\$ 47,603	3.00%
2007	6,707	335,095,134	49,962	2.70%
2008	6,651	339,453,738	51,038	3.30%
2009	6,657	331,185,750	49,750	6.70%
2010	7,534	387,413,348	51,422	6.80%
2011	7,586	406,586,842	53,597	6.50%
2012	7,600	412,816,800	54,318	6.70%
2013	7,646	417,517,476	54,606	4.60%
2014	7,681	419,428,686	54,606 **	3.80%
2015	7,681 *	419,428,686 ***	54,606 **	N/A

N/A - Not Available

* - Latest Essex County population available (2014) was used for calculation purposes.

** - Latest Essex County per capita personal income available (2013) was used for calculation purposes.

*** - Latest personal income data available (2014) was used for calculation purposes.

Source:

a - Population information provided by the US Department of Census - Population Division.

b - Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.

c - Per Capita Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.

d - Unemployment data provided by the NJ Department of Labor and Workforce Development.

Exhibit J-15

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - COUNTY OF ESSEX
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Employer	2014		
	Employees	Rank	Percentage of Total Employment
St. Barnabas Health Care System	23,000	1	6.64%
Verizon	17,100	2	4.94%
Prudential Ins. Co. of America	16,850	3	4.87%
Rutgers University-Newark Campus	15,500	4	4.48%
Continental Airlines	11,000	5	3.18%
Newark Board of Education	7,050	6	2.04%
Automatic Data Processing	5,649	7	1.63%
New Jersey Transit	4,000	8	1.16%
City of Newark	4,000	9	1.16%
Essex County	3,500	10	1.01%
	<u>107,649</u>		<u>31.09%</u>
Total Employment	<u>346,237</u>		
Employer	2005		
	Employees	Rank (Optional)	Percentage of Total Employment

INFORMATION IS NOT AVAILABLE

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction:										
Regular	121.4	121.4	128.0	134.2	133.2	133.1	136.3	134.7	128.0	127.6
Special Education	27.1	27.1	26.0	27.8	28.5	32.2	40.5	44.4	46.7	46.4
Other Special Instruction	12.4	12.4	8.7	9.4	9.4	6.5	6.0	6.5	6.0	6.0
Support Services:										
Student & Instruction Related Services	20.0	20.0	21.8	24.8	24.8	24.8	23.8	26.3	26.3	25.4
General Administrative Services	3.1	3.1	3.1	3.1	3.1	2.1	2.1	2.1	2.1	2.1
School Administrative Services	13.0	13.0	14.0	14.0	14.0	12.0	13.0	12.0	12.0	12.0
Central Services	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Plant Operations and Maintenance	18.2	18.2	18.2	19.2	18.2	17.2	17.2	17.7	17.7	17.8
Pupil Transportation	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Child Care	11.8	11.8	15.0	13.6	14.0	14.0	6.5	8.7	8.7	8.7
Total	<u>233.7</u>	<u>233.7</u>	<u>241.5</u>	<u>252.8</u>	<u>251.9</u>	<u>248.6</u>	<u>252.1</u>	<u>259.1</u>	<u>254.2</u>	<u>252.7</u>

Source: District Personnel Records.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary/ Middle		Middle/ High School					
						Elementary	Middle	Elementary	Middle				
2006	1,804	\$ 22,220,358	\$ 12,317	2.78%	135	14.2:1	16.7:1	13.4:1	12.0:1	1,804	1,742	2.09%	96.56%
2007	1,804	24,601,968	13,637	10.72%	141.3	16.0:1	15.7:1	13.1:1	11.1:1	1,825	1,760	1.16%	96.44%
2008	1,878	25,971,929	13,830	1.41%	143.3	14.7:1	17.0:1	13.6:1	11.4:1	1,875	1,800	2.74%	96.00%
2009	1,903	26,477,828	13,914	0.61%	147.8	16.0:1	15.9:1	12.3:1	11.7:1	1,905	1,816	1.60%	95.33%
2010	1,909	27,726,647	14,524	4.39%	147.9	14.8:1	15.4:1	12.4:1	12.1:1	1,926	1,841	1.10%	95.59%
2011	1,945	26,492,960	13,621	-6.22%	143.2	16.5:1	17.8:1	12.8:1	12.5:1	1,931	1,834	0.26%	94.98%
2012	1,950	28,111,113	14,416	5.84%	148.5	16.3:1	16.6:1	12.6:1	12.0:1	1,945	1,867	0.73%	95.99%
2013	1,959	30,185,889	15,409	6.89%	151.4	16.3:1	14.5:1	13.3:1	11.6:1	1,955	1,870	0.51%	95.65%
2014	1,934	30,258,125	15,645	1.54%	148.5	14.1:1	15.5:1	13.9:1	11.7:1	1,933	1,847	-1.13%	95.55%
2015	1,908	31,466,277	16,492	5.41%	147.4	15.4:1	16.1:1	13.7:1	11.3:1	1,908	1,822	-1.29%	95.49%

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).

d - Cost per pupil is the sum of operating expenditures divided by enrollment. This cost per pupil may be different from the State's cost per pupil calculations.

Note: Enrollment based on annual October District count.

Source: Borough of Glen Ridge School District records.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

<u>District Building</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Forest Avenue School (1928)										
Square Feet	32,093	32,093	32,093	32,093	32,093	32,093	32,093	32,093	32,093	32,093
Capacity (students)	327	327	327	327	327	327	327	327	327	327
Enrollment	254	254	248	262	258	262	260	261	233	241
Linden Avenue School (1911)										
Square Feet	31,999	31,999	31,999	31,999	31,999	31,999	31,999	31,999	31,999	31,999
Capacity (students)	333	333	333	333	333	333	333	333	333	333
Enrollment	284	284	287	292	284	274	280	268	260	267
Ridgewood Avenue School (1928)										
Square Feet	102,436	102,436	102,436	102,436	102,436	102,436	102,436	102,436	102,436	102,436
Capacity (students)	582	582	582	582	582	582	582	582	582	582
Enrollment	544	544	597	567	568	569	571	592	597	588
Glen Ridge High School (1968)										
Square Feet	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000
Capacity (students)	842	842	842	842	842	842	842	842	842	842
Enrollment	722	722	746	782	799	840	839	838	844	812
Board Office (2000)										
Square Feet	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510

Number of Schools at June 30, 2015

 Elementary (Grades Pre-K-2) = 2

 Elementary/Middle School (Grades 3-6) = 1

 Middle/High School (Grades 7-12) = 1

Other (Board Office) = 1

Note: Year of original construction is shown in parentheses. Enrollment is based on the annual October District count.

Source: Borough of Glen Ridge School District Facilities Office.

Exhibit J-19

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures - Required Maintenance
 For School Facilities - Account #11-000-261-XXX:

<u>School Facilities*</u>	<u>Project # (s)</u>	<u>Fiscal Year Ended June 30,</u>				
		<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Glen Ridge High School	N/A	\$ 195,541	\$ 216,680	\$ 270,682	\$ 233,931	\$ 227,818
Forest Avenue School	N/A	146,606	109,412	105,892	86,473	109,220
Ridgewood Avenue School	N/A	246,550	303,620	337,573	205,930	223,396
Linden Avenue School	N/A	103,623	138,086	100,201	75,147	105,353
Total School Facilities		<u>692,320</u>	<u>767,798</u>	<u>814,348</u>	<u>601,481</u>	<u>665,787</u>
Board Office		<u>6,985</u>	<u>6,684</u>	<u>11,998</u>	<u>12,856</u>	<u>9,452</u>
Grand Total		<u>\$ 699,305</u>	<u>\$ 774,482</u>	<u>\$ 826,346</u>	<u>\$ 614,337</u>	<u>\$ 675,239</u>

<u>School Facilities*</u>	<u>Project # (s)</u>	<u>Fiscal Year Ended June 30,</u>				
		<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Glen Ridge High School	N/A	\$ 177,016	\$ 206,582	\$ 192,554	\$ 181,789	\$ 228,102
Forest Avenue School	N/A	81,474	96,010	90,171	125,774	121,323
Ridgewood Avenue School	N/A	153,659	237,079	210,828	214,949	215,362
Linden Avenue School	N/A	75,410	124,767	125,485	111,698	122,650
Total School Facilities		<u>487,559</u>	<u>664,438</u>	<u>619,038</u>	<u>634,210</u>	<u>687,437</u>
Board Office		<u>4,403</u>	<u>14,215</u>	<u>4,461</u>	<u>7,779</u>	<u>6,497</u>
Grand Total		<u>\$ 491,962</u>	<u>\$ 678,653</u>	<u>\$ 623,499</u>	<u>\$ 641,989</u>	<u>\$ 693,934</u>

N/A - Not Applicable.

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

Source: Glen Ridge Board of Education records.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015
UNAUDITED

	<u>Coverage</u>		<u>Deductible</u>
School Alliance Insurance Fund:			
Property - Blanket Building and Contents	\$ 250,000,000	(Per Occ.)	\$ 2,500
Flood Coverage:			
Per Occurrence	10,000,000		2,500
Aggregate	100,000,000		
Earthquake Coverage:			
Per Occurrence	25,000,000		5% of value at each location
Aggregate	25,000,000		5% of value at each location
Garage Keepers	5,000,000		2,500
Newly Acquired Property	25,000,000		2,500
Property at Unnamed Locations	25,000,000		2,500
Loss of Revenues	500,000		2,500
Accounts Receivable	2,500,000		2,500
Fine Arts	2,500,000		2,500
Trees/Shrubs/Plants	1,000,000		2,500
Auto Physical Damage	Per Policy		1,000
Blanket Crime	500,000		1,000
Money and Securities (Inside and Outside Premises)	50,000		1,000
Computer Fraud	50,000		1,000
Forgery and Alteration	50,000		1,000
School Board Errors and Omissions	5,000,000		5,000
Excess School Board Errors and Omissions	10,000,000		
Commercial General and Automobile Liability	5,000,000		
Medical Expense	5,000		
Abuse or Molestation Liability	10,000,000		
Excess Liability	10,000,000		
Premises Pollution Coverage:			
Per Occurrence	1,000,000		10,000
Fungi Sublimit - Bodily Injury	500,000		50,000
Terrorism	100,000,000		2,500
Builders Risk	25,000,000		2,500
Demolition and Increase Cost of Construction	25,000,000		2,500
Cyber Liability	2,000,000		10,000
Boiler and Machinery	100,000,000		2,500
Public Officials Bond - Western Surety Company:			
Board Secretary/Business Administrator	250,000		
Treasurer	250,000		

SINGLE AUDIT SECTION



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Report on Internal Control Over Financial Reporting and
 on Compliance and Other Matters Based on an Audit of Financial Statements
 Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Borough of Glen Ridge School District
 County of Essex, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Borough of Glen Ridge, in the County of Essex (the "District") as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 20, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the 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.

The Honorable President and Members
of the Board of Education
Borough of Glen Ridge School District
Page 2

Compliance and Other Matters

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

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 result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mount Arlington, New Jersey
November 20, 2015

NISIVOCCIA LLP



William F. Schroeder
Licensed Public School Accountant #2112
Certified Public Accountant



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Report on Compliance For Each Major State Program;
 Report on Internal Control Over Compliance Required by OMB Circular A-133
 and New Jersey's OMB Circulars 04-04 and 15-08

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Borough of Glen Ridge School District
 County of Essex, New Jersey

Report on Compliance for Each Major State Program

We have audited the Board of Education of the Borough of Glen Ridge's (the "District's") compliance with the types of compliance requirements described in the the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on the District's major state program for the fiscal year ended June 30, 2015. The District's major state program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the District's major state program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion the District complied, in all material aspects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state program for the fiscal year ended June 30, 2015.

The Honorable President and Members
of the Board of Education
Borough of Glen Ridge School District
Page 2

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on the major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJOMB 04-04 and 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and NJOMB 04-04 and 15-08. Accordingly, this report is not suitable for any other purpose.

Mount Arlington, New Jersey
November 20, 2015

NISIVOCCIA LLP



William F. Schroeder
Licensed Public School Accountant #2112
Certified Public Accountant

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<u>Federal Grantor/Pass Through Grantor/ Program/Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Grant or State Project Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance at June 30, 2014 Budgetary Accounts Receivable</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Balance at June 30, 2015 Budgetary Accounts Receivable</u>
<u>U.S. Department of Education:</u>								
<u>Special Revenue Fund:</u>								
Passed-through State Department of Education:								
Special Education Cluster:								
I.D.E.A. Part B, Basic	84.027	IDEA175015	7/1/14-6/30/15	\$ 349,674		\$ 345,674	\$ (349,674)	\$ (4,000)
I.D.E.A. Part B, Basic	84.027	IDEA175014	7/1/13-6/30/14	329,199	\$ (3,000)	3,000		
I.D.E.A. Preschool	84.173	IDEA175015	7/1/14-6/30/15	11,510			(11,510)	(11,510)
I.D.E.A. Preschool	84.173	IDEA175014	7/1/13-6/30/14	11,480	(500)	500		
Total Special Education Cluster					<u>(3,500)</u>	<u>349,174</u>	<u>(361,184)</u>	<u>(15,510)</u>
No Child Left Behind:								
Title IIA	84.367	NCLB175015	7/1/14-6/30/15	21,415			(21,415)	(21,415)
Total Special Revenue Fund					<u>(3,500)</u>	<u>349,174</u>	<u>(382,599)</u>	<u>(36,925)</u>
Total U.S. Department of Education					<u>(3,500)</u>	<u>349,174</u>	<u>(382,599)</u>	<u>(36,925)</u>
Total Federal Awards					<u>\$ (3,500)</u>	<u>\$ 349,174</u>	<u>\$ (382,599)</u>	<u>\$ (36,925)</u>

SEE THE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
SCHEDULE OF OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2014		Budgetary Expenditures	Balance June 30, 2015		MEMO
				Budgetary Accounts Receivable	Cash Received		GAAP Accounts Receivable	Budgetary Receivable	
<u>State Department of Education:</u>									
<u>General Fund State Aid:</u>									
Categorical Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	\$ 667,725		\$ 604,985	\$ (667,725)		\$ (62,740)	\$ 667,725
Categorical Security Aid	15-495-034-5120-084	7/1/14-6/30/15	29,268		26,518	(29,268)		(2,750)	29,268
Categorical Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	23,478		21,272	(23,478)		(2,206)	23,478
PARCC Readiness	15-495-034-5120-098	7/1/14-6/30/15	18,960		17,178	(18,960)		(1,782)	18,960
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	18,960		17,178	(18,960)		(1,782)	18,960
Extraordinary Special Education Costs Aid	15-100-034-5120-473	7/1/14-6/30/15	84,609			(84,609)	\$ (84,609)	(84,609)	84,609
Excess Nonpublic Transportation Costs	15-495-034-5120-014	7/1/14-6/30/15	6,786			(6,786)	(6,786)	(6,786)	6,786
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	7/1/14-6/30/15	993,650		892,174	(993,650)	(101,476)	(101,476)	993,650
Categorical Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	720,471	\$ (65,418)	65,418				720,471
Extraordinary Special Education Costs Aid	14-100-034-5120-473	7/1/13-6/30/14	79,270	(79,270)	79,270				79,270
Nonpublic School Transportation Costs	14-495-034-5120-014	7/1/13-6/30/14	6,592	(6,592)	6,592				6,592
Total General Fund State Aid				<u>(151,280)</u>	<u>1,730,585</u>	<u>(1,843,436)</u>	<u>(192,871)</u>	<u>(264,131)</u>	<u>2,649,769</u>
<u>School Development Authority:</u>									
<u>Capital Projects Fund:</u>									
School Development Authority Financing Act:									
High School Windows				(222,178)				(222,178)	
Total Capital Projects Fund				<u>(222,178)</u>				<u>(222,178)</u>	
Total State Awards				<u>\$ (373,458)</u>	<u>\$ 1,730,585</u>	<u>\$ (1,843,436)</u>	<u>\$ (192,871)</u>	<u>\$ (486,309)</u>	<u>\$ 2,649,769</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Borough of Glen Ridge School District under programs of the federal and state governments for the fiscal year ended June 30, 2015. The information in these schedules is presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States and Local Governments and Non-Profit Organizations* and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting. This basis of accounting is described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following the cost principles contained in federal OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the current year last two state aid payments in the subsequent budget year, which is mandated pursuant to P.L. 2003, C.97 (A3521). For GAAP purposes, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two 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 revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(5,842) for the general fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Additionally, the schedule of expenditures of state awards does not include on-behalf TPAF Pension Contributions and Post Retirement Contributions revenue of \$719,522 and \$1,142,241 respectively. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 3,699,357	\$ 3,699,357
Special Revenue Fund	\$ 382,599		382,599
Total Financial Assistance	<u>\$ 382,599</u>	<u>\$ 3,699,357</u>	<u>\$ 4,081,956</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

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. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2015.

NOTE 6. NJ SCHOOL DEVELOPMENT AUTHORITY (SDA) GRANT

The District has an active grant awarded in the amount of \$222,178 from the School Development Authority (SDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2015, \$-0- been drawn down and the District has a \$222,178 receivable on the budgetary basis. The District realizes grants receivable on the GAAP basis as they are expended and submitted for reimbursement.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Summary of Auditors' Results:

- The Independent Auditor's Report expresses an unmodified opinion on the District's financial statements.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over the major state program disclosed during the audit as reported in the *Independent Auditors' Report on Compliance for Each Major State program; Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08*.
- The auditor's report on compliance for the major state program for the District expresses an unmodified opinion on the major state program.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circulars 04-04 and 15-08 or Section 510 (a) of Federal OMB Circular A-133
- The District was not subject to the single audit provisions of Federal OMB Circular A-133 for fiscal year end June 30, 2015 as federal grant expenditures were less than the single audit threshold of \$500,000 identified in the Circular.
- The District's state program tested as a major state program for the current fiscal year consisted of the following:

	<u>State</u> <u>Grant Number</u>	<u>Grant Period</u>	<u>Award</u> <u>Amount</u>	<u>Budgetary</u> <u>Expenditures</u>
<u>State:</u>				
Reimbursed TPAF Social Security Aid	15-495-034-5095-002	7/1/14-6/30/15	\$ 993,650	\$ 993,650

- The threshold used for distinguishing between State Type A and Type B programs was \$300,000.
- The District was determined to be a "low-risk" auditee for state programs under the provisions of section 530 of the Federal Circular.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any finding or questioned costs for state awards as defined in Federal OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Status of Prior Year Findings:

The District had no prior year audit findings.