

**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, 2010**

**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, 2010**

**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, 2010

INTRODUCTORY SECTION

Letter of Transmittal .....	1
Organizational Chart .....	5
Roster of Officials .....	6
Consultants and Advisors .....	7

FINANCIAL SECTION .....

Independent Auditors' Report .....	9
------------------------------------	---

Required Supplementary Information .....	11
--	----

Management's Discussion and Analysis .....	12
--	----

Basic Financial Statements (Sections A. and B.) .....	22
---	----

A. District-Wide Financial Statements .....	23
---	----

A-1 Statement of Net Assets .....	24
-----------------------------------	----

A-2 Statement of Activities .....	25
-----------------------------------	----

B. Fund Financial Statements .....	27
------------------------------------	----

B-1 Balance Sheet – Governmental Funds .....	28
--	----

B-2 Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds .....	29
--	----

B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	31
---	----

B-4 Statement of Net Assets – Proprietary Funds .....	33
---	----

B-5 Statement of Revenue, Expenses and Changes in Fund Net Assets – Proprietary Funds .....	34
--	----

B-6 Statement of Cash Flows – Proprietary Funds .....	35
---	----

B-7 Statement of Fiduciary Net Assets – Fiduciary Funds .....	36
---	----

B-8 Statement of Changes in Fiduciary Net Assets – Fiduciary Funds .....	37
--	----

Notes to the Basic Financial Statements .....	38
---	----

Required Supplementary Schedules (Sections C. to I.)

C. Budgetary Comparison Schedules .....	59
---	----

C-1 Budgetary Comparison Schedule – General Fund .....	60
--	----

C-2 Combining Budgetary Schedule – Special Revenue Fund .....	72
---	----

C-3 Budgetary Comparison Schedule- Note to Required Supplementary Information .....	73
---	----

D. School Level Schedules (Not Applicable) .....	75
--	----

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2010  
 (Continued)

FINANCIAL SECTION (Cont'd)

Required Supplementary Schedules (Sections C. to I.) (Cont'd)

E. Special Revenue Fund .....	76
E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis.....	77
E-2 Preschool Education Aid Schedule of Expenditures Special Revenue Fund – Budgetary Basis (Not Applicable)	
F. Capital Projects Fund .....	79
F-1 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance.....	80
F-1a Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Construction of an Addition to and Upgrading of Existing Facilities .....	81
F-1b Schedule of Project Revenues, Expenditures, Project Balance and Project Status - High School Locker Replacement .....	82
F-1c Schedule of Project Revenues, Expenditures, Project Balance and Project Status - High School Windows and Door Project .....	83
G. Proprietary Funds .....	84
Enterprise Funds:	
G-1 Combining Statement of Net Assets.....	85
G-2 Combining Statement of Revenue, Expenses and Changes in Fund Net Assets .....	86
G-3 Combining Statement of Cash Flows .....	87
H. Fiduciary Funds .....	88
H-1 Combining Statement of Fiduciary Net Assets.....	89
H-2 Statement of Changes in Fiduciary Net Assets.....	90
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements .....	91
H-4 Student Activity Agency Fund Statement of Activity .....	92
H-5 Payroll Agency Fund Schedule of Receipts and Disbursements .....	93
I. Long-Term Debt .....	94
I-1 Schedule of Serial Bonds.....	95
I-2 Schedule of Obligations Under Capital Leases .....	96
I-3 Debt Service Fund Budgetary Comparison Schedule.....	97

STATISTICAL SECTION

J. Statistical Section (Unaudited) .....	99
J-1 Net Assets by Component .....	100
J-2 Changes in Net Assets .....	101
J-3 Fund Balances- Governmental Funds.....	104
J-4 Changes in Fund Balances- Governmental Funds.....	105
J-5 General Fund Other Local Revenue by Source .....	107
J-6 Assessed Value and Actual Value of Taxable Property .....	108
J-7 Direct and Overlapping Property Tax Rates.....	109
J-8 Principal Property Tax Payers .....	110
J-9 Property Tax Levies and Collections.....	111
J-10 Ratios of Outstanding Debt by Type .....	112
J-11 Ratios of Net General Bonded Debt Outstanding.....	113

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

STATISTICAL SECTION

J.	Statistical Section (Unaudited) (Cont'd)	
J-12	Ratios of Overlapping Governmental Activities Debt.....	114
J-13	Legal Debt Margin Information.....	115
J-14	Demographic and Economic Statistics .....	116
J-15	Principal Employers.....	117
J-16	Full-Time Equivalent District Employees by Function/Program .....	118
J-17	Operating Statistics.....	119
J-18	School Building Information .....	120
J-19	Schedule of Required Maintenance for School Facilities.....	121
J-20	Insurance Schedule .....	122
K.	SINGLE AUDIT SECTION.....	123
K-1	Independent Auditors' 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> .....	124
K-2	Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 and New Jersey's OMB Circular NJOMB 04-04 .....	126
	Schedule of Expenditures of Federal Awards .....	128
	Schedule of Expenditures of State Awards .....	129
	Notes to the Schedules of Expenditures of Federal and State Awards.....	130
	Schedule of Findings and Questioned Costs .....	132
	Summary Schedule of Prior Audit Findings.....	134

**INTRODUCTORY SECTION**



# Glen Ridge Public Schools

## BOARD OF EDUCATION

October 29, 2010

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, 2010, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (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 Nonprofit Organizations*, and the New Jersey's OMB Circular NJOMB 04-04, *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 Government 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 2009-2010 fiscal year with an average daily enrollment of 1,909 students, which is four students above the previous year's average daily enrollment. The following details the changes in the student average daily enrollment of the District over the last five years:

The Honorable President and Members of  
the Board of Education  
Borough of Glen Ridge School District  
Page 2  
October 29, 2010

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	
	<u>Student Enrollment</u>	<u>Percent Change</u>
2009-2010	1,926	1.10%
2008-2009	1,905	1.60%
2007-2008	1,875	2.74%
2006-2007	1,825	1.16%
2005-2006	1,804	2.09%

**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 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 NJASK and HSPA, as well as the PSAT, SAT, and the AP tests.

During the 2009-2010 school year, curriculum revisions were completed in the Arts and World Languages and will be implemented in the 2010-2011 school year. In addition, new courses in Chinese Language and Native American Studies will be implemented in the 2010-2011 school year. Teachers were provided training and the community was provided an orientation of the curriculum revisions.

**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 are 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.

The Honorable President and Members of  
the Board of Education  
Borough of Glen Ridge School District  
Page 3  
October 29, 2010

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 the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

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) DEBT ADMINISTRATION: At June 30, 2010, the District's outstanding debt issues consisted of \$6,680,000 in statutory debt. In August 1992, the District issued general obligation bonds in the amount of \$2,712,150. The proceeds of this bond issue were used for major renovations in the District's four school buildings. In January 2002, the District issued general obligation bonds in the amount of \$9,142,000. In January 2010, the District refunded the school bonds issued in 1992 and 2002 for \$6,085,000.

7) 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.

8) 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 an insured and self-administered group 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.

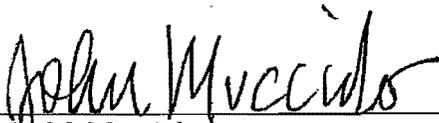
The Honorable President and Members of  
the Board of Education  
Borough of Glen Ridge School District  
Page 4  
October 29, 2010

9) OTHER INFORMATION:

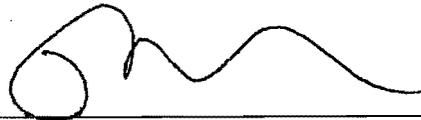
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia & Company LLP, CPAs, was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, 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 Nonprofit Organizations*, and New Jersey's OMB Circular NJOMB 04-04, *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 are included in the single audit section of this report.

10) 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,

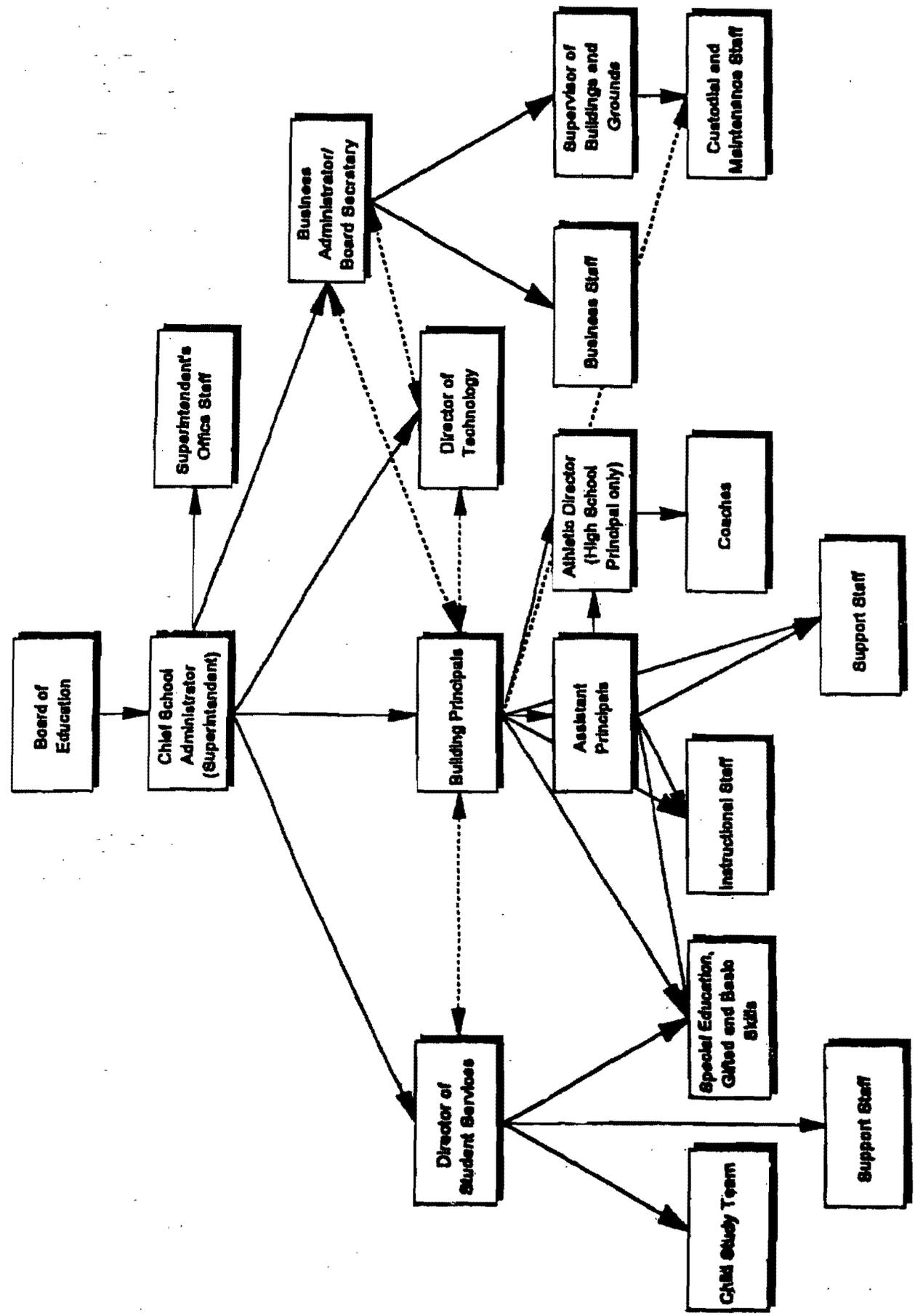


John M. Mucciolo  
Superintendent of Schools



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, 2010**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mrs. Elisabeth Ginsburg, President	2012
Ms. Karen Eisen, 1st Vice President	2011
Mr. Timothy Keppel, 2nd Vice President	2012
Mr. Michael de Leeuw	2013
Dr. Kamalakshi Dishmon	2011
Mr. Jeffrey Kobernick	2013
Mr. Kevin Licciardi	2013
Ms. Suzanne O'Connor	2012
Ms. Julie Raskin	2011

Other OfficialsTitle

Dr. John M. Mucciolo	Superintendent of Schools
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  
2 World's Fair Drive  
Somerset, NJ 08873

**Audit Firm**

Nisivoccia & Company 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**

Lindabury, McCormick, Estabrook & Cooper  
53 Cardinal Drive  
P.O. Box 2369  
Westfield, NJ 07091

**Official Depository**

Wachovia Bank NA  
Bloomfield Avenue  
Glen Ridge, NJ 07028

**FINANCIAL SECTION**



Mount Arlington Corporate Center  
200 Valley Road Suite 300  
Mount Arlington, NJ 07856-1320  
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Fax: 973-328-0507

Lawrence Business Park  
11 Lawrence Road  
Newton, NJ 07860  
Phone: 973-383-6699  
Fax: 973-383-6555

### 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 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 in the County of Essex, as of and for the fiscal year ended June 30, 2010, which collectively comprise the School District's basic financial statements, as listed in the foregoing table of contents. These financial statements are the responsibility of the Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2010 on our consideration of the Board of Education of the Borough of Glen Ridge School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

The Management's Discussion and Analysis section and the Budgetary Comparison Information in Exhibits C-1 through C-3 and I-3 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of the Borough of Glen Ridge School District's basic financial statements. The accompanying introductory section, other supplementary information such as the combining and individual fund financial statements, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*; and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. The supplementary combining and individual fund financial statements, supplementary schedules, and the schedules of expenditures of federal and state awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Mount Arlington, New Jersey  
October 29, 2010

NISIVOCCIA & COMPANY 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, 2010  
(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, 2010. 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 assets status increased by \$536,776 on a district-wide basis. The District's General Fund fund balance decreased by \$228,607, primarily as a result of State Executive Order 14 that reduced State aid by over \$425,000.
- Overall revenue was \$29.46 million.
- Enrollment in the District has been increasing for each of the last several years but cost per pupil remains relatively stable.
- The District had a net reduction its outstanding long-term debt of 6.31 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 and after school and summer programs.
- *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**

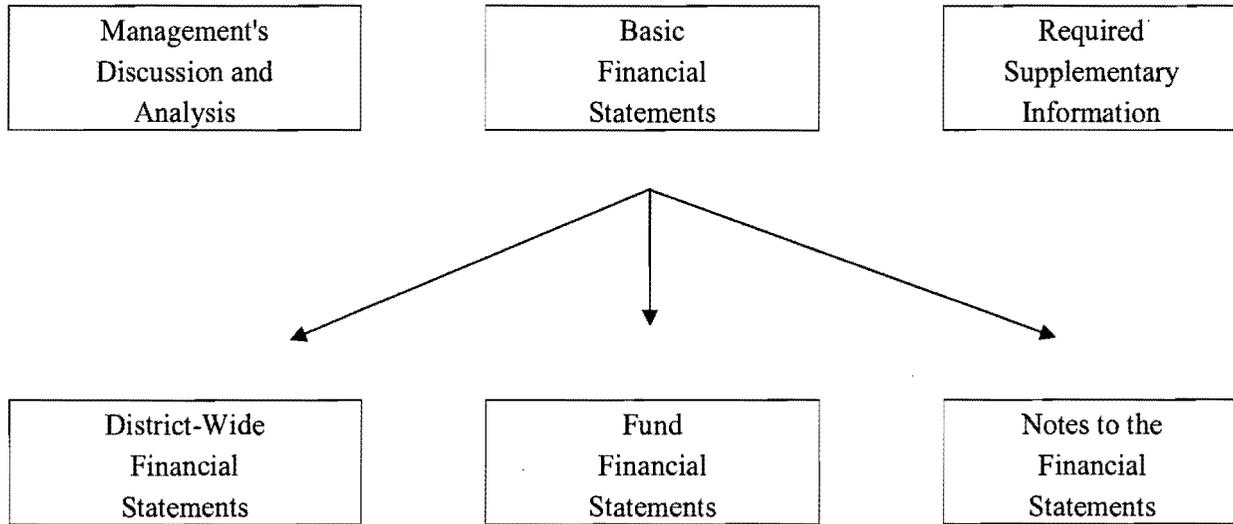


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents 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	Propriety 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"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of revenue, expenses, and changes in net assets</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> <li>• Statement of changes in fiduciary net assets</li> </ul>
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 assets includes all of the District's assets 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 assets* and how they have changed. Net assets – the difference between the District's assets and liabilities – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net assets 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 and after school and summer programs 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 Assets.* The District's combined net assets increased by 7.15%. Net assets from governmental activities increased \$529,616 and net assets from business-type activities increased by \$7,160. Net assets invested in capital assets increased \$867,094, restricted net assets decreased \$440,492, and unrestricted net assets increased \$110,174.

**Figure A-3**  
**Condensed Statement of Net Assets**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2009/2010	2008/2009	2009/2010	2008/2009	2009/2010	2008/2009	2009/2010
Current and							
Other Assets	\$ 2,595,285	\$ 2,871,992	\$ 122,607	\$ 113,956	\$ 2,717,892	\$ 2,985,948	-8.98%
Capital Assets, Net	12,898,152	12,414,448	29,405	30,945	12,927,557	12,445,393	3.87%
Total Assets	<u>15,493,437</u>	<u>15,286,440</u>	<u>152,012</u>	<u>144,901</u>	<u>15,645,449</u>	<u>15,431,341</u>	1.39%
Long-Term Debt							
Outstanding	7,190,894	7,675,403			7,190,894	7,675,403	-6.31%
Other Liabilities	414,135	252,245	266	315	414,401	252,560	64.08%
Total Liabilities	<u>7,605,029</u>	<u>7,927,648</u>	<u>266</u>	<u>315</u>	<u>7,605,295</u>	<u>7,927,963</u>	-4.07%
Net Assets:							
Invested in Capital							
Assets, Net of							
Related Debt	6,011,082	5,142,448	29,405	30,945	6,040,487	5,173,393	16.76%
Restricted	1,825,116	2,265,608			1,825,116	2,265,608	-19.44%
Unrestricted/(Deficit)	<u>52,210</u>	<u>(49,264)</u>	<u>122,341</u>	<u>113,641</u>	<u>174,551</u>	<u>64,377</u>	171.14%
Total Net Assets	<u>\$ 7,888,408</u>	<u>\$ 7,358,792</u>	<u>\$ 151,746</u>	<u>\$ 144,586</u>	<u>\$ 8,040,154</u>	<u>\$ 7,503,378</u>	7.15%

*Changes in Net Assets.* The District's combined net assets were \$8,040,154 on June 30, 2010, \$536,776 or 7.15% more than the prior year (See Figure A-3). Net assets invested in capital assets increased \$867,094 due to the \$888,710 increase in capital assets, the payment of \$412,000 in bond principal (net of bond defeasement), an increase in deferred interest of \$234,066 and the retirement of \$22,014 of capital lease principal, offset by \$395,146 in depreciation, \$11,400 in appraisal adjustments and a new capital lease issued of \$283,150. Restricted net assets decreased by \$440,492 due to net decreases in capital reserve of \$302,437 and debt service reserves of \$5,140, capital project expenditures of \$362,967, and \$188,911 of bond premium amortized, offset by increases in encumbrances of \$121,174 and excess surplus of \$192,939, and \$104,850 of bond issuance costs amortized. Unrestricted net assets increased by \$110,174 (See Figure A-3).

**Figure A-4**  
**Changes in Net Assets from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2009/2010	2008/2009	2009/2010	2008/2009	2009/2010	2008/2009	2009/2010
<b>Revenue:</b>							
<b>Program Revenue:</b>							
Charges for Services	\$ 237,365	\$ 201,191	\$ 729,120	\$ 794,669	\$ 966,485	\$ 995,860	-2.95%
Grants and Contributions:							
Operating	3,296,372	3,206,933			3,296,372	3,206,933	2.79%
<b>General Revenue:</b>							
Property Taxes	24,872,877	24,171,677			24,872,877	24,171,677	2.90%
Federal and State Aid Not Restricted	87,700	73,294			87,700	73,294	19.66%
Other	233,381	208,377			233,381	208,377	12.00%
<b>Total Revenue</b>	<b>28,727,695</b>	<b>27,861,472</b>	<b>729,120</b>	<b>794,669</b>	<b>29,456,815</b>	<b>28,656,141</b>	<b>2.79%</b>
<b>Expenses:</b>							
Instruction	17,533,286	17,560,895			17,533,286	17,560,895	-0.16%
Pupil and Instruction Services	3,752,133	3,544,878			3,752,133	3,544,878	5.85%
Administrative and Business	3,492,952	3,443,723			3,492,952	3,443,723	1.43%
Maintenance and Operations	2,622,379	2,526,151			2,622,379	2,526,151	3.81%
Transportation	490,377	491,533			490,377	491,533	-0.24%
Other	306,952	362,957	721,960	766,664	1,028,912	1,129,621	-8.92%
<b>Total Expenses</b>	<b>28,198,079</b>	<b>27,930,137</b>	<b>721,960</b>	<b>766,664</b>	<b>28,920,039</b>	<b>28,696,801</b>	<b>0.78%</b>
<b>Increase/(Decrease) in Net Assets</b>	<b>\$ 529,616</b>	<b>\$ (68,665)</b>	<b>\$ 7,160</b>	<b>\$ 28,005</b>	<b>\$ 536,776</b>	<b>\$ (40,660)</b>	<b>1420.16%</b>

*Revenue Sources.* The District's total revenue for the 2009/2010 school year was \$29,456,815 (See Figure A-4). Property taxes and state formula aid accounted for most of the District's revenue, with local taxes accounting for \$24,872,877 of the total, or 84.44 percent (See Figure A-5). Another 11.49 percent came from state and federal aid for specific programs and contributions, 3.28 percent came from charges for services and the remainder from other miscellaneous sources. It is important to note that of the categorical grants amount of \$2,608,843, nearly \$921,589 is included in funds that are not paid to the District, but are included in funding for non-contributory insurance and post-retirement medical contributions that the State of New Jersey is paying on behalf of the District. The Borough of Glen Ridge School District primarily conducts its operations from the revenue it receives from its local taxpayers.

**Figure A-5**  
**Sources of Revenue for Fiscal Year**

Sources of Income:	<u>Amount</u>	<u>Percentage</u>
State Formula Aid	\$ 775,229	2.63%
Property Taxes	24,872,877	84.44%
Federal and State Categorical Grants	2,608,843	8.86%
Charges for Services	966,485	3.28%
Other	233,381	0.79%
	<u>\$ 29,456,815</u>	<u>100.00%</u>

The total cost of all programs and services was \$28,920,039. The District's expenses are predominantly related to instructing, caring for (pupil and instruction services) and transporting students (75.30 percent) (See Figure A-6). The District's administrative and business activities accounted for 12.08 percent of total costs. It is important to note that depreciation of \$395,146 is included in expenses for the year.

**Figure A-6**  
**Expenses for Fiscal Year**

Expense Category:	<u>Amount</u>	<u>Percentage</u>
Instruction	\$ 17,533,286	60.63%
Pupil and Instruction Services	3,752,133	12.97%
Administrative and Business	3,492,952	12.08%
Maintenance and Operations	2,622,379	9.07%
Transportation	490,377	1.70%
Other	1,028,912	3.55%
	<u>\$ 28,920,039</u>	<u>100.00%</u>

### **Governmental Activities**

As discussed elsewhere in this commentary, the financial position of the District improved slightly. However, maintaining existing programs with increased 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 remained relatively flat 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	
	2009/2010	2008/2009	2009/2010	2008/2009
Instruction	\$ 17,533,286	\$ 17,560,895	\$14,299,340	\$14,667,647
Pupil and Instruction Services	3,752,133	3,544,878	3,668,203	3,258,630
Administrative and Business	3,492,952	3,443,723	3,349,382	3,307,945
Maintenance and Operations	2,622,379	2,526,151	2,622,379	2,526,151
Transportation	490,377	491,533	418,086	398,683
Other	306,952	362,957	306,952	362,957
	<u>\$ 28,198,079</u>	<u>\$ 27,930,137</u>	<u>\$ 24,664,342</u>	<u>\$ 24,522,013</u>

- The cost of all governmental activities this year was \$28.2 million.
- The federal and state governments subsidized certain programs with grants and contributions (\$3.38 million).
- Most of the District's costs, however, were financed by District taxpayers (\$24.87 million).
- A portion of governmental activities was financed with state aid based on the CEIFA formula (\$0.78 million).
- The remainder of governmental activities funding came from private contributions, tuition, investment earnings and miscellaneous revenue.

### **Business-Type Activities**

Net assets from the District's business-type activities increased by \$7,160. This is comprised of an increase in food service of \$3,172 and an increase in after school and summer programs of \$3,988. (Refer to Figure A-4)

### **Financial Analysis of the District's Funds**

The District's financial situation remained relatively stable in spite of difficult economic times which have had a direct impact upon the District's revenue sources. Interest from investments decreased and tuition revenue improved 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, legal and other professional services.

## Capital Asset and Debt Administration

**Figure A-8**  
**Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total School District	
	2009/2010	2008/2009	2009/2010	2008/2009	2009/2010	2008/2009
Sites (Land)	\$ 736,853	\$ 736,853			\$ 736,853	\$ 736,853
Site Improvements	136,806	143,877			136,806	143,877
Buildings and Building Improvements	10,724,332	11,027,295			10,724,332	11,027,295
Machinery and Equipment	908,471	506,423	\$ 29,405	\$ 30,945	937,876	537,368
<b>Total Capital Assets (Net of Depreciation)</b>	<b>\$ 12,898,152</b>	<b>\$ 12,414,448</b>	<b>\$ 29,405</b>	<b>\$ 30,945</b>	<b>\$ 12,927,557</b>	<b>\$ 12,445,393</b>

The District's overall capital assets increased due to capital additions exceeding depreciation and deletions.

## Long-term Debt

At year-end, the District had \$6,625,934 in general obligation bonds – a reduction of \$646,066 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 2009/2010
	2009/2010	2008/2009	
General Obligation Bonds, Net (Financed with Property Taxes)	\$ 6,625,934	\$ 7,272,000	-8.88%
Other Long-term Debt	564,960	403,403	40.05%
	<b>\$ 7,190,894</b>	<b>\$ 7,675,403</b>	<b>-6.31%</b>

- The District continued to pay down its debt, retiring \$580,000 of outstanding bonds.
- The District refunded the school bonds in January 2010.
- The District's other long term liabilities consist of compensated absences payable.

### **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:

- Increasing student enrollment continues to impact the financial resources of the District through the employment of additional teaching and support staff.
- The volatility of heating gas and electric costs continue to be a concern that could potentially impact the District's future financial resources.
- The volatility of health costs continue to be a concern that could impact the District's financial resources.

### **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**

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
JUNE 30, 2010

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,004,178	\$ 94,717	\$ 2,098,895
Receivables from Other Governments	398,567		398,567
Receivables - Other:			
Tuition	20,415		20,415
Program Fees		27,890	27,890
Unamortized Bond Issuance Costs, Net	168,475		168,475
Restricted Assets:			
Capital Reserve Account - Cash	3,650		3,650
Capital Assets, Net:			
Sites (Land)	1,128,543		1,128,543
Depreciable Site Improvements, Buildings and Building Improvements and Furniture, Machinery and Equipment	11,769,609	29,405	11,799,014
Total Assets	<u>15,493,437</u>	<u>152,012</u>	<u>15,645,449</u>
<b>LIABILITIES</b>			
Accrued Interest Payable	91,699		91,699
Accounts Payable	117,353	266	117,619
Deferred Revenue	16,172		16,172
Unamortized Bond Premium	188,911		188,911
Noncurrent Liabilities:			
Due Within One Year	730,849		730,849
Due Beyond One Year	6,460,045		6,460,045
Total Liabilities	<u>7,605,029</u>	<u>266</u>	<u>7,605,295</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt Restricted for/(Deficit In):	6,011,082	29,405	6,040,487
Capital Projects	(189,778)		(189,778)
Debt Service	757		757
Other Purposes	2,014,137		2,014,137
Unrestricted	52,210	122,341	174,551
Total Net Assets	<u>\$ 7,888,408</u>	<u>\$ 151,746</u>	<u>\$ 8,040,154</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, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expenses)/Revenues and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 13,203,439	\$ 237,365	\$ 1,354,944		\$ (11,611,130)		\$ (11,611,130)
Special Education	2,761,131		1,496,693		(1,264,438)		(1,264,438)
Other Instruction	472,657		48,699		(423,958)		(423,958)
School Sponsored Instruction	1,096,059		96,245		(999,814)		(999,814)
Support Services:							
Tuition	642,026				(642,026)		(642,026)
Student & Instruction Related Services	3,110,107		83,930		(3,026,177)		(3,026,177)
General Administrative Services	867,867				(867,867)		(867,867)
School Administrative Services	1,850,831		143,570		(1,707,261)		(1,707,261)
Central Services	527,979				(527,979)		(527,979)
Administration Information Technology	246,275				(246,275)		(246,275)
Plant Operations and Maintenance	2,622,379				(2,622,379)		(2,622,379)
Pupil Transportation	490,377		72,291		(418,086)		(418,086)
Interest on Long-Term Debt	306,952				(306,952)		(306,952)
<b>Total Governmental Activities</b>	<b>28,198,079</b>	<b>237,365</b>	<b>3,296,372</b>	<b>\$ -0-</b>	<b>(24,664,342)</b>	<b>\$ -0-</b>	<b>(24,664,342)</b>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues		Net (Expenses)/Revenues and Changes in Net Assets			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Business-Type Activities:</b>							
Food Service	\$ 397,527	\$ 401,666			\$ 4,139	\$ 4,139	
After School and Summer Programs	323,466	327,454			3,988	3,988	
<b>Total Business-Type Activities</b>	<b>720,993</b>	<b>729,120</b>			<b>8,127</b>	<b>8,127</b>	
<b>Total Primary Government</b>	<b>\$ 28,919,072</b>	<b>\$ 966,485</b>	<b>\$ 3,296,372</b>	<b>\$ -0-</b>	<b>\$ (24,664,342)</b>	<b>8,127</b>	<b>(24,656,215)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property Taxes, Levied for General Purposes, Net					24,146,288	24,146,288	
Taxes Levied for Debt Service					726,589	726,589	
Federal and State Aid Not Restricted					87,700	87,700	
Investment Earnings					21	21	
Capital Assets Adjustment					(967)	(967)	
Miscellaneous Income					233,360	233,360	
<b>Total General Revenues, Special Items, and Transfers</b>					<b>25,193,958</b>	<b>(967)</b>	<b>25,192,991</b>
Change in Net Assets					529,616	7,160	536,776
Net Assets - Beginning					7,358,792	144,586	7,503,378
Net Assets - Ending					<b>\$ 7,888,408</b>	<b>\$ 151,746</b>	<b>\$ 8,040,154</b>

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

**FUND FINANCIAL STATEMENTS**

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 1,985,753		\$ 16,418	\$ 2,007	\$ 2,004,178
Interfund Receivable	268,924				268,924
Receivables from Other Governments	116,063	\$ 282,504			398,567
Receivables - Tuition	20,415				20,415
Restricted Cash and Cash Equivalents	3,650				3,650
<b>Total Assets</b>	<b>\$ 2,394,805</b>	<b>\$ 282,504</b>	<b>\$ 16,418</b>	<b>\$ 2,007</b>	<b>\$ 2,695,734</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Interfund Payable		\$ 268,924			\$ 268,924
Accounts Payable	\$ 111,095	5,008		\$ 1,250	117,353
Deferred Revenue	7,600	8,572			16,172
<b>Total Liabilities</b>	<b>118,695</b>	<b>282,504</b>		<b>1,250</b>	<b>402,449</b>
<b>Fund Balances:</b>					
<b>Reserved for:</b>					
Encumbrances	8,249		\$ 189,410		197,659
Capital Reserve Account	3,650				3,650
Excess Surplus	840,335				840,335
Excess Surplus - Designated for Subsequent Year's Expenditures	976,143				976,143
<b>Unreserved/(Deficit), Reported in:</b>					
General Fund - Undesignated	447,733				447,733
Capital Projects Fund - Undesignated			(172,992)		(172,992)
Debt Service Fund - Undesignated				736	736
Designated for Subsequent Year's Expenditures				21	21
<b>Total Fund Balances</b>	<b>2,276,110</b>		<b>16,418</b>	<b>757</b>	<b>2,293,285</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,394,805</b>	<b>\$ 282,504</b>	<b>\$ 16,418</b>	<b>\$ 2,007</b>	

Amounts Reported for *Governmental Activities* in the Statement of Net Assets (A-1) are Different Because:

Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds. The cost of the assets is \$19,245,346 and the accumulated depreciation is \$6,347,194.	12,898,152
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).	(7,190,894)
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.	(91,699)
Bond Issuance Costs are Reported as expenditures in the Funds. These costs total \$220,544 and the accumulated amortization is \$52,069.	168,475
Bond Issuance Costs are reported as revenue in the Governmental Funds. The Premium is \$204,654 and the Amortization is \$15,743.	(188,911)
<b>Net Assets of Governmental Activities</b>	<b>\$ 7,888,408</b>

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, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 24,146,288			\$ 726,589	\$ 24,872,877
Tuition from Individuals	237,365				237,365
Miscellaneous	233,360	\$ 32,107	\$ 21		265,488
Total - Local Sources	24,617,013	32,107	21	726,589	25,375,730
State Sources	2,753,443				2,753,443
Federal Sources		598,522			598,522
Total Revenues	27,370,456	630,629	21	726,589	28,727,695
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	9,658,013	58,836			9,716,849
Special Education Instruction	1,711,752	571,793			2,283,545
Other Instruction	344,923				344,923
School-Sponsored Instruction	843,616				843,616
Support Services and Undistributed Costs:					
Tuition	642,026				642,026
Student & Instruction Related Services	2,492,648				2,492,648
General Administrative Services	750,230				750,230
School Administrative Services	1,439,063				1,439,063
Central Services	408,503				408,503
Administration Information Technology	214,265				214,265
Plant Operations and Maintenance	2,255,365				2,255,365
Pupil Transportation	450,326				450,326
Unallocated Benefits	5,885,288				5,885,288

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<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				\$ 580,000	\$ 580,000
Interest and Other Charges				341,725	341,725
Capital Outlay	\$ 378,087		\$ 391,690		769,777
Total Expenditures	<u>27,474,105</u>	<u>\$ 630,629</u>	<u>\$ 391,690</u>	<u>921,725</u>	<u>29,418,149</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(103,649)</u>	<u>-0-</u>	<u>(391,669)</u>	<u>(195,136)</u>	<u>(690,454)</u>
OTHER FINANCING SOURCES/(USES)					
Capital Leases (non-budgeted)	283,150				283,150
Serial Bonds Issued				(6,085,000)	(6,085,000)
Serial Bonds Defeased				5,917,000	5,917,000
Bond Issuance Costs				119,083	119,083
Bond Premium				(204,654)	(204,654)
Deferred Interest				253,571	253,571
Transfers In			408,108	189,996	598,104
Transfers Out	(408,108)		(189,996)		(598,104)
Total Other Financing Sources/(Uses)	<u>(124,958)</u>	<u>-0-</u>	<u>218,112</u>	<u>189,996</u>	<u>283,150</u>
Net Change in Fund Balances	<u>(228,607)</u>		<u>(173,557)</u>	<u>(5,140)</u>	<u>(407,304)</u>
Fund Balance—July 1	<u>2,504,717</u>	<u>-0-</u>	<u>189,975</u>	<u>5,897</u>	<u>2,700,589</u>
Fund Balance—June 30	<u>\$ 2,276,110</u>	<u>\$ -0-</u>	<u>\$ 16,418</u>	<u>\$ 757</u>	<u>\$ 2,293,285</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, 2010

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (407,304)

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 exceeded capital outlays in the period.

	Depreciation expense	\$ (391,060)	
	Deletions	(10,433)	
	Capital outlays	<u>885,197</u>	483,704

Proceeds from debt issues are an other financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

	(6,085,000)	
	<u>(283,150)</u>	(6,368,150)

Defeasement of debt service principal is an other financing use in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

5,917,000

Debt issued for the advanced refunding less the amount of bonds defeased are not recorded in the governmental fund.

	School Bonds Issued	(5,917,000)	
	School Bonds Defeased	6,085,000	
	School Bond Deferred Interest	(253,571)	
	School Bond Issuance Costs	204,654	
	School Bond Premium	<u>(119,083)</u>	-0-

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 (+).

99,579

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 (+).

52,768

The governmental funds report the effect of issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. (+)

	Issued	119,083	
	Amortized	<u>(14,233)</u>	104,850

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, 2010

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.

	Issued	\$ 253,571	
	Amortized	<u>(19,505)</u>	\$ 234,066

Finally, 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.

	Issued	(204,654)	
	Amortized	<u>15,743</u>	(188,911)

Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. (+)

22,014

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. (+)

580,000

Change in Net Assets of Governmental Activities

\$ 529,616

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
AS OF JUNE 30, 2010

	<u>Business-Type Activities - Enterprise Funds</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 94,717
Other Accounts Receivable	<u>27,890</u>
Total Current Assets	<u>122,607</u>
Non-Current Assets:	
Capital Assets	110,240
Less: Accumulated Depreciation	<u>(80,835)</u>
Total Non-Current Assets	<u>29,405</u>
Total Assets	<u>152,012</u>
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable	<u>266</u>
Total Current Liabilities	<u>266</u>
Total Liabilities	<u>266</u>
<b>NET ASSETS:</b>	
Investment in Capital Assets Net of Related Debt	29,405
Unrestricted	<u>122,341</u>
Total Net Assets	<u><u>\$ 151,746</u></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, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Business-Type Activities - Enterprise Funds</u>
Operating Revenue:	
Charges for Services:	
Daily Sales - Non-Reimbursable Programs	\$ 361,188
Special Events	40,478
Program Fees	<u>327,454</u>
Total Operating Revenue	<u>729,120</u>
Operating Expenses:	
Cost of Sales	159,514
Salaries	434,071
Payroll Taxes	39,809
Purchased Property Services	17,283
Supplies and Materials	66,230
Depreciation Expense	<u>4,086</u>
Total Operating Expenses	<u>720,993</u>
Operating Income	<u>8,127</u>
Net Income/(Loss) Before Adjustments	8,127
Disposal of Capital Assets, net of depreciation	<u>(967)</u>
Change in Net Assets	7,160
Net Assets - Beginning of Year	<u>144,586</u>
Net Assets - End of Year	<u><u>\$ 151,746</u></u>

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Business-Type Activities - Enterprise Funds</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 719,443
Payments to Employees	(301,331)
Payments to Food Service Vendor	(389,643)
Payments to Suppliers	(25,982)
	2,487
Net Cash Provided by Operating Activities	2,487
Cash Flows from Noncapital Financing Activities:	
Purchase of Capital Assets	(3,513)
	(3,513)
Net Cash Used for Noncapital Financing Activities	(3,513)
Net Decrease in Cash and Cash Equivalents	(1,026)
Cash and Cash Equivalents, July 1	95,743
Cash and Cash Equivalents, June 30	\$ 94,717
Reconciliation of Operating Income to	
Net Cash Provided by Operating Activities:	
Operating Income	\$ 8,127
Adjustment to Reconcile Operating Income to	
Net Cash Provided by Operating Activities:	
Depreciation	4,086
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	(9,677)
(Decrease) in Interfund Loans Payable	(315)
Increase in Accounts Payable	266
	2,487
Net Cash Provided by Operating Activities	\$ 2,487

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
JUNE 30, 2010

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>
ASSETS:		
Cash and Cash Equivalents	\$ 264,256	\$ 174,860
Total Assets	<u>264,256</u>	<u>174,860</u>
LIABILITIES:		
Accounts Payable - Vendors	28,185	
Payroll Deductions and Withholdings	137,737	
Due to Student Groups	<u>98,334</u>	
Total Liabilities	<u>264,256</u>	
NET ASSETS:		
Held in Trust for Unemployment Claims		<u>174,860</u>
Total Net Assets	<u>\$ -0-</u>	<u>\$ 174,860</u>

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Unemployment Compensation Trust</u>
<b>ADDITIONS:</b>	
Contributions:	
Plan Member	\$ 24,304
District	<u>25,000</u>
Total Contributions	<u>49,304</u>
Total Additions	<u>49,304</u>
<b>DEDUCTIONS:</b>	
Quarterly Contribution Reports	<u>49,548</u>
Total Deductions	<u>49,548</u>
Change in Net Assets	(244)
Net Assets - Beginning of the Year	<u>175,104</u>
Net Assets - End of the Year	<u><u>\$ 174,860</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, 2010

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, 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, middle 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 assets 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, 2010  
(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 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 all expendable financial resources except those required to be accounted for 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.

Special Revenue Fund: 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 to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from 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.

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(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) Fund: The Enterprise Fund accounts 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.

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 assets 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.

Reports for the District's Food Service Fund are prepared following the Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989; Accounting Principles Board Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with Governmental Accounting Standards Board (GASB) pronouncements.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(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 budgets are submitted to the County office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.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 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 last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements. The capital projects fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of SDA grants. Grants are recognized in full the year the grants are awarded on the budgetary basis; but, are not recognized on the GAAP basis until they are expended and submitted for reimbursement.

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 27,384,965	\$ 630,629
Difference - Budget to GAAP:		
Current Year State Aid Payment Recognized for GAAP Statements, Not Recognized for Budgetary Purposes	(118,299)	
Prior Year State Aid Payment Recognized for Budgetary Purposes, Not Recognized for GAAP Statements	103,790	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 27,370,456	\$ 630,629

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

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

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

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 27,474,105	\$ 630,629
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 27,474,105	\$ 630,629
	Capital Projects Fund	
	SDA Grant Revenue	Fund Balance
Amount per Summary Schedule of Revenue, Expenditures, and Charges in Fund Balance (Budgetary Basis) (per Exhibit F-1)	\$ 680,201	\$ 288,490
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Revenue/Receivable not Recognized on GAAP Basis	(272,072)	(272,072)
Amount per Summary Schedule of Revenue, Expenditures, and Charges in Fund Balance - Governmental Funds (GAAP Basis) (per Exhibit B-2)	\$ 408,129	\$ 16,418

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. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a 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.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

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

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 assets, 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 reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as deferred 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, 2010.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

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

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

L. Long Term Liabilities:

In the District-wide and enterprise fund statements of net assets, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond issuance costs, as well as applicable 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, governmental fund types recognize bond discounts, as well as bond issuance costs, as expenditures in the current period. 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. Issue costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

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, 2010.

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.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

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

N. Compensated Absences: (Cont'd)

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 Assets*, 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. Deferred Revenue:

Deferred 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 \$2,276,110 General Fund fund balance at June 30, 2010, \$8,249 is reserved for encumbrances; \$3,650 is reserved in the capital reserve account; \$1,816,478 is reserved for excess surplus in accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701) (\$976,143 of the total reserve for excess surplus will be included as anticipated revenue for the year ending June 30, 2011 and the remaining \$840,335 will be included as anticipated revenue for the year ending June 30, 2012) and \$447,733 is unreserved and undesignated.

Capital Projects Fund: The Capital Projects Fund fund balance at June 30, 2010 is \$16,418. Of this balance, \$189,410 is reserved for encumbrances and there is a (\$172,992) deficit in unreserved/undesignated because it does not include \$272,072 of SDA grants receivable, which is not recognized on a GAAP basis.

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2010 of \$757 is unreserved (\$21 designated for subsequent year's expenditures and \$736 undesignated).

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 Reserved 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 reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus as defined above.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

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

P. Fund Balance Appropriated: (Cont'd)

The District's unreserved/undesignated fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$118,299 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 last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

Q. Deficit Fund Balances/Net Assets:

The District has a deficit fund balance of \$172,992 in the Capital Projects Fund as of June 30, 2010 as reported in the fund statements (modified accrual basis) due to School Development Authority grant receivable in the amount of \$272,072 which is not recognized on a GAAP basis until expended and reported for reimbursement.

The District also has a deficit in restricted net assets on capital projects in the amount of \$189,778. This is primarily due to School Development Authority grant receivable in the amount of \$272,072 which is not recognized on a GAAP basis until expended and reported for reimbursement.

R. Net Assets:

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

S. Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditures. Unreserved fund balance indicates that portion which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, a capital reserve account and excess surplus as defined by State law.

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.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

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

T. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

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.

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.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

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

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 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.

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;

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

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

- (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, 2010, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Capital Reserve Account	Total
Checking and Savings Accounts	\$ 2,435,476	\$ 3,650	\$ 2,439,126
New Jersey Cash Management Fund	102,535		102,535
	\$ 2,538,011	\$ 3,650	\$ 2,541,661

During the period ended June 30, 2010, the District did not hold any investments.

The carrying amount of the Board's cash and cash equivalents at June 30, 2010, was \$2,541,661 and the bank balance was \$3,127,235. The \$102,535 in the New Jersey Cash Management Fund is uninsured and unregistered.

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.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

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 one 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, 2009 to June 30, 2010 fiscal year is as follows:

Beginning Balance, July 1, 2009	\$ 306,087
Interest Earnings	20
Budgeted Withdrawals	<u>(302,457)</u>
Ending Balance, June 30, 2010	<u>\$ 3,650</u>

The June 30, 2010 LRFP balance of local support costs of uncompleted capital projects exceeds the June 30, 2010 capital reserve account balance. The district had budgeted withdrawals of \$302,457 for use in the current fiscal year.

NOTE 5: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2010, the District transferred \$70,598 to the capital outlay accounts. All of the transfers related to equipment and therefore did not require approval from the County Superintendent.

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2010 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 736,853			\$ 736,853
Construction in Progress		\$ 391,690		391,690
Total Capital Assets Not Being Depreciated	<u>736,853</u>	<u>391,690</u>		<u>1,128,543</u>
Capital Assets Being Depreciated:				
Site Improvements	348,263	8,857	\$ (4,590)	352,530
Buildings and Building Improvements	16,205,349			16,205,349
Machinery and Equipment	1,090,761	484,650	(16,487)	1,558,924
Total Capital Assets Being Depreciated	<u>17,644,373</u>	<u>493,507</u>	<u>(21,077)</u>	<u>18,116,803</u>
Governmental Activities Capital Assets	<u>18,381,226</u>	<u>885,197</u>	<u>(21,077)</u>	<u>19,245,346</u>

**BOROUGH OF GLEN RIDGE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**  
(Continued)

**NOTE 6. CAPITAL ASSETS (Cont'd)**

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Less Accumulated Depreciation for:				
Site Improvements	\$ (204,386)	\$ (12,208)	\$ 870	\$ (215,724)
Buildings and Building Improvements	(5,178,054)	(302,963)		(5,481,017)
Machinery and Equipment	(584,338)	(75,889)	9,774	(650,453)
	<u>(5,966,778)</u>	<u>(391,060)</u>	<u>10,644</u>	<u>(6,347,194)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 12,414,448</u>	<u>\$ 494,137</u>	<u>\$ (10,433)</u>	<u>\$ 12,898,152</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 109,144	\$ 3,513	\$ (2,417)	\$ 110,240
Less Accumulated Depreciation	(78,199)	(4,086)	1,450	(80,835)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 30,945</u>	<u>\$ (573)</u>	<u>\$ (967)</u>	<u>\$ 29,405</u>

Increases totaling \$493,507 represent current year capitalized expenditures of \$336,793, in the general fund and \$156,714 in the special revenue fund. The decrease of \$21,077 is due to the disposal of assets.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 72,968
Student and Instruction Related Services	25,373
General Administrative Services	69,426
School Administrative Services	7,120
Central Services	54,191
Plant Operations and Maintenance	144,626
Pupil Transportation	17,356
	<u>\$ 391,060</u>

**NOTE 7. LONG-TERM LIABILITIES**

During the fiscal year ended June 30, 2010, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2009	Accrued	Retired/ Amortized	Defeased	Balance 6/30/2010
Serial Bonds Payable	\$ 7,272,000	\$ 6,085,000	\$ 580,000	\$ 5,917,000	\$ 6,860,000
Less: Deferred Amount on Refunding		(253,571)	(19,505)		(234,066)
Net Serial Bonds Payable	7,272,000	5,831,429	560,495	5,917,000	6,625,934
Capital Leases Payable		283,150	22,014		261,136
Compensated Absences Payable	403,403	45,262	144,841		303,824
	<u>\$ 7,675,403</u>	<u>\$ 6,159,841</u>	<u>\$ 727,350</u>	<u>\$ 5,917,000</u>	<u>\$ 7,190,894</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

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

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, 2010 is \$640,000 and the long-term portion is \$6,220,000. The Debt Service Fund will be used to liquidate bonds payable.

The District had bonds outstanding as of June 30, 2010 as follows:

<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
08/01/2010	5.55%	\$ 360,000
02/01/2011	4.60%	415,000
02/01/2022	4.60%-4.75%	<u>6,085,000</u>
		<u>\$ 6,860,000</u>

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 640,000	\$ 219,022	\$ 859,022
2012	665,000	201,633	866,633
2013	490,000	186,937	676,937
2014	500,000	177,138	677,138
2015	510,000	162,137	672,137
Thereafter:			
2016-2020	2,795,000	549,963	3,344,963
2021-2022	<u>1,260,000</u>	<u>76,200</u>	<u>1,336,200</u>
	<u>\$ 6,860,000</u>	<u>\$ 1,573,030</u>	<u>\$ 8,433,030</u>

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 is 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, \$19,505 was amortized during the current fiscal year, and \$234,066 is deferred at June 30, 2010.

B. Bonds Authorized But Not Issued:

As of June 30, 2010, the Board had no bonds authorized but not issued.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

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

C. Capital Leases Payable:

The District is leasing photocopiers. 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, 2010.

<u>Year Ending June 30,</u>	<u>Amount</u>
2011	\$ 101,818
2012	101,818
2013	76,364
Total Minimum Lease Payments	<u>280,000</u>
Less: Amount Representing Interest	<u>(18,864)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 261,136</u>

The current portion of Capital Leases payable at June 30, 2010 is \$90,849 and the long-term portion is \$170,287. Capital leases will be liquidated by the General Fund.

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The long-term liability balance of compensated absences is \$303,824. There is no current portion of compensated absences payable.

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, 2010, no liability existed for compensated absences in the Enterprise Funds.

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

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. These systems are sponsored and administered by the State of New Jersey. The TPAF is considered a cost-sharing, multiple employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other noncontribution employers. The PERS is also considered a cost-sharing, multiple-employer plan.

Employees who are members of TPAF or PERS and retire at or after age 55 are entitled to a retirement benefit based upon a formula which takes 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Vesting occurs after 8 to 10 years of service.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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 each of the above systems. 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.

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey regulation. Employee contributions are based on percentages of 5.50% for TPAF and 5.50% for PERS of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The actuarially determined employer contribution includes funding for cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute, the District is a noncontributing employer of the TPAF.

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits, and post-retirement medical premiums. Under current statute, the District is a noncontributing employer of the TPAF.

<u>Three-Year Trend for TPAF (Paid on-behalf of District)</u>			
<u>Year Funding</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
2010	\$ -0-	100.00%	\$ -0-
2009	-0-	100.00%	-0-
2008	845,500	100.00%	845,500

<u>Three-Year Trend for PERS</u>			
<u>Year Funding</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage of</u> <u>APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
2010	\$ 264,340	100.00%	\$ 264,340
2009	189,051	100.00%	189,051
2008	162,323	80.00%	129,858

Effective July 1, 2003, Chapter 108, P.L. 2003 provides for a reduction or "phase-in" of the required pension contribution to PERS for local employers for State fiscal years 2005-2008. The local employer PERS normal and accrued liability contributions required for State fiscal years 2005-2008 are as follows:

- 20% for payments due in State fiscal year 2005
- Not more than 40% for payments due in State fiscal year 2006
- Not more than 60% for payments due in State fiscal year 2007
- Not more than 80% for payments due in State fiscal year 2008

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

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. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the 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, 2009, there were 84,590 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. 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 Chapter 126, P.L. 1992 c. 126, which provides free health 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 \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

The State's on-behalf Post Retirement Medical Contributions to TPAF for the District amounted to \$875,000, \$759,960, and \$592,839 for 2010, 2009, and 2008, 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. 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.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

Selected, summarized financial information for the Group and the Fund as of June 30, 2009 is as follows:

	Morris-Essex Insurance Group	School Alliance Insurance Fund
Total Assets	\$ 6,627,738	\$ 33,656,794
Net Assets	\$ 2,401,075	\$ 14,417,326
Total Revenue	\$ 2,808,625	\$ 28,042,089
Total Expenses	\$ 2,229,493	\$ 25,015,943
Change in Net Assets for the Year Ended June 30	\$ (51,437)	\$ 20,532
Net Assets Distribution to Participating Members	\$ 630,209	\$ 3,005,614

Financial statements for the Group and the Fund are available at the Executive Director's Office:

<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

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>
2009-2010	\$ 25,000	\$ -0-	\$ 24,304	\$ 49,548	\$ 174,860
2008-2009	102,000	-0-	23,806	22,702	175,104
2007-2008	-0-	-0-	21,184	17,335	72,000

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.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2010 there was an interfund loan receivable and payable as follows:

<u>Fund</u>	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
General Fund	\$ 268,924	
Special Revenue Fund		\$ 268,924
	<u>\$ 268,924</u>	<u>\$ 268,924</u>

The interfund receivable in General Fund comprised of \$268,924 is primarily due from the Special Revenue Fund for the deficit in the cash balance caused by grants receivable in the Special Revenue Fund.

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, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

- 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.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

NOTE 15. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2010:

	Governmental Activities			Business-Type Activities
	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Vendors	<u>\$ 111,095</u>	<u>\$ 5,008</u>	<u>\$ 1,250</u>	<u>\$ 117,353</u>
				<u>\$ 266</u>

NOTE 16. 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.

**BUDGETARY COMPARISON SCHEDULES**

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 24,146,288		\$ 24,146,288	\$ 24,146,288	
Tuition from Individuals	239,675		239,675	237,365	\$ (2,310)
Miscellaneous	127,840	\$ 70,080	197,920	233,360	35,440
<b>Total - Local Sources</b>	<u>24,513,803</u>	<u>70,080</u>	<u>24,583,883</u>	<u>24,617,013</u>	<u>33,130</u>
<b>State Sources:</b>					
Extraordinary Special Education Costs Aid	20,000		20,000	58,868	38,868
Categorical Special Education Aid	973,158		973,158	632,553	(340,605)
Categorical Security Aid	138,128		138,128	89,783	(48,345)
Categorical Transportation Aid	103,695		103,695	67,402	(36,293)
Nonpublic School Transportation Costs				7,752	7,752
TPAF Noncontributory Insurance (On-Behalf - Non-Budgeted)				46,589	46,589
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				875,000	875,000
TPAF Social Security (Reimbursed - Non-Budgeted)				990,005	990,005
<b>Total State Sources</b>	<u>1,234,981</u>		<u>1,234,981</u>	<u>2,767,952</u>	<u>1,532,971</u>
<b>TOTAL REVENUES</b>	<u>25,748,784</u>	<u>70,080</u>	<u>25,818,864</u>	<u>27,384,965</u>	<u>1,566,101</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 171,100	\$ 490	\$ 171,590	\$ 167,785	\$ 3,805
Kindergarten - Salaries of Teachers	394,364	41,185	435,549	434,936	613
Grades 1-5 - Salaries of Teachers	2,983,418	(76,225)	2,907,193	2,907,192	1
Grades 6-8 - Salaries of Teachers	2,084,895	(136,325)	1,948,570	1,948,556	14
Grades 9-12 - Salaries of Teachers	3,225,568	(80,325)	3,145,243	3,145,237	6
Regular Programs - Home Instruction:					
Salaries of Teachers	9,500	(7,060)	2,440	2,440	
Purchased Professional - Educational Services	7,500		7,500	4,436	3,064
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	399,976	71,175	471,151	462,152	8,999
General Supplies	408,369	(10,818)	397,551	364,681	32,870
Textbooks	233,338		233,338	219,395	13,943
Other Objects	3,050		3,050	1,203	1,847
<b>Total Regular Programs - Instruction</b>	<b>9,921,078</b>	<b>(197,903)</b>	<b>9,723,175</b>	<b>9,658,013</b>	<b>65,162</b>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	272,214	(145,530)	126,684	112,346	14,338
Other Salaries for Instruction	189,404	1,655	191,059	189,998	1,061
General Supplies	4,535		4,535	1,710	2,825
Textbooks	13,300		13,300	13,300	
<b>Total Learning and/or Language Disabilities</b>	<b>479,453</b>	<b>(143,875)</b>	<b>335,578</b>	<b>304,054</b>	<b>31,524</b>
Resource Room/Resource Center:					
Salaries of Teachers	1,039,695	269,645	1,309,340	1,309,338	2
General Supplies	12,193		12,193	9,043	3,150
Textbooks	985		985	985	
<b>Total Resource Room/Resource Center</b>	<b>1,052,873</b>	<b>269,645</b>	<b>1,322,518</b>	<b>1,318,381</b>	<b>4,137</b>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Preschool Disabilities - Part-time:					
Salaries of Teachers	\$ 62,811		\$ 62,811	\$ 61,846	\$ 965
Other Salaries for Instruction	28,690		28,690	26,925	1,765
General Supplies	615		615	546	69
Total Preschool Disabilities - Part-time	<u>92,116</u>		<u>92,116</u>	<u>89,317</u>	<u>2,799</u>
Total Special Education Instruction	<u>1,624,442</u>	\$ 125,770	<u>1,750,212</u>	<u>1,711,752</u>	<u>38,460</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	395,230		395,230	340,728	54,502
General Supplies	3,000		3,000	2,942	58
Total Basic Skills/Remedial - Instruction	<u>398,230</u>		<u>398,230</u>	<u>343,670</u>	<u>54,560</u>
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	198,297	18,225	216,522	201,165	15,357
Purchased Services (300-500 series)	2,500		2,500		2,500
Supplies and Materials	51,610		51,610	48,736	2,874
Total School-Sponsored Cocurricular Activities - Instruction	<u>252,407</u>	<u>18,225</u>	<u>270,632</u>	<u>249,901</u>	<u>20,731</u>
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	483,846		483,846	472,219	11,627
Purchased Services (300-500 series)	39,220		39,220	23,955	15,265
Supplies and Materials	48,050		48,050	47,541	509
Transfer to Cover Deficit (Agency Funds)	97,542		97,542	50,000	47,542
Total School-Sponsored Cocurricular Athletics - Instruction	<u>668,658</u>		<u>668,658</u>	<u>593,715</u>	<u>74,943</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Community Service Programs:					
Supplies and Materials	\$ 2,500		\$ 2,500	\$ 1,253	\$ 1,247
Total Community Service Programs	2,500		2,500	1,253	1,247
Total Instruction	12,867,315	\$ (53,908)	12,813,407	12,558,304	255,103
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	90,270		90,270	81,437	8,833
Tuition to County Vocational Schools - Regular	28,500		28,500	18,208	10,292
Tuition to Private Schools for the Disabled - Within the State	588,575		588,575	542,381	46,194
Total Undistributed Expenditures - Instruction:	707,345		707,345	642,026	65,319
Health Services:					
Salaries	268,712		268,712	260,746	7,966
Purchased Professional and Technical Services	24,000	(60)	23,940	18,692	5,248
Supplies and Materials	6,408	60	6,468	6,328	140
Total Health Services	299,120		299,120	285,766	13,354
Speech, OT, PT and Related Services:					
Salaries	194,263		194,263	136,598	57,665
Supplies and Materials	1,100		1,100	353	747
Total Speech, OT, PT and Related Services	195,363		195,363	136,951	58,412

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Other Support Services - Students - Extraordinary Services:					
Salaries	\$ 23,262		\$ 23,262	\$ 23,233	\$ 29
Purchased Professional - Educational Services	263,115		263,115	218,155	44,960
Total Other Support Services - Students - Extraordinary Services	<u>286,377</u>		<u>286,377</u>	<u>241,388</u>	<u>44,989</u>
Guidance:					
Salaries of Other Professional Staff	395,022	\$ (44,130)	350,892	349,783	1,109
Salaries of Secretarial and Clerical Assistants	57,648	3,155	60,803	60,629	174
Supplies and Materials	9,250		9,250	8,932	318
Total Guidance	<u>461,920</u>	<u>(40,975)</u>	<u>420,945</u>	<u>419,344</u>	<u>1,601</u>
Child Study Team:					
Salaries of Other Professional Staff	790,402	55,175	845,577	845,011	566
Salaries of Secretarial and Clerical Assistants	61,241		61,241	58,241	3,000
Miscellaneous Purchased Services	1,720	615	2,335	1,831	504
Supplies and Materials	8,247	(615)	7,632	7,332	300
Total Child Study Team	<u>861,610</u>	<u>55,175</u>	<u>916,785</u>	<u>912,415</u>	<u>4,370</u>
Improvement of Instructional Services:					
Salaries of Other Professional Staff	33,150		33,150	26,163	6,987
Other Purchased Professional and Technical Services	500		500		500
Supplies and Materials	1,000		1,000		1,000
Total Improvement of Instructional Services	<u>34,650</u>		<u>34,650</u>	<u>26,163</u>	<u>8,487</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Educational Media Services/School Library:					
Salaries	\$ 456,741		\$ 456,741	\$ 427,392	\$ 29,349
Supplies and Materials	36,517		36,517	33,923	2,594
<b>Total Educational Media Services/School Library</b>	<b>493,258</b>		<b>493,258</b>	<b>461,315</b>	<b>31,943</b>
Instructional Staff Training Services:					
Other Purchased Services (400-500 series)	23,285		23,285	9,306	13,979
<b>Total Instructional Staff Training Services</b>	<b>23,285</b>		<b>23,285</b>	<b>9,306</b>	<b>13,979</b>
Support Services - General Administration:					
Salaries	346,750		346,750	331,377	15,373
Legal Services	65,000	\$ (2,400)	62,600	54,760	7,840
Audit Fees	75,170	2,400	77,570	77,570	
Other Purchased Professional Services	15,350	2,700	18,050	15,351	2,699
Communications/Telephone	181,736	7,300	189,036	167,762	21,274
Other Purchased Services (400-500 series)	4,800	(3,575)	1,225		1,225
General Supplies	31,121	(3,000)	28,121	23,540	4,581
Judgments Against the School District	12,975		12,975	9,437	3,538
Miscellaneous Expenditures	55,537	3,575	59,112	57,053	2,059
BOE Membership Dues and Fees	20,000	(5,960)	14,040	13,380	660
<b>Total Support Services - General Administration</b>	<b>808,439</b>	<b>1,040</b>	<b>809,479</b>	<b>750,230</b>	<b>59,249</b>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	1,019,336	(14,660)	1,004,676	1,004,495	181
Salaries of Secretarial and Clerical Assistants	287,028	(7,980)	279,048	241,508	37,540
Other Purchased Services (400-500 series)	160,358	(16,410)	143,948	133,245	10,703
Supplies and Materials	27,438	1,160	28,598	24,200	4,398
Other Objects	28,575	14,020	42,595	35,615	6,980
<b>Total Support Services - School Administration</b>	<b>1,522,735</b>	<b>(23,870)</b>	<b>1,498,865</b>	<b>1,439,063</b>	<b>59,802</b>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Central Services:					
Salaries	\$ 375,082		\$ 375,082	\$ 370,121	\$ 4,961
Purchased Technical Services	15,950		15,950	15,908	42
Miscellaneous Purchased Services	7,650		7,650	6,198	1,452
Supplies and Materials	20,000	\$ (6,625)	13,375	7,668	5,707
Miscellaneous Expenditures	2,000	6,625	8,625	8,608	17
Total Central Services	<u>420,682</u>		<u>420,682</u>	<u>408,503</u>	<u>12,179</u>
Administration Information Technology:					
Salaries	130,023	7,980	138,003	138,000	3
Purchased Technical Services	75,255		75,255	75,252	3
Supplies and Materials	670		670	49	621
Other Objects	1,775	190	1,965	964	1,001
Total Administration Information Technology	<u>207,723</u>	<u>8,170</u>	<u>215,893</u>	<u>214,265</u>	<u>1,628</u>
Required Maintenance of School Facilities:					
Salaries	247,605		247,605	227,270	20,335
Cleaning, Repair and Maintenance Services	416,531	(3,425)	413,106	380,205	32,901
General Supplies	82,800		82,800	67,764	15,036
Total Required Maintenance of School Facilities	<u>746,936</u>	<u>(3,425)</u>	<u>743,511</u>	<u>675,239</u>	<u>68,272</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Custodial Services:					
Salaries	\$ 738,173	\$ 55,080	\$ 793,253	\$ 742,713	\$ 50,540
Rental of Land and Buildings - Other Than Lease Purchase Agreements	25,000		25,000	25,000	
Other Purchased Property Services	18,000	3,720	21,720	21,143	577
Insurance	73,450		73,450	73,443	7
Miscellaneous Purchased Services	2,200		2,200		2,200
General Supplies	103,550	(3,720)	99,830	78,659	21,171
Energy (Electricity)	331,710	32,420	364,130	363,803	327
Other Objects	2,800		2,800	2,247	553
Salaries of Non-Instructional Aides	8,295	(8,295)			
Energy (Natural Gas)	424,800	(32,420)	392,380	238,980	153,400
<b>Total Custodial Services</b>	<u>1,727,978</u>	<u>46,785</u>	<u>1,774,763</u>	<u>1,545,988</u>	<u>228,775</u>
Care & Upkeep of Grounds:					
Salaries	42,000	7,065	49,065	9,023	40,042
Cleaning, Repair, and Maintenance Services	12,000	3,425	15,425	13,371	2,054
General Supplies	15,500		15,500	10,235	5,265
<b>Total Care &amp; Upkeep of Grounds</b>	<u>69,500</u>	<u>10,490</u>	<u>79,990</u>	<u>32,629</u>	<u>47,361</u>
Security:					
General Supplies	4,000		4,000	1,509	2,491
<b>Total Security</b>	<u>4,000</u>		<u>4,000</u>	<u>1,509</u>	<u>2,491</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Student Transportation Services:					
Salaries of Non-Instructional Aides	\$ 21,693	\$ 65	\$ 21,758	\$ 21,753	\$ 5
Salaries for Pupil Transportation:					
Between Home and School - Regular	30,165		30,165	26,962	3,203
Between Home and School - Special	40,607	3,320	43,927	42,783	1,144
Cleaning, Repair, & Maintenance Services	8,260		8,260	7,752	508
Lease Purchase Payments - School Buses	640		640		640
Contracted Services:					
Other Than Between Home and School - Vendors	85,000		85,000	75,646	9,354
Special Education Students - Joint Agreements	16,200		16,200	13,320	2,880
Special Education Students - ESC's and CSTA's	294,240		294,240	213,372	80,868
Aid in Lieu - Non-public Schools	57,152	(3,385)	53,767	48,620	5,147
Supplies and Materials	8,640		8,640	118	8,522
Transportation Supplies	400		400		400
Total Student Transportation Services	<u>562,997</u>		<u>562,997</u>	<u>450,326</u>	<u>112,671</u>
Unallocated Benefits:					
Social Security Contributions	318,927	1,100	320,027	310,037	9,990
Other Retirement Contributions - Regular	232,744	31,600	264,344	264,340	4
Unemployment Compensation	25,000	40,000	65,000	25,000	40,000
Workmen's Compensation	150,882	(10,000)	140,882	140,644	238
Health Benefits	3,261,689	(66,305)	3,195,384	3,077,515	117,869
Tuition Reimbursement	34,507		34,507	34,469	38
Other Employee Benefits	118,087	3,605	121,692	121,689	3
Total Unallocated Benefits	<u>4,141,836</u>		<u>4,141,836</u>	<u>3,973,694</u>	<u>168,142</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
On-Behalf Contributions:					
On-Behalf TPAF Noncontributory Insurance (non-budgeted)				\$ 46,589	\$ (46,589)
On-Behalf TPAF Post Retirement Medical (non-Budgeted)				875,000	(875,000)
Reimbursed TPAF Social Security Contributions (non-budgeted)				990,005	(990,005)
Total On-Behalf Contributions				1,911,594	(1,911,594)
Total Personal Services - Employee Benefits	\$ 4,141,836		\$ 4,141,836	5,885,288	(1,743,452)
Total Undistributed Expenses	13,575,754	\$ 53,390	13,629,144	14,537,714	(908,570)
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>26,443,069</b>	<b>(518)</b>	<b>26,442,551</b>	<b>27,096,018</b>	<b>(653,467)</b>
EXPENDITURES:					
CAPITAL OUTLAY					
Equipment:					
Regular Programs - Instruction:					
Grades 1-5		66,126	66,126	66,126	
Grades 9-12		4,472	4,472	4,472	
Undistributed Expenditures:					
General Administration	8,480		8,480	6,377	2,103
Administration Information Technology	4,100		4,100	4,072	28
Required Maintenance for School Facilities	13,099		13,099	9,580	3,519
Custodial Services	4,310		4,310	4,310	
Total Equipment	29,989	70,598	100,587	94,937	5,650

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CAPITAL OUTLAY					
Assets Acquired Under Capital Leases (non-budgeted):					
Undistributed Expenditures:					
General Administration:					
Copiers				\$ 283,150	\$ (283,150)
Total Assets Acquired Under Capital Leases (non-budgeted)				283,150	(283,150)
TOTAL CAPITAL OUTLAY	\$ 29,989	\$ 70,598	\$ 100,587	378,087	(277,500)
TOTAL EXPENDITURES	26,473,058	70,080	26,543,138	27,474,105	(930,967)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(724,274)		(724,274)	(89,140)	635,134
Other Financing Sources/(Uses):					
Capital Leases (non-budgeted)				283,150	283,150
Operating Transfers In/(Out):					
Transfer from Capital Reserve to Capital Projects Fund	(302,457)		(302,457)	(302,457)	
Transfer from Capital Outlay to Capital Projects Fund	(105,651)		(105,651)	(105,651)	
Total Other Financing Sources/(Uses)	(408,108)		(408,108)	(124,958)	283,150
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,132,382)		(1,132,382)	(214,098)	918,284
Fund Balance, July 1	2,608,507		2,608,507	2,608,507	
Fund Balance, June 30	\$ 1,476,125	\$ -0-	\$ 1,476,125	\$ 2,394,409	\$ 918,284

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Recapitulation:

Reserve for Encumbrances	\$ 8,249
Reserve for Excess Surplus	840,335
Reserve for Excess Surplus - Designated for Subsequent Year's Expenditures	976,143
Capital Reserve	3,650
Unreserved - Undesignated	<u>566,032</u>
	2,394,409
Reconciliation to Governmental Funds Statement (GAAP):	
Last Two State Aid Payments not Recognized on GAAP Basis	<u>(118,299)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 2,276,110</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Federal Sources	\$ 312,524	\$ 418,965	\$ 731,489	\$ 598,522	\$ (132,967)
Local Sources		40,679	40,679	32,107	(8,572)
<b>Total Revenues</b>	<u>312,524</u>	<u>459,644</u>	<u>772,168</u>	<u>630,629</u>	<u>(141,539)</u>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Other Salaries for Instruction		500	500	500	
Purchased Professional - Educational Services	18,418	5,375	23,793	23,793	
Tuition	294,106	21,912	316,018	316,018	
General Supplies		118,442	118,442	95,715	22,727
<b>Total Instruction</b>	<u>312,524</u>	<u>146,229</u>	<u>458,753</u>	<u>436,026</u>	<u>22,727</u>
<b>Support Services</b>					
Purchased Professional - Educational Services		49,254	49,254	7,572	41,682
Other Purchased Services		20,666	20,666	20,666	
Supplies and Materials		9,651	-9,651	9,651	
<b>Total Support Services</b>		<u>79,571</u>	<u>79,571</u>	<u>37,889</u>	<u>41,682</u>
<b>Facilities Acquisition and Construction Services:</b>					
Instructional Equipment		183,600	183,600	156,714	26,886
Non Instructional Equipment		50,244	50,244		50,244
<b>Total Facilities Acquisition and Construction Services</b>		<u>233,844</u>	<u>233,844</u>	<u>156,714</u>	<u>77,130</u>
<b>Total Expenditures</b>	<u>312,524</u>	<u>459,644</u>	<u>772,168</u>	<u>630,629</u>	<u>141,539</u>
<b>Excess of Revenues Over Expenditures</b>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</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, 2010

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	\$ 27,384,965	\$ 630,629
Difference - Budget to GAAP:		
Current Year State Aid Payments Recognized for Budgetary Purposes, Not Recognized for GAAP Statements	(118,299)	
Prior Year State Aid Payment Recognized for GAAP Statements, Not Recognized for Budgetary Purposes	103,790	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 27,370,456	\$ 630,629
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 27,474,105	\$ 630,629
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 27,474,105	\$ 630,629

Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the County office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.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).

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE

NOTE TO RSI

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

(Continued)

Budgets/Budgetary Control: (Cont'd)

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 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 REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	No Child Left Behind		IDEA Part B			
	Title II	Title IV	Basic	Preschool	Basic ARRA	Preschool ARRA
<b>REVENUE:</b>						
Federal Sources	\$ 24,155	\$ 2,574	\$ 317,827	\$ 11,575	\$ 229,277	\$ 13,114
Local Sources						
<b>Total Revenue</b>	<u>24,155</u>	<u>2,574</u>	<u>317,827</u>	<u>11,575</u>	<u>229,277</u>	<u>13,114</u>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Purchased Professional and Technical Services				11,075	12,718	
Tuition			316,018			
General Supplies			300	500	63,308	
<b>Total Instruction</b>			<u>316,318</u>	<u>11,575</u>	<u>76,026</u>	
<b>Support Services:</b>						
Purchased Professional - Educational Services	4,998	2,574				
Other Purchased Services	19,157		1,509			
Supplies and Materials					9,651	
<b>Total Support Services</b>	<u>24,155</u>	<u>2,574</u>	<u>1,509</u>		<u>9,651</u>	
<b>Facilities Acquisition:</b>						
Instructional Equipment					143,600	13,114
<b>Total Facilities Acquisition</b>					<u>143,600</u>	<u>13,114</u>
<b>Total Expenditures</b>	<u>\$ 24,155</u>	<u>\$ 2,574</u>	<u>\$ 317,827</u>	<u>\$ 11,575</u>	<u>\$ 229,277</u>	<u>\$ 13,114</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Glen Ridge Education Foundation</u>		<u>Mountainside Health Foundation</u>		<u>Totals</u> <u>6/30/2010</u>
	<u>Current</u> <u>Year</u>	<u>Carryover</u>	<u>Current</u> <u>Year</u>	<u>Carryover</u>	
<b>REVENUE:</b>					
Federal Sources					\$ 598,522
Local Sources	\$ 750	\$ 7,263	\$ 6,307	\$ 17,787	32,107
<b>Total Revenue</b>	<u>750</u>	<u>7,263</u>	<u>6,307</u>	<u>17,787</u>	<u>630,629</u>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Other Salaries for Instruction		500			500
Tuition					316,018
Purchased Professional - Educational Services					23,793
General Supplies	750	6,763	6,307	17,787	95,715
<b>Total Instruction</b>	<u>750</u>	<u>7,263</u>	<u>6,307</u>	<u>17,787</u>	<u>436,026</u>
<b>Support Services:</b>					
Purchased Professional - Educational Services					7,572
Other Purchased Services					20,666
Supplies and Materials					9,651
<b>Total Support Services</b>					<u>37,889</u>
<b>Facilities Acquisition:</b>					
Instructional Equipment					156,714
<b>Total Facilities Acquisition</b>					<u>156,714</u>
<b>Total Expenditures</b>	<u>\$ 750</u>	<u>\$ 7,263</u>	<u>\$ 6,307</u>	<u>\$ 17,787</u>	<u>\$ 630,629</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 YEAR ENDED JUNE 30, 2010

Revenue and Other Financing Sources:	
State Sources - SDA Grant	\$ 272,072
Transfer from Capital Reserve	302,457
Transfer from Capital Outlay	105,651
Interest Revenue	21
	<hr/>
Total Revenue and Other Financing Sources	680,201
	<hr/>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	51,356
Construction Services	340,334
Operating Transfers Out:	
Debt Service Fund - Closeout Projects	189,975
Debt Service Fund - Interest Earned	21
	<hr/>
Total Expenditures and Other Financing Uses	581,686
	<hr/>
Excess/(Deficiency) of Revenue and Other Financing Sources	
Over/(Under) Expenditures and Other Financing Uses	98,515
	<hr/>
Fund Balance - Beginning	189,975
	<hr/>
Fund Balance - Ending	\$ 288,490
	<hr/> <hr/>
Recapitulation:	
Reserve for Encumbrances	\$ 189,410
Unreserved - Undesignated	99,080
Fund Balance - Budgetary Basis	288,490
Reconciliation to Governmental Funds Statement (GAAP):	
SCC Grants not Recognized on GAAP Basis	(272,072)
	<hr/>
Fund Balance per Governmental Funds (GAAP)	\$ 16,418
	<hr/> <hr/>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
CONSTRUCTION OF AN ADDITION TO AND UPGRADING OF EXISTING FACILITIES  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 2,772,292		\$ 2,772,292	\$ 2,772,292
Bond Proceeds and Transfers	9,142,000		9,142,000	9,142,000
Transfer from Capital Outlay	898		898	898
	<u>11,915,190</u>		<u>11,915,190</u>	<u>11,915,190</u>
Total Revenue and Other Financing Sources				
Expenditures and Other Financing Uses:				
Legal Services	36,787		36,787	36,787
Purchased Professional and Technical Services	1,531,231		1,531,231	1,531,231
Construction Services	10,005,673		10,005,673	10,171,001
Supplies and Materials	156,535		156,535	176,171
Transfer to Debt Service Fund		\$ 184,964	184,964	
	<u>11,730,226</u>	<u>184,964</u>	<u>11,915,190</u>	<u>11,915,190</u>
Total Expenditures and Other Financing Uses				
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>\$ 184,964</u>	<u>\$ (184,964)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Additional Project Information:				
Project Number(s)	SP-201819, 201820 & 201821			
Grant Date	2001			
Bond Authorization Date	09/25/01			
Bonds Authorized	\$ 9,142,000			
Bonds Issued	\$ 9,142,000			
Original Authorized Cost	\$11,925,000			
Change Orders	\$ (9,810)			
Revised Authorized Cost	\$11,915,190			
Change Order Percentage	-0.08%			
Percentage Completion	100.00%			
Original Target Completion Date	December 2003			
Revised Target Completion Date	June 2004			

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
HIGH SCHOOL LOCKER REPLACEMENT  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Contribution from Private Source	\$ 29,295		\$ 29,295	\$ 29,295
Transfer from Capital Outlay	48,953		48,953	48,953
<b>Total Revenue and Other Financing Sources</b>	<b>78,248</b>	<b>\$ -0-</b>	<b>78,248</b>	<b>78,248</b>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	9,650		9,650	14,660
Construction Services	63,587		63,587	63,588
Transfer to Debt Service Fund		5,011	5,011	
<b>Total Expenditures and Other Financing Uses</b>	<b>73,237</b>	<b>5,011</b>	<b>78,248</b>	<b>78,248</b>
<b>Excess/(Deficiency) of Revenue Over/(Under) Expenditures</b>	<b>\$ 5,011</b>	<b>\$ (5,011)</b>	<b>\$ -0-</b>	<b>\$ -0-</b>

## Additional Project Information:

Project Number(s)	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 81,587
Change Orders	\$ (3,339)
Revised Authorized Cost	\$ 78,248
Change Order Percentage	-4.09%
Percentage Completion	100.00%
Original Target Completion Date	June 2004
Revised Target Completion Date	September 2004

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 YEAR ENDED JUNE 30, 2010

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant		\$ 272,072	\$ 272,072	\$ 272,072
Transfer from Capital Reserve		302,457	302,457	302,457
Transfer from Capital Outlay		105,651	105,651	105,651
<b>Total Revenue and Other Financing Sources</b>	<b>\$ -0-</b>	<b>\$ 680,180</b>	<b>680,180</b>	<b>680,180</b>
Expenditures:				
Purchased Professional and Technical Services		51,356	51,356	79,100
Construction Services		340,334	340,334	601,080
<b>Total Expenditures</b>	<b>-0-</b>	<b>391,690</b>	<b>391,690</b>	<b>680,180</b>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<b>\$ -0-</b>	<b>\$ 288,490</b>	<b>\$ 288,490</b>	<b>\$ -0-</b>
Additional Project Information:				
Project Number(s)		1750-050-09-1001		
Grant Date		17-Mar-09		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost		\$ 680,180		
Percentage Completion		57.59%		
Original Target Completion Date		December 2010		

**PROPRIETARY FUNDS**

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
PROPRIETARY FUND  
COMBINING STATEMENT OF NET ASSETS  
AS OF JUNE 30, 2010

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Food Service</u>	<u>After School and Summer Programs</u>	<u>Consortium</u>	<u>Totals</u>
<b>ASSETS:</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 10,783	\$ 79,689	\$ 4,245	\$ 94,717
Other Accounts Receivable	897	26,993		27,890
Total Current Assets	<u>11,680</u>	<u>106,682</u>	<u>4,245</u>	<u>122,607</u>
Non-Current Assets:				
Capital Assets	110,240			110,240
Less: Accumulated Depreciation	<u>(80,835)</u>			<u>(80,835)</u>
Total Non-Current Assets	<u>29,405</u>			<u>29,405</u>
Total Assets	<u>41,085</u>	<u>106,682</u>	<u>4,245</u>	<u>152,012</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
Accounts Payable		266		266
Total Liabilities		<u>266</u>		<u>266</u>
<b>NET ASSETS:</b>				
Investment in Capital Assets Net of Related Debt	29,405			29,405
Unrestricted	<u>11,680</u>	<u>106,416</u>	<u>4,245</u>	<u>122,341</u>
Total Net Assets	<u>\$ 41,085</u>	<u>\$ 106,416</u>	<u>\$ 4,245</u>	<u>\$ 151,746</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
PROPRIETARY FUND  
COMBINING STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN FUND NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Business-Type Activities - Enterprise Funds			Totals
	Food Service	After School and Summer Programs	Consortium	
Operating Revenue:				
Charges for Services:				
Daily Sales - Non-Reimbursable Programs	\$ 361,188			\$ 361,188
Special Events	40,478			40,478
Program Fees		\$ 327,454		327,454
Total Operating Revenue	401,666	327,454		729,120
Operating Expenses:				
Cost of Sales	159,514			159,514
Salaries	153,666	280,405		434,071
Payroll Taxes	18,883	20,926		39,809
Purchased Property Services	17,283			17,283
Supplies and Materials	44,095	22,135		66,230
Depreciation Expense	4,086			4,086
Total Operating Expenses	397,527	323,466		720,993
Operating Income	4,139	3,988		8,127
Disposal of Capital Assets, net of depreciation	(967)			(967)
Change in Net Assets	3,172	3,988		7,160
Net Assets - Beginning of Year	37,913	102,428	\$ 4,245	144,586
Net Assets - End of Year	\$ 41,085	\$ 106,416	\$ 4,245	\$ 151,746

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
PROPRIETARY FUND  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Business-Type Activities - Enterprise Funds			Totals
	Food Service	After School and Summer Programs	Consortium	
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 400,769	\$ 318,674		\$ 719,443
Payments to Employees		(301,331)		(301,331)
Payments to Food Service Vendor	(389,643)			(389,643)
Payments to Suppliers	(3,798)	(22,184)		(25,982)
Net Cash Provided by/(Used for) Operating Activities	<u>7,328</u>	<u>(4,841)</u>		<u>2,487</u>
Cash Flows from Noncapital Financing Activities:				
Purchase of Capital Asset	(3,513)			(3,513)
Net Cash Used for Noncapital Financing Activities	<u>(3,513)</u>			<u>(3,513)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	3,815	(4,841)		(1,026)
Cash and Cash Equivalents, July 1	<u>6,968</u>	<u>84,530</u>	<u>\$ 4,245</u>	<u>95,743</u>
Cash and Cash Equivalents, June 30	<u>\$ 10,783</u>	<u>\$ 79,689</u>	<u>\$ 4,245</u>	<u>\$ 94,717</u>
Reconciliation of Operating Income to				
Net Cash Provided by/(Used for) Operating Activities:				
Operating Income	\$ 4,139	\$ 3,988		\$ 8,127
Adjustment to Reconcile Operating Income to Net				
Cash Provided by/(Used for) Operating Activities:				
Depreciation	4,086			4,086
Changes in Assets and Liabilities:				
(Increase) in Accounts Receivable	(897)	(8,780)		(9,677)
(Decrease) in Interfund Loans Payable		(315)		(315)
Increase in Accounts Payable		266		266
Net Cash Provided by/(Used for) Operating Activities	<u>\$ 7,328</u>	<u>\$ (4,841)</u>	<u>\$ -0-</u>	<u>\$ 2,487</u>

**FIDUCIARY FUNDS**

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
FIDUCIARY FUND  
COMBINING STATEMENT OF NET ASSETS  
JUNE 30, 2010

	<u>Agency</u>			<u>Unemployment Compensation Trust</u>
	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>	
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 126,519	\$ 137,737	\$ 264,256	\$ 174,860
Total Assets	<u>126,519</u>	<u>137,737</u>	<u>264,256</u>	<u>174,860</u>
<b>LIABILITIES:</b>				
Accounts Payable - Vendors	28,185		28,185	
Payroll Deductions and Withholdings Due to Student Groups	98,334	137,737	137,737	98,334
Total Liabilities	<u>126,519</u>	<u>137,737</u>	<u>264,256</u>	
<b>NET ASSETS:</b>				
Held in Trust for Unemployment Claims				<u>174,860</u>
Total Net Assets	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 174,860</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
FIDUCIARY FUND  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Unemployment Compensation Trust</u>
<b>ADDITIONS:</b>	
Contributions:	
Plan Member	\$ 24,304
District	<u>25,000</u>
Total Contributions	<u>49,304</u>
Total Additions	<u>49,304</u>
<b>DEDUCTIONS:</b>	
Quarterly Contribution Reports	<u>49,548</u>
Total Deductions	<u>49,548</u>
Change in Net Assets	(244)
Net Assets - Beginning of the Year	<u>175,104</u>
Net Assets - End of the Year	<u><u>\$ 174,860</u></u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 165,100	\$ 488,592	\$ 527,173	\$ 126,519
Total Assets	<u>\$ 165,100</u>	<u>\$ 488,592</u>	<u>\$ 527,173</u>	<u>\$ 126,519</u>
 <b>LIABILITIES:</b>				
Accounts Payable - Vendors		\$ 28,185		\$ 28,185
Due to Student Groups	\$ 165,100	460,407	\$ 527,173	98,334
Total Liabilities	<u>\$ 165,100</u>	<u>\$ 488,592</u>	<u>\$ 527,173</u>	<u>\$ 126,519</u>

Exhibit H-4

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance July 1, 2009	Cash Receipts	Cash Disbursements	Balance June 30, 2010
Elementary Schools:				
Forest Avenue School	\$ 3,830	\$ 9,863	\$ 10,550	\$ 3,143
Linden Avenue School	4,483	18,722	16,980	6,225
Total Elementary Schools	8,313	28,585	27,530	9,368
Junior High School:				
Ridgewood Avenue Upper Elementary School	9,327	57,701	60,162	6,866
Total Junior High School	9,327	57,701	60,162	6,866
Senior High School:				
Activity Fund	121,955	340,719	358,404	104,270
Athletic Fund	25,505	61,587	81,077	6,015
Total Senior High School	147,460	402,306	439,481	110,285
Total All Schools	\$ 165,100	\$ 488,592	\$ 527,173	\$ 126,519

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	<u>\$ 133,440</u>	<u>\$ 19,332,674</u>	<u>\$ 19,328,377</u>	<u>\$ 137,737</u>
Total Assets	<u><u>\$ 133,440</u></u>	<u><u>\$ 19,332,674</u></u>	<u><u>\$ 19,328,377</u></u>	<u><u>\$ 137,737</u></u>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	<u>\$ 133,440</u>	<u>\$ 19,332,674</u>	<u>\$ 19,328,377</u>	<u>\$ 137,737</u>
Total Liabilities	<u><u>\$ 133,440</u></u>	<u><u>\$ 19,332,674</u></u>	<u><u>\$ 19,328,377</u></u>	<u><u>\$ 137,737</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, 2010		Interest Rate	Balance June 30, 2009	Issued	Matured	Defeased	Balance June 30, 2010
			Date	Amount						
School Improvements	08/01/92	\$2,712,150	08/01/10-11	\$ 180,000	5.55%	\$ 540,000		\$ 180,000		\$ 360,000
School Improvements	01/15/02	9,142,000	02/01/11	415,000	4.60%	6,732,000		400,000	\$5,917,000	415,000
Refunding Bonds	01/07/10	6,085,000	02/01/11	45,000	3.00%					
			02/01/12	485,000	2.00%					
			02/01/13	490,000	2.00%					
			02/01/14	500,000	3.00%					
			02/01/15	510,000	3.00%					
			02/01/16	525,000	3.00%					
			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>\$6,085,000</u>			<u>6,085,000</u>
						<u>\$7,272,000</u>	<u>\$6,085,000</u>	<u>\$ 580,000</u>	<u>\$5,917,000</u>	<u>\$6,860,000</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

<u>Item</u>	<u>Original Issue</u>	<u>Balance July 1, 2009</u>	<u>Issued</u>	<u>Retired or Matured</u>	<u>Balance June 30, 2010</u>
Xerox Copiers	\$ 283,150	\$ -0-	\$ 283,150	\$ 22,014	\$ 261,136

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 726,589		\$ 726,589	\$ 726,589	
Total Revenues	<u>726,589</u>		<u>726,589</u>	<u>726,589</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	341,725		341,725	341,725	
Redemption of Principal	580,000		580,000	580,000	
Total Regular Debt Service	<u>921,725</u>		<u>921,725</u>	<u>921,725</u>	
Total Expenditures	<u>921,725</u>		<u>921,725</u>	<u>921,725</u>	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(195,136)		(195,136)	(195,136)	
Other Financing Sources/(Uses):					
Operating Transfers In:					
Capital Projects Fund	189,975		189,975	189,975	
Capital Projects Fund - Interest Earned				21	\$ 21
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	
Total Other Financing Sources/(Uses)	<u>189,975</u>		<u>189,975</u>	<u>189,996</u>	<u>21</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(5,161)		(5,161)	(5,140)	21

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Fund Balance, July 1	\$ 5,897		\$ 5,897	\$ 5,897	
Fund Balance, June 30	<u>\$ 736</u>	<u>\$ -0-</u>	<u>\$ 736</u>	<u>\$ 757</u>	<u>\$ 21</u>
Recapitulation:					
Unreserved - Designated for Subsequent Year's Expenditures				\$ 736	
Unreserved - Undesignated				<u>21</u>	
				<u>\$ 757</u>	

## STATISTICAL SECTION

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><b>Financial Trends</b></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><b>Revenue Capacity</b></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><b>Debt Capacity</b></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><b>Demographic and Economic Information</b></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><b>Operating Information</b></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. The District implemented Statement 34 in a previous fiscal year. Schedules presenting government-wide information include information beginning in the fiscal year ended June 30, 2005.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NET ASSETS BY COMPONENT  
LAST SIX FISCAL YEARS  
*(accrual basis of accounting)*  
UNAUDITED

	Fiscal Year Ending June 30,					
	2005	2006	2007	2008	2009	2010
<b>Governmental Activities:</b>						
Invested in Capital Assets, Net of Related Debt	\$ 5,147,423	\$ 5,416,244	\$ 5,479,077	\$ 5,572,690	\$ 5,142,448	\$ 6,011,082
Restricted	604,669	1,145,470	1,815,531	1,889,351	2,265,608	1,825,116
Unrestricted / (Deficit)	<u>(104,024)</u>	<u>(171,057)</u>	<u>(83,874)</u>	<u>(34,584)</u>	<u>(49,264)</u>	<u>52,210</u>
<b>Total governmental activities net assets</b>	<u>\$ 5,648,068</u>	<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>
<b>Business-type Activities:</b>						
Invested in Capital Assets, Net of Related Debt	\$ 25,466	\$ 29,088	\$ 28,028	\$ 28,796	\$ 30,945	\$ 29,405
Unrestricted	105,052	74,933	77,631	87,785	113,641	122,341
<b>Total business-type activities net assets</b>	<u>\$ 130,518</u>	<u>\$ 104,021</u>	<u>\$ 105,659</u>	<u>\$ 116,581</u>	<u>\$ 144,586</u>	<u>\$ 151,746</u>
<b>District-wide:</b>						
Invested in Capital Assets, Net of Related Debt	\$ 5,172,889	\$ 5,445,332	\$ 5,507,105	\$ 5,601,486	\$ 5,173,393	\$ 6,040,487
Restricted	604,669	1,145,470	1,815,531	1,889,351	2,265,608	1,825,116
Unrestricted / (Deficit)	<u>1,028</u>	<u>(96,124)</u>	<u>(6,243)</u>	<u>53,201</u>	<u>64,377</u>	<u>174,551</u>
<b>Total District Net Assets</b>	<u>\$ 5,778,586</u>	<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>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
CHANGES IN NET ASSETS, LAST SIX FISCAL YEARS  
*(accrual basis of accounting)*  
UNAUDITED

	Fiscal Year Ending June 30,					
	2005	2006	2007	2008	2009	2010
<b>Expenses</b>						
Governmental Activities:						
Instruction:						
Regular	\$ 10,359,782	\$ 11,068,075	\$ 12,106,638	\$ 12,916,246	\$ 13,729,905	\$ 13,203,439
Special Education	1,592,603	1,766,283	2,029,694	2,253,979	2,317,859	2,761,131
Other Instruction	309,739	301,344	454,922	485,905	473,687	472,657
School Sponsored Instruction	683,415	707,856	825,755	895,851	1,039,444	1,096,059
Support Services:						
Tuition	557,722	545,733	603,765	465,624	547,777	642,026
Student & Instruction Related Services	2,511,419	2,479,838	2,559,979	2,789,871	2,997,101	3,110,107
General Administrative Services	691,044	686,913	849,990	810,744	855,088	867,867
School Administrative Services	1,432,967	1,473,242	1,722,261	1,857,277	1,860,047	1,850,831
Central Services	427,386	414,827	453,801	449,035	493,326	527,979
Administration Information Technology	175,958	174,743	184,057	222,705	235,262	246,275
Plant Operations and Maintenance	2,291,896	2,294,627	2,373,083	2,557,176	2,526,151	2,622,379
Pupil Transportation	480,193	533,598	522,088	462,156	491,533	490,377
Interest on Long-term Debt	462,952	437,816	411,789	390,253	362,957	306,952
Unallocated Depreciation	129,445	129,445	424,094	424,094		
<b>Total Governmental Activities Expenses</b>	<b>22,106,521</b>	<b>23,014,340</b>	<b>25,521,916</b>	<b>26,980,916</b>	<b>27,930,137</b>	<b>28,198,079</b>
Business-type Activities:						
Food Service	358,607	364,515	368,753	413,620	413,662	397,527
After School and Summer Programs	268,039	294,536	368,693	308,789	352,872	323,466
Consortium				12,500	130	
<b>Total Business-type Activities Expenses</b>	<b>626,646</b>	<b>659,051</b>	<b>737,446</b>	<b>734,909</b>	<b>766,664</b>	<b>720,993</b>

**BOROUGH OF GLEN RIDGE SCHOOL DISTRICT**  
**CHANGES IN NET ASSETS, LAST SIX FISCAL YEARS**  
*(accrual basis of accounting)*  
**UNAUDITED**

	Fiscal Year Ending June 30,					
	2005	2006	2007	2008	2009	2010
<b>Expenses</b>						
Total District Expenses	\$ 22,733,167	\$ 23,673,391	\$ 26,259,362	\$ 27,715,825	\$ 28,696,801	\$ 28,919,072
<b>Program Revenues</b>						
Governmental Activities:						
Charges for Services:						
Instruction (Regular)					201,191	237,365
Operating Grants and Contributions	2,524,315	2,730,078	3,471,547	3,516,682	3,206,933	3,296,372
Capital Grants and Contributions	32,634		203			
Total Governmental Activities Program Revenues	2,556,949	2,730,078	3,471,750	3,516,682	3,408,124	3,533,737
Business-type Activities:						
Charges for Services:						
Food Service	346,765	340,662	379,990	416,494	416,169	401,666
After School and Summer Programs	300,538	280,789	359,094	312,462	372,149	327,454
Consortium				16,875		
Operating Grants and Contributions	11,303	11,103				
Total Business-type Activities Revenues	658,606	632,554	739,084	745,831	788,318	729,120
Total District Program Revenues	3,215,555	3,362,632	4,210,834	4,262,513	4,196,442	4,262,857
<b>Net (Expense)/Revenue</b>						
Governmental Activities	(19,549,572)	(20,284,262)	(22,050,166)	(23,464,234)	(24,522,013)	(24,664,342)
Business-type Activities	31,960	(26,497)	1,638	10,922	21,654	8,127
Total District-wide Net (Expense)/Revenue	(19,517,612)	(20,310,759)	(22,048,528)	(23,453,312)	(24,500,359)	(24,656,215)

**BOROUGH OF GLEN RIDGE SCHOOL DISTRICT**  
**CHANGES IN NET ASSETS, LAST SIX FISCAL YEARS**  
*(accrual basis of accounting)*  
**UNAUDITED**

	Fiscal Year Ending June 30,					
	2005	2006	2007	2008	2009	2010
<b>General Revenues and Other Changes in Net Assets</b>						
Governmental Activities:						
Property Taxes Levied for General Purposes, Net	\$ 17,897,898	\$ 19,531,281	\$ 21,227,705	\$ 22,076,813	\$ 23,244,935	\$ 24,146,288
Taxes Levied for Debt Service	921,557	958,564	949,784	940,745	926,742	726,589
Unrestricted Grants and Contributions	218,566	213,589	235,394	303,850	73,294	87,700
Tuition Charges	74,212	176,205	180,517	189,188		
Investment Earnings	31,309	84,323	164,666	122,791	24,103	21
Miscellaneous Income	139,866	116,644	168,175	106,199	184,274	233,360
Transfers	(71,377)	(53,755)	(55,998)	(58,629)		
<b>Total Governmental Activities</b>	<b>19,212,031</b>	<b>21,026,851</b>	<b>22,870,243</b>	<b>23,680,957</b>	<b>24,453,348</b>	<b>25,193,958</b>
Business-type Activities:						
Miscellaneous Income/(Expenses)					6,351	
Capital (Disposals)						(967)
<b>Total Business-type Activities</b>					<b>6,351</b>	<b>(967)</b>
<b>Total District-wide</b>	<b>19,212,031</b>	<b>21,026,851</b>	<b>22,870,243</b>	<b>23,680,957</b>	<b>24,459,699</b>	<b>25,192,991</b>
<b>Change in Net Assets</b>						
Governmental Activities	(337,541)	742,589	820,077	216,723	(68,665)	529,616
Business-type Activities	31,960	(26,497)	1,638	10,922	28,005	7,160
<b>Total District</b>	<b>\$ (305,581)</b>	<b>\$ 716,092</b>	<b>\$ 821,715</b>	<b>\$ 227,645</b>	<b>\$ (40,660)</b>	<b>\$ 536,776</b>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST SIX FISCAL YEARS  
*(modified accrual basis of accounting)*  
UNAUDITED

	Fiscal Year Ending June 30,					
	2005	2006	2007	2008	2009	2010
General Fund:						
Reserved	\$ 237,401	\$ 845,693	\$ 1,520,912	\$ 1,600,334	\$ 2,006,111	\$ 1,828,377
Unreserved	412,730	360,485	394,075	457,785	498,606	447,733
Total General Fund	<u>\$ 650,131</u>	<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>
All Other Governmental Funds:						
Reserved	\$ 59,024					\$ 189,410
Unreserved/(Deficit), Reported in:						
Capital Projects Fund	206,443	\$ 207,272	\$ 207,272	\$ 207,475	\$ 189,975	(172,992)
Debt Service Fund	17,884	13,661	7,683	5,161	736	736
Debt Service - Designated for Subsequent Year's Expenditures			5,690	7,683	5,161	21
Total All Other Governmental Funds	<u>\$ 283,351</u>	<u>\$ 220,933</u>	<u>\$ 220,645</u>	<u>\$ 220,319</u>	<u>\$ 195,872</u>	<u>\$ 17,175</u>
Total All Governmental Funds:						
Reserved	\$ 296,425	\$ 845,693	\$ 1,520,912	\$ 1,600,334	\$ 2,006,111	\$ 2,017,787
Unreserved	637,057	581,418	614,720	678,104	694,478	275,498
Total All Governmental Funds	<u>\$ 933,482</u>	<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>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports.

**BOROUGH OF GLEN RIDGE SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST SIX FISCAL YEARS**  
*(modified accrual basis of accounting)*  
**UNAUDITED**

Fiscal Year Ending June 30,

	2005	2006	2007	2008	2009	2010
<b>Revenues</b>						
Tax Levy	\$ 18,819,455	\$ 20,489,845	\$ 22,177,489	\$ 23,017,558	\$ 24,171,677	\$ 24,872,877
Tuition Charges	74,212	176,205	180,517	189,188	201,191	237,365
Interest Earnings					3,630	
Miscellaneous	219,208	212,994	340,911	241,999	240,859	265,488
State Sources	2,408,418	2,603,672	3,368,907	3,460,525	2,894,309	2,753,443
Federal Sources	319,064	327,968	330,167	346,998	349,806	598,522
<b>Total Revenues</b>	<b>21,840,357</b>	<b>23,810,684</b>	<b>26,397,991</b>	<b>27,256,268</b>	<b>27,861,472</b>	<b>28,727,695</b>
<b>Expenditures</b>						
<b>Instruction:</b>						
Regular Instruction	7,832,117	8,095,779	8,630,094	9,226,473	9,660,384	9,716,849
Special Education Instruction	1,251,325	1,353,055	1,496,436	1,668,212	1,795,927	2,283,545
Other Instruction	233,213	219,750	318,548	342,047	349,730	344,923
School Sponsored Instruction	547,153	546,484	615,679	718,451	810,209	843,616
<b>Support Services:</b>						
Tuition	557,722	545,733	603,765	465,624	547,777	642,026
Student & Instruction Related Services	1,994,049	2,024,497	2,055,930	2,217,858	2,418,456	2,492,648
General Administrative Services	601,683	620,329	787,456	721,372	720,091	750,230
School Administrative Services	1,089,869	1,125,454	1,275,044	1,379,083	1,431,663	1,439,063
Central Services	334,841	352,000	385,816	374,261	407,504	408,503
Administration Information Technology	134,537	149,101	157,500	194,746	206,861	214,265
Plant Operations and Maintenance	2,054,364	2,091,713	2,232,920	2,342,425	2,219,198	2,255,365
Pupil Transportation	462,545	522,729	504,278	446,865	478,176	450,326
Unallocated Benefits	4,214,194	4,573,734	5,538,502	5,874,512	5,431,852	5,885,288
Capital Outlay	1,088,730	61,114	73,546	195,301	27,068	769,777
<b>Debt Service:</b>						
Principal	495,000	520,000	535,000	550,000	565,000	580,000
Interest and Other Charges	473,092	448,476	422,755	396,435	369,425	341,725
<b>Total Expenditures</b>	<b>23,364,434</b>	<b>23,249,948</b>	<b>25,633,269</b>	<b>27,113,665</b>	<b>27,439,321</b>	<b>29,418,149</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(1,524,077)</b>	<b>560,736</b>	<b>764,722</b>	<b>142,603</b>	<b>422,151</b>	<b>(690,454)</b>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST SIX FISCAL YEARS  
(modified accrual basis of accounting)  
UNAUDITED

	Fiscal Year Ending June 30,					
	2005	2006	2007	2008	2009	2010
<b>Other Financing Sources (Uses)</b>						
Capital Leases (non-budgeted)						\$ 283,150
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	\$ 7,971	5,689	\$ 7,683	\$ 5,161	\$ 736	598,104
Transfers Out	(79,348)	(59,444)	(63,681)	(5,161)	(736)	(598,104)
<b>Total Other Financing Sources (Uses)</b>	<u>(71,377)</u>	<u>(67,107)</u>	<u>(55,998)</u>	<u>-0-</u>	<u>-0-</u>	<u>283,150</u>
<b>Net Change in Fund Balances</b>	<u>\$ (1,595,454)</u>	<u>\$ 493,629</u>	<u>\$ 708,724</u>	<u>\$ 142,603</u>	<u>\$ 422,151</u>	<u>\$ (407,304)</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	4.5%	4.4%	3.9%	3.6%	3.5%	3.3%

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)  
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>Transportation</u> <u>Fees</u>	<u>Rentals - Use</u> <u>of Facilities</u>	<u>Other</u>	<u>Total</u>
2001	92,309	110,377	\$ 3,826	\$ 24,538	\$ 24,538	11,623	267,211
2002	79,900	56,958	53,469	32,385	32,385	14,374	269,471
2003	87,000	61,134	38,978	39,080	39,080	27,584	292,856
2004	71,005	19,745	41,781	36,865	36,865	87,411	293,672
2005	74,212	23,338	41,334	10,950	10,950	87,582	248,366
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

**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 <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2000	\$ 527,500	\$ 215,197,900	\$ 10,450,800	\$ 4,050,000	\$ 230,226,200	\$ 62,760,400	\$ 155,300	\$ 230,381,500	6.042	\$ 680,208,210
2001	162,300	215,496,300	10,408,600	4,200,000	230,267,200	63,017,900	198,659	230,465,859	6.321	775,457,130
2002	162,300	216,719,800	9,833,600	4,600,000	231,315,700	63,095,800	187,642	231,503,342	7.264	903,956,822
2003	111,500	217,553,600	10,040,000	4,600,000	232,305,100	63,218,200	159,902	232,465,002	7.738	1,054,263,048
2004	130,000	218,680,800	9,966,500	4,600,000	233,377,300	63,414,400	130,181	233,507,481	8.060	1,059,816,816
2005	130,000	219,328,400	9,056,400	4,600,000	233,114,800	63,423,400	105,300	233,220,100	8.790	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	9.480	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

\* - 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.

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,	<u>Borough of Glen Ridge School District Direct Rate</u>			<u>Overlapping Rates</u>		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Borough of Glen Ridge	Essex County	
2000	5.934	0.106	6.040	2.550	1.930	10.520
2001	6.212	0.108	6.320	2.600	1.970	10.890
2002	7.151	0.119	7.270	2.670	2.090	12.030
2003	7.277	0.463	7.740	2.730	2.290	12.760
2004	7.647	0.413	8.060	2.900	2.380	13.340
2005	8.360	0.430	8.790	3.080	2.400	14.270
2006	9.037	0.444	9.480	3.160	2.410	15.050
2007	9.390	0.420	9.810	3.437	2.359	15.606
2008	*	1.608	1.675	0.588	0.423	2.686
2009		1.679	1.731	0.615	0.430	2.776

\* - 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.

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

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Mountainside Hospital	18,966,400	1	1.31%			
TAP Property Management	15,426,500	2	1.07%			
Glen Ridge Country Club	9,500,000	3	0.66%	\$ 1,886,200	3	0.82%
Glen Ridge Manor	6,778,800	4	0.47%	1,400,000	4	0.61%
Ko & Ko Investments, LLC	6,000,000	5	0.42%			
Domus Augusta Fam, LP	4,893,400	6	0.34%			
Mountainside Hospital	3,500,000	7	0.24%			
REY Associates	3,419,400	8	0.24%			
FUNB, Corp (Wachovia Bank)	3,000,000	9	0.21%	737,500	7	0.32%
Parkway of Glen Ridge				2,800,000	1	1.22%
New Jersey Bell				2,198,659	2	0.95%
Montclair-Glen Ridge Med Arts				1,386,500	5	0.60%
First Union National Bank				940,000	6	0.41%
Individual Taxpayer #1				610,000	8	0.26%
Bay Street Realty Company	2,492,500	10		575,000	9	0.25%
Summit Bank				447,600	10	0.19%
<b>Total</b>	<b>\$ 73,977,000</b>		<b>4.95%</b>	<b>\$ 12,981,459</b>		<b>5.64%</b>

Source: Municipal Tax Assessor.

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 <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2001	\$ 13,914,715	\$ 13,914,715	100.00%	-0-
2002	14,568,428	14,568,428	100.00%	-0-
2003	15,868,346	15,868,346	100.00%	-0-
2004	17,988,200	17,988,200	100.00%	-0-
2005	18,819,455	18,819,455	100.00%	-0-
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-

**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 SIX FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Capital Leases			
2005	\$ 9,442,000	\$ 62,813	\$ 9,504,813	3.23%	\$ 1,352.42
2006	8,922,000	47,987	8,969,987	2.95%	1,296.05
2007	8,387,000	33,897	8,420,897	2.61%	1,237.09
2008	7,837,000	16,603	7,853,603	2.33%	1,169.21
2009	7,272,000	-0-	7,272,000	2.12%	1,093.37
2010	6,860,000	261,136	7,121,136	2.07%	1,069.72

**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.

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2005	\$ 9,442,000	\$ -0-	\$ 9,442,000	4.044%	\$ 1,343.48
2006	8,922,000	-0-	8,922,000	3.826%	1,289.12
2007	8,387,000	-0-	8,387,000	3.584%	1,232.11
2008	7,837,000	-0-	7,837,000	3.340%	1,166.74
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

**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.

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2009  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Borough of Glen Ridge	\$ 5,134,609	100.00%	\$ 5,134,609
Essex County General Obligation Debt	326,766,404	2.21%	<u>7,227,336</u>
Subtotal, Overlapping Debt			12,361,945
Borough of Glen Ridge School District Direct Debt			<u>6,692,000</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 19,053,945</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 2010

Year Ended December 31,	Equalized Valuation Basis
2007	\$ 1,520,094,621
2008	1,582,084,220
2009	1,568,898,624
	<u>\$4,671,077,465</u>
Average Equalized Valuation of Taxable Property	\$ 1,557,025,822
Debt Limit (4% of Average Equalization Value)	62,281,033 <sup>a</sup>
Net Bonded School Debt	<u>6,860,000</u>
Legal Debt Margin	<u>\$ 55,421,033</u>

	Fiscal Year				
	2001	2002	2003	2004	2005
Debt Limit	\$ 24,893,773	\$ 27,494,875	\$ 31,436,832	\$ 36,420,676	\$ 41,734,692
Total Net Debt Applicable to Limit	<u>1,860,000</u>	<u>10,862,000</u>	<u>10,412,000</u>	<u>9,937,000</u>	<u>9,442,000</u>
Legal Debt Margin	<u>\$ 23,033,773</u>	<u>\$ 16,632,875</u>	<u>\$ 21,024,832</u>	<u>\$ 26,483,676</u>	<u>\$ 32,292,692</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	7.47%	39.51%	33.12%	27.28%	22.62%

	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	<u>8,922,000</u>	<u>8,387,000</u>	<u>7,837,000</u>	<u>7,272,000</u>	<u>6,860,000</u>
Legal Debt Margin	<u>\$ 37,942,064</u>	<u>\$ 43,172,569</u>	<u>\$ 48,345,966</u>	<u>\$ 52,833,061</u>	<u>\$ 55,421,033</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	19.04%	16.27%	13.95%	12.10%	11.01%

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.

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

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income <sup>b</sup></u>	<u>Essex County Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2000	7,261	\$ 269,020,050	\$ 37,050	2.60%
2001	7,229	275,771,892	38,148	2.90%
2002	7,191	272,366,316	37,876	4.00%
2003	7,129	277,296,713	38,897	4.00%
2004	7,028	293,974,212	41,829	3.30%
2005	6,921	303,596,586	43,866	3.20%
2006	6,807	322,835,589	47,427	3.00%
2007	6,717	336,830,682	50,146	2.70%
2008	6,651	343,304,667	51,617 *	3.30%
2009	6,657	343,614,369	51,617 *	6.70%

\* - Latest Essex County per capita personal income available (2008) 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.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS, GLEN RIDGE BOROUGH  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

Employer	2009		2000		Percentage of Total Employment
	Employees	Percentage of Total Employment	Employer	Employees	
Mountainside Hospital	1,614	N/A	N/A	N/A	N/A
Glen Ridge Board of Education	314	N/A	N/A	N/A	N/A
Borough of Glen Ridge	104	N/A	N/A	N/A	N/A
Glen Ridge Country Club	60-70	N/A	N/A	N/A	N/A
Fitzgeralds	30	N/A	N/A	N/A	N/A
Bottle King	22	N/A	N/A	N/A	N/A
Starbucks	17	N/A	N/A	N/A	N/A
Bank of America	15	N/A	N/A	N/A	N/A
PNC	12	N/A	N/A	N/A	N/A
Wachovia Bank	11	N/A	N/A	N/A	N/A
	<u>2,139</u>	<u>N/A</u>		<u>N/A</u>	<u>N/A</u>

N/A - Information not available

Source: Essex County Economic Development Corporation.

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

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Instruction:						
Regular	119.8	121.4	121.4	128.0	134.2	133.2
Special Education	26.4	27.1	27.1	26.0	27.8	28.5
Other Special Instruction	12.4	12.4	12.4	8.7	9.4	9.4
Support Services:						
Student & Instruction Related Services	20.0	20.0	20.0	21.8	24.8	24.8
General Administrative Services	3.1	3.1	3.1	3.1	3.1	3.1
School Administrative Services	13.0	13.0	13.0	14.0	14.0	14.0
Central Services	5.0	5.0	5.0	5.0	5.0	5.0
Plant Operations and Maintenance	19.4	18.2	18.2	18.2	19.2	18.2
Pupil Transportation	1.7	1.7	1.7	1.7	1.7	1.7
Child Care	11.8	11.8	11.8	15.0	13.6	14.0
<b>Total</b>	<u>232.6</u>	<u>233.7</u>	<u>233.7</u>	<u>241.5</u>	<u>252.8</u>	<u>251.9</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: District Personnel Records.

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

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Forest Avenue	Linden Avenue	Ridgewood Avenue	Glen Ridge				
2004	1,768	\$ 19,533,095	\$ 11,048	N/A	132.9	18.4:1	18.0:1	12.5:1	11.2:1	1,761	1,691	2.62%	96.02%
2005	1,778	21,307,612	11,984	8.47%	134.5	15.2:1	16.3:1	13.3:1	11.5:1	1,767	1,704	0.34%	96.43%
2006	1,813	22,220,358	12,256	2.27%	135.0	14.2:1	16.7:1	13.4:1	12.0:1	1,804	1,742	2.09%	96.56%
2007	1,823	24,601,968	13,495	10.11%	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	2.48%	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%

N/A - Not Available

**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.

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: Borough of Glen Ridge School District records.

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

<u>District Building</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Forest Avenue School (1928)						
Square Feet	32,093	32,093	32,093	32,093	32,093	32,093
Capacity (students)	327	327	327	327	327	327
Enrollment	250	254	254	248	262	258
Linden Avenue School (1911)						
Square Feet	31,999	31,999	31,999	31,999	31,999	31,999
Capacity (students)	333	333	333	333	333	333
Enrollment	285	284	284	287	292	284
Ridgewood Avenue School (1928)						
Square Feet	102,436	102,436	102,436	102,436	102,436	102,436
Capacity (students)	582	582	582	582	582	582
Enrollment	540	544	544	597	567	568
Glen Ridge High School (1968)						
Square Feet	160,000	160,000	160,000	160,000	160,000	160,000
Capacity (students)	842	842	842	842	842	842
Enrollment	692	722	722	746	782	799
Board Office (2000)						
Square Feet	3,510	3,510	3,510	3,510	3,510	3,510

Number of Schools at June 30, 2010

    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.

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: Borough of Glen Ridge School District Facilities Office.

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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Glen Ridge High School	N/A	\$ 144,774	\$ 189,753	\$ 120,201	\$ 239,786	\$ 213,985
Forest Avenue School	N/A	46,990	61,589	115,266	127,098	109,817
Ridgewood Avenue School	N/A	149,986	196,584	165,369	194,386	252,339
Linden Avenue School	N/A	46,853	61,409	100,209	104,676	156,277
Total School Facilities		<u>388,603</u>	<u>509,335</u>	<u>501,045</u>	<u>665,946</u>	<u>732,418</u>
Board Office						
Grand Total		<u>\$ 388,603</u>	<u>\$ 509,335</u>	<u>\$ 501,045</u>	<u>\$ 665,946</u>	<u>\$ 732,418</u>

<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>

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).

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2010  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund:		
Property - Blanket Building and Contents	\$ 250,000,000	\$ 1,000
Flood Coverage:		
Per Occurrence	10,000,000	1,000
Aggregate	100,000,000	
Earthquake Coverage:		
Per Occurrence	25,000,000	1,000
Aggregate	100,000,000	
Garage Keepers	100,000	1,000
Mobile Equipment	5,000,000	1,000
Newly Acquired Property	25,000,000	1,000
Property at Unnamed Locations	25,000,000	1,000
Loss of Revenues	500,000	1,000
Accounts Receivable	2,500,000	1,000
Fine Arts	2,500,000	1,000
Trees/Shrubs/Plants	1,000,000	1,000
Auto Physical Damage	Per Policy	500
Blanket Crime	400,000	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	10,000
Excess School Board Errors and Omissions	5,000,000	5,000
Commercial General and Automobile Liability	5,000,000	1,000
Medical Expense	5,000	1,000
Abuse or Molestation Liability	3,000,000	1,000
Excess Liability	5,000,000	1,000
Premises Pollution Coverage:		
Per Occurrence	1,000,000	5,000
Fungi Sublimit	500,000	
Terrorism	100,000,000	1,000
Builders Risk	25,000,000	1,000
Demolition and Increase Cost of Construction	25,000,000	1,000
Public Officials Bond - Western Surety Company:		
Board Secretary/Business Administrator	250,000	
Treasurer	250,000	

Source: Glen Ridge Board of Education records.

**SINGLE AUDIT SECTION**



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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Borough of Glen Ridge School District, in the County of Essex (the "Board") as of, and for the fiscal year ended June 30, 2010, which collectively comprise the School District's basic financial statements and have issued our report thereon dated October 29, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey (the "Department").

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Board's financial statements will not be prevented, or detected and corrected on a timely basis.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Board's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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

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

Mount Arlington, New Jersey  
October 29, 2010

NISIVOCCIA & COMPANY LLP



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



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Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey's OMB Circular NJOMB 04-04

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

Compliance

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

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

In our opinion, the Board complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2010.

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

### Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Mount Arlington, New Jersey  
October 29, 2010

NISIVOCCIA & COMPANY LLP



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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, 2010

Federal Grantor/Pass Through Grantor Program or Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2009			Cash Received	Budgetary Expenditures	Paid to Grantor	Balance at June 30, 2010		
					Budgetary Accounts Receivable	Budgetary Deferred Revenue	Due to Grantor				Budgetary Accounts Receivable	Budgetary Deferred Revenue	Due to Grantor
<u>Special Revenue Fund:</u>													
U.S. Department of Education Passed-through State Department of Education:													
No Child Left Behind Consolidated Grant:													
Title II, Part A	84.367A	NCLB175010	9/1/09-8/31/10	\$ 24,155				\$ (24,155)			\$ (24,155)		
Title II, Part A	84.367A	NCLB175009	9/1/08-8/31/09	10,355	\$ (6,749)		\$ 6,749						
Title IV	84.184A	NCLB175010	9/1/09-8/31/10	2,574				(2,574)			(2,574)		
Title V	84.298A	NCLB175009	9/1/08-8/31/09	2,667	(2,667)		2,667						
Special Education/IDEA Combined Grant Cluster:													
I.D.E.A. Part B, Basic	84.027	IDEA175010	9/1/09-8/31/10	317,827			316,018	(317,827)			(1,809)		
I.D.E.A. Part B, Basic	84.027	IDEA175009	9/1/08-8/31/09	315,247	(100,131)		100,131						
I.D.E.A. Part B, Preschool	84.173	IDEA175010	9/1/09-8/31/10	11,575				(11,575)			(11,575)		
I.D.E.A. Part B, Preschool	84.173	IDEA175009	9/1/08-8/31/09	11,537	(11,537)		11,537						
ARRA - I.D.E.A. Part B, Basic	84.391	ARRA175011	7/1/09-8/31/11	362,244				(229,277)			(229,277)		
ARRA - I.D.E.A. Part B, Preschool	84.392	ARRA175011	7/1/09-8/31/11	13,114				(13,114)			(13,114)		
Special Education/IDEA Combined Grant Cluster Subtotal						(111,668)		427,686	(571,793)		(255,775)		
Total U.S. Department of Education						(121,084)		437,102	(598,522)		(282,504)		
Total Special Revenue Fund						(121,084)		437,102	(598,522)		(282,504)		
U.S. Department of Labor:													
American Recovery and Reinvestment Act:													
COBRA Premium Assistance	17.151	N/A	7/1/09-6/30/10	11,917			11,917	(11,917)					
Total U.S. Department of Labor								11,917	(11,917)				
Total Federal Awards					\$ (121,084)	\$ -0-	\$ -0-	\$ 449,019	\$ (610,439)	\$ -0-	\$ (282,504)	\$ -0-	\$ -0-

N/A - Not Applicable

**BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2009			Budgetary Expenditures	Balance at June 30, 2010			MEMO	
				Budgetary Accounts Receivable	Budgetary Deferred Revenue	Cash Received		GAAP Accounts Receivable	Budgetary Deferred Revenue	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures
<b><u>New Jersey Department of Education:</u></b>												
<b><u>General Fund:</u></b>												
Extraordinary Special Education Costs Aid	09-100-034-5120-473	7/1/08-6/30/09	\$ 19,483	\$ (19,483)		\$ 19,483						\$ 19,483
Categorical Special Education Aid	09-495-034-5120-089	7/1/08-6/30/09	997,265	(85,191)		85,191						997,265
Categorical Security Aid	09-495-034-5120-084	7/1/08-6/30/09	52,501	(11,366)		11,366						52,501
Adjustment Aid	09-495-034-5120-085	7/1/08-6/30/09	22,587	(22,587)		22,587						22,587
Categorical Transportation Aid	09-495-034-5120-014	7/1/08-6/30/09	84,666	(7,233)		7,233						84,666
Nonpublic School Transportation Costs	N/A	7/1/08-6/30/09	9,570	(9,570)		9,570						9,570
Reimbursed TPAF Social Security Contributions	09-495-034-5095-002	7/1/08-6/30/09	962,572	(325)		325						962,572
Extraordinary Special Education Costs Aid	10-100-034-5120-473	7/1/09-6/30/10	58,868				\$ (58,868)	\$ (58,868)			\$ (58,868)	58,868
Categorical Special Education Aid	10-495-034-5120-089	7/1/09-6/30/10	632,553			537,799	(632,553)	(94,754)			(94,754)	632,553
Categorical Security Aid	10-495-034-5120-084	7/1/09-6/30/10	89,783			76,334	(89,783)	(13,449)			(13,449)	89,783
Categorical Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	67,402			57,306	(67,402)	(10,096)			(10,096)	67,402
Nonpublic School Transportation Costs	N/A	7/1/09-6/30/10	7,752				(7,752)	(7,752)			(7,752)	7,752
Reimbursed TPAF Social Security Contributions	10-495-034-5095-002	7/1/09-6/30/10	990,005			940,562	(990,005)	(49,443)			(49,443)	990,005
<b>Total General Fund State Aid</b>				<u>(155,755)</u>		<u>1,767,756</u>	<u>(1,846,363)</u>	<u>(116,063)</u>			<u>(234,362)</u>	<u>3,995,007</u>
<b><u>Schools Development Authority:</u></b>												
<b><u>Capital Projects Fund:</u></b>												
School Development Authority Financing Act: High School Windows	1750-050-09-1001	7/1/09-6/30/10	272,072				(272,072)				(272,072)	272,072
<b>Total Capital Projects Fund</b>							<u>(272,072)</u>				<u>(272,072)</u>	<u>272,072</u>
<b>Total State Awards</b>				<u>\$ (155,755)</u>	<u>\$ -0-</u>	<u>\$ 1,767,756</u>	<u>\$ (2,118,435)</u>	<u>\$ (116,063)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (506,434)</u>	<u>\$ 4,267,079</u>

N/A - Not Available

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal and state awards are presented using the budgetary basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of Federal OMB Circular A-133, *Audits of State and Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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 last two state aid payments in the current budget year, which is mandated pursuant to P.L. 2003, C.97 (A3521). For GAAP purposes, that payment is 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 (\$14,509) for the general fund, and (\$272,072) for the capital projects fund. See Exhibits C-3 and F-1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, special revenue and capital projects funds. Additionally, the schedule of expenditures of state awards does not include on-behalf TPAF Non-contributory Insurance and Post Retirement Contributions revenue of \$46,589 and \$875,000 respectively. The schedule of expenditures of federal awards includes \$11,917 of ARRA Cobra Premium Assistance, which is not separately reflected as revenue in the District's basic financial statements. 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		\$ 2,753,443	\$ 2,753,443
Special Revenue Fund	\$ 598,522		598,522
Total Financial Assistance	<u>\$ 598,522</u>	<u>\$2,753,443</u>	<u>\$ 3,351,965</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, 2010  
(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, 2010.

NOTE 6. NJ SCHOOL DEVELOPMENT AUTHORITY (SDA) GRANT

The District has an active grant awarded in the amount of \$272,072 from the School Development Authority (SDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2010, no funds have been expended or drawn down. The District realizes grant revenue in the Capital Projects Fund on the GAAP basis as it is expended.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Summary of Auditors' Results:

- An unqualified report was issued on the District's financial statements.
- The audit did not disclose any material weaknesses or significant deficiencies in the internal controls of the District.
- The audit did not disclose any noncompliance which is material in relation to the financial statements of the District.
- The audit did not disclose any material weaknesses or significant deficiencies in the internal controls of the District's major federal or state programs.
- An unqualified report was issued on the District's compliance for major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular NJOMB 04-04 or Federal OMB Circular A-133.
- The District's major federal and state programs for the current fiscal year consisted of the following:

	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
I.D.E.A. Part B, Basic	84.027	9/1/09-8/31/10	\$ 317,827	\$ 317,827
I.D.E.A. Part B, Preschool	84.173	9/1/09-8/31/10	11,575	11,575
ARRA I.D.E.A. Part B, Basic	84.391	7/1/09-8/31/11	362,244	229,277
ARRA I.D.E.A. Part B, Preschool	84.392	7/1/09-8/31/11	13,114	13,114
<u>State:</u>				
Categorical Special Education Aid	10-495-034-5120-089	7/1/09-6/30/10	632,553	632,553
Categorical Security Aid	10-495-034-5120-084	7/1/09-6/30/10	89,783	89,783

- The threshold for distinguishing Type A and Type B programs was \$300,000.
- The single audit threshold identified in Federal OMB Circular A-133 and New Jersey OMB Circular NJOMB 04-04 was \$500,000.
- The District qualified as a "low-risk" auditee for state awards under the provisions of section 530 of the Federal Circular. However, the District did not qualify as a "low-risk" auditee for federal programs under the provisions of section 530 of the Federal Circular.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

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:

- The audit did not disclose any findings or questioned costs for federal awards as defined in Federal OMB Circular A-133 for the fiscal year ended June 30, 2010.

Findings and Questioned Costs for State Awards:

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2010

Status of Prior Year Findings:

The District had no prior year audit findings.