

**GLEN ROCK PUBLIC SCHOOLS**

**GLEN ROCK, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Glen Rock Public Schools**

**Glen Rock, New Jersey**

**For The Fiscal Year Ended June 30, 2011**

**Prepared by**

**Business Office**

**GLEN ROCK PUBLIC SCHOOLS  
TABLE OF CONTENTS**

**Page**

**INTRODUCTORY SECTION**

Letter of Transmittal	i-iv
Organizational Chart	v
Roster of Officials	vi
Consultants and Advisors	vii

**FINANCIAL SECTION**

Independent Auditors' Report	1-2
------------------------------	-----

**REQUIRED SUPPLEMENTARY INFORMATION- PART I**

Management's Discussion and Analysis	3-16
--------------------------------------	------

**Basic Financial Statements**

**A. District-wide Financial Statements**

A-1	Statement of Net Assets	17
A-2	Statement of Activities	18

**B. Fund Financial Statements**

*Governmental Funds*

B-1	Balance Sheet	19
B-2	Statement of Revenues, Expenditures, and Changes in Fund Balances	20
B-3	Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances With the District-Wide Statements	21

*Proprietary Funds*

B-4	Statement of Net Assets	22
B-5	Statement of Revenues, Expenses, and Changes in Net Assets	23
B-6	Statement of Cash Flows	24

*Fiduciary Funds*

B-7	Statement of Fiduciary Net Assets	25
B-8	Statement of Changes in Fiduciary Net Assets	26

<b>Notes to the Basic Financial Statements</b>	<b>27-51</b>
--	--------------

**GLEN ROCK PUBLIC SCHOOLS  
TABLE OF CONTENTS**

Page

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**C. Budgetary Comparison Schedules**

C-1	General Fund - Budgetary Comparison Schedule	52-58
C-2	Special Revenue Fund - Budgetary Comparison Schedule	59
C-3	Required Supplementary Information - Budgetary Comparison Schedule – Notes to the Required Supplementary Information	60

**OTHER SUPPLEMENTARY INFORMATION**

**D. School Level Schedules (Not applicable)**

**E. Special Revenue Fund**

E-1	Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	61-62
E-2	Schedule of Preschool Education Aid Expenditures – Budgetary Basis – N/A	63

**F. Capital Projects Fund**

F-1	Summary Schedule of Project Expenditures	64
F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	65
F-2a	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Additions, Renovations and Alteration at the Glen Rock High School/Middle School, Central, Coleman, Byrd and Hamilton Elementary Schools	66

**G. Proprietary Funds**

*Enterprise Fund*

G-1	Combining Statement of Net Assets – N/A	67
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – N/A	67
G-3	Combining Statement of Cash Flows – N/A	67

**H. Fiduciary Funds**

H-1	Combining Statement of Net Assets	68
H-2	Combining Statement of Changes in Net Assets – N/A	68
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	69
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	69

**I. Long-Term Debt**

I-1	Schedule of Serial Bonds	70
I-2	Schedule of Obligations under Capital Leases – Not Applicable	71
I-3	Debt Service Fund – Budgetary Comparison Schedule – Budget and Actual	71
I-4	Schedule of School Facilities Loan Payable	72

**GLEN ROCK PUBLIC SCHOOLS  
TABLE OF CONTENTS**

**Page**

**J. STATISTICAL SECTION (Unaudited)**

**Financial Trends**

J-1	Net Assets by Component	73
J-2	Changes in Net Assets	74-75
J-3	Fund Balances – Governmental Funds	76
J-4	Changes in Fund Balances – Governmental Funds	77
J-5	General Fund Other Local Revenue by Source	78

**Revenue Capacity**

J-6	Assessed Value and Actual Value of Taxable Property	79
J-7	Direct and Overlapping Property Tax Rates	80
J-8	Principal Property Taxpayers	81
J-9	Property Tax Levies and Collections	82

**Debt Capacity**

J-10	Ratios of Outstanding Debt by Type	83
J-11	Ratios of Net General Bonded Debt Outstanding	84
J-12	Direct and Overlapping Government Activities Debt	85
J-13	Legal Debt Margin Information	86

**Demographic and Economic Information**

J-14	Demographic and Economic Statistics	87
J-15	Principal Employers	88

**Operating Information**

J-16	Full Time Equivalent District Employees by Function/Program	89
J-17	Operating Statistics	90
J-18	School Building Information	91
J-19	Schedule of Required Maintenance for School Facilities	92
J-20	Insurance Schedule	93

**K. SINGLE AUDIT SECTION**

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	94-95
K-2	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 OMB Circular 04-04	96-97
K-3	Schedule of Expenditures of Federal Awards	98
K-4	Schedule of Expenditures of State Financial Assistance	99
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	100-101
K-6	Schedule of Findings and Questioned Costs	102-105
K-7	Summary Schedule of Prior-Year Audit Findings	106

## **INTRODUCTORY SECTION**

# GLEN ROCK PUBLIC SCHOOLS

Michael Rinderknecht  
School Business Administrator/  
Board Secretary



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November 22, 2011

Honorable President and  
Members of the Board of Education  
Glen Rock Public Schools  
County of Bergen  
Glen Rock, New Jersey

The comprehensive annual financial report of the Borough of Glen Rock Public Schools (District) for the fiscal year ended June 30, 2011, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects, and is reported in a manner designed to present fairly the financial position and results of operations of the 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 basic financial statements and required supplementary information, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, as amended, and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations"; and New Jersey OMB Circular Letter 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. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, are included in the single audit section of this report.

**1. REPORTING ENTITY AND ITS SERVICES:** The Borough of Glen Rock Public Schools is an independent reporting entity within the criteria adopted by the GASB. All funds of the District are included in this report. The Borough of Glen Rock Board of Education and all its schools constitute the District's reporting entity.

## **1. REPORTING ENTITY AND ITS SERVICES: (Continued)**

The school district provides a full range of educational services to grade levels K through 12 for the students residing in the Borough of Glen Rock. These include regular as well as special education for special needs students. The District completed the 2010-2011 fiscal year with an enrollment of 2,439 students, which is 43 less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last nine years.

<b><u>Fiscal Year</u></b>	<b><u>Student Enrollment</u></b>	<b><u>Percent Change</u></b>
2010-11	2,439	(2.00%)
2009-10	2,482	(3.50%)
2008-09	2,570	3.00%
2007-08	2,516	.01%
2006-07	2,511	1.00%
2005-06	2,498	3.00%
2004-05	2,429	1.01%
2003-04	2,414	1.03%
2002-03	2,346	1.04%

**2. ECONOMIC CONDITION AND OUTLOOK:** The Glen Rock community consists of over 3,800 single family residencies. There are over 100 businesses located within a small central business district that prosper despite the abundance of magnet shopping malls in the area.

**3. MAJOR INITIATIVES:** Students continue to score above state and national averages on the NJASK tests. Over 90% of the class of 2011 went on to some form of higher education.

In striving to meet the needs of the educational system in a rapidly changing society, the Glen Rock Board of Education is concerned with promoting and maintaining the integrity of the schools. This is done with a wide range of quality curriculum offerings, which give students both breadth and depth in many areas of endeavor. Additionally, in the recognition and support of the diversity in the district, specialized programs such as the Academic Advancement Program for gifted students, the ESL program for the limited and non-English speaking students, and several special education programs are offered. High School offerings include Advanced Placement courses.

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

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

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

**5. BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. 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 reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30.

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

**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", Notes 1 and 2. The District has adopted a cash management plan which requires it to deposit 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 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, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

**9. OTHER INFORMATION:**

**Independent Audit -** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP was appointed by Board. 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 as amended, the Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA), USOMB Circular A-133, New Jersey and OMB Circular Letter 04-04. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**10. AWARDS AND ACKNOWLEDGMENTS:** The Association of School Business Officials (ASBO) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Glen Rock Board of Education for its comprehensive annual financial report (CAFR) for the fiscal years ending June 30, 2008 and June 30, 2009. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the ASBO to determine its eligibility for another certificate.

We would like to express our appreciation to the members of the Borough of Glen Rock 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,

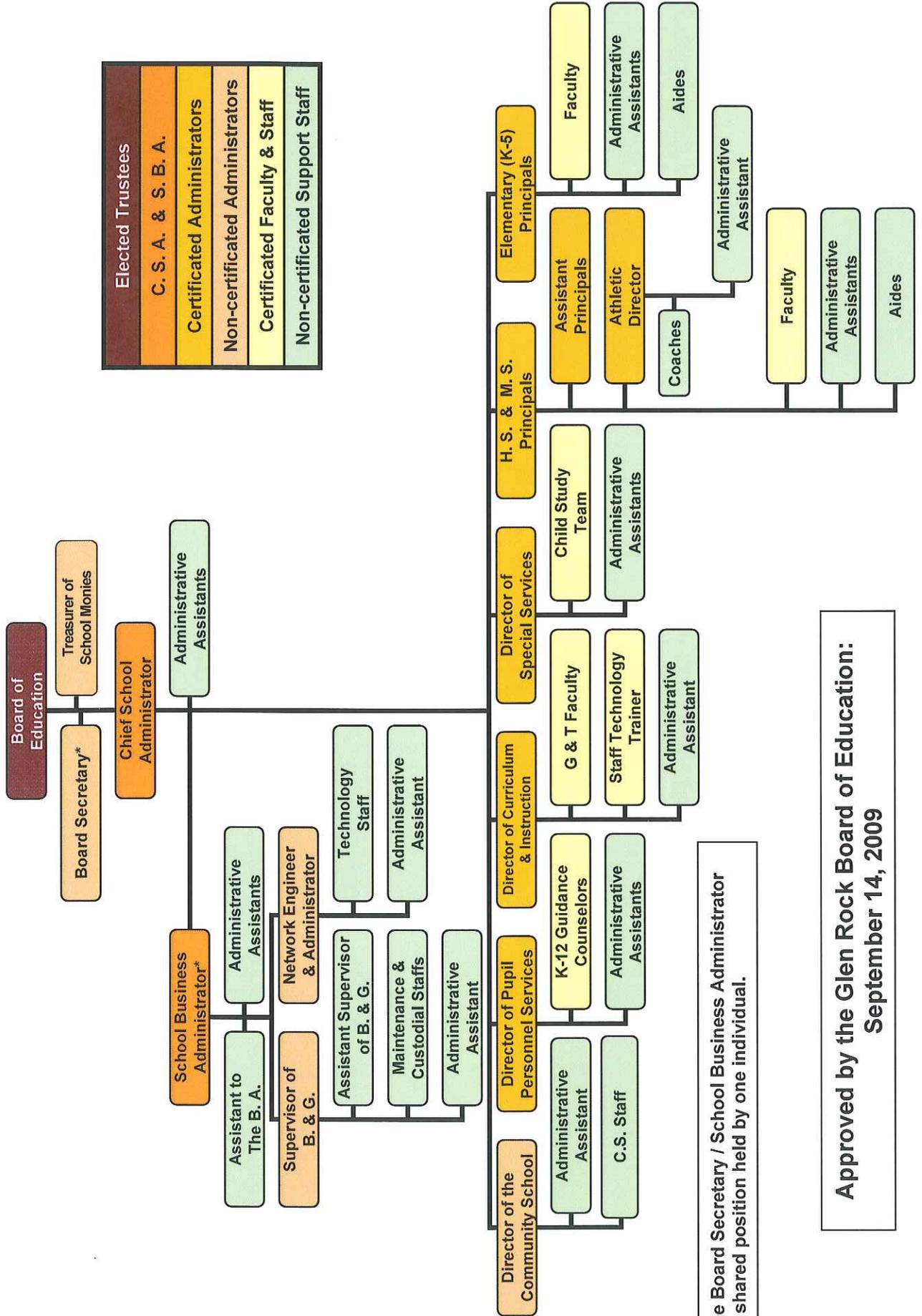


David Verducci, Ph.D.  
Chief School Administrator



Michael Rinderknecht  
School Business Administrator/  
Board Secretary

# GLEN ROCK PUBLIC SCHOOLS DISTRICT ORGANIZATIONAL CHART



Elected Trustees
C. S. A. & S. B. A.
Certificated Administrators
Non-certificated Administrators
Certificated Faculty & Staff
Non-certificated Support Staff

• The Board Secretary / School Business Administrator is a shared position held by one individual.

Approved by the Glen Rock Board of Education:  
September 14, 2009

**GLEN ROCK BOARD OF EDUCATION  
GLEN ROCK, NJ**

**Roster of Officials  
June 30, 2011**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
<b>Ms. Rona McNabola, President</b>	<b>2014</b>
<b>Ms. Barbara Steuert, Vice President</b>	<b>2012</b>
<b>Ms. Randi Blumberg</b>	<b>2014</b>
<b>Mr. Gene Calderon</b>	<b>2012</b>
<b>Mr. Carlo Cella, III</b>	<b>2013</b>
<b>Mr. Sheldon Hirschberg</b>	<b>2013</b>
<b>Ms. Anita Kalra</b>	<b>2012</b>
<b>Mr. Sanjiv Ohri</b>	<b>2013</b>
<b>Ms. Robin Rubinstein</b>	<b>2014</b>

**Other Officials**

**Dr. David Verducci, Superintendent of Schools**

**Michael Rinderknecht, Business Administrator/Board Secretary**

**Kelly Ippolito, Treasurer of School Monies**

**GLEN ROCK PUBLIC SCHOOLS**

**Consultants & Advisors**

**June 30, 2011**

**District Auditor**

Lerch, Vinci & Higgins, LLP  
17-17 Route 208N  
Fair Lawn, New Jersey 07410

**Attorney**

Fogarty & Hara  
16-00 Route 208 South  
Fair Lawn, New Jersey 07410

**Official Depositories**

Bank of America  
208 Harristown Road  
Glen Rock, New Jersey 07452

**FINANCIAL SECTION**

# LERCH, VINCI & HIGGINS, LLP

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REGISTERED MUNICIPAL ACCOUNTANTS

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GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ANDREW PARENTE, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
RALPH M. PICONE, CPA, RMA, PSA  
EDWARD N. KERE, CPA

## INDEPENDENT AUDITORS' REPORT

Honorable President and Members  
of the Board of Trustees  
Glen Rock Public Schools  
Glen Rock, 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 Glen Rock Public Schools as of and for the fiscal year ended June 30, 2011, which collectively comprise the Board of Education's basic financial statements as listed in the 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 the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Glen Rock Public Schools' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and 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 previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Glen Rock Public Schools as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 22, 2011 on our consideration of the Glen Rock Public School'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.

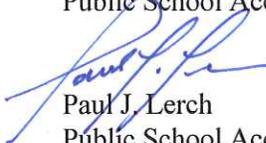
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Glen Rock Public Schools' basic financial statements as a whole. The introductory section, combining fund financial statements, financial schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", and are also not a required part of the basic financial statements. The combining fund financial statements and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



LERCH, VINCI & HIGGINS, LLP

Certified Public Accountants  
Public School Accountants



Paul J. Lerch

Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
November 22, 2011

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**GLEN ROCK PUBLIC SCHOOLS  
GLEN ROCK, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

This discussion and analysis of the Glen Rock School District's financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2011. The intent of this is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and the notes to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2011 are as follows:

- District-Wide - Overall revenues were \$48,517,950. General revenues accounted for \$42,481,709 or 88 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$6,036,241 or 12 percent of total revenues of \$48,517,950.
- District-Wide - The School District had \$46,316,146 in expenses; only \$6,036,241 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$42,481,709 were adequate to provide for these programs.
- Fund Financials - As of the close of the current fiscal year, the Glen Rock Public School's governmental funds reported combined ending fund balances of \$13,506,284, a decrease of \$14,523,819 in comparison with the prior year. This significant decrease is attributable to the utilization of bond proceeds in the Capital Projects Fund for a school referendum project.
- Fund Financials - At the end of June 30, 2011, unassigned fund balance for the General Fund was \$603,383, an increase of \$261,921 in comparison with the prior year.

**GLEN ROCK PUBLIC SCHOOLS  
GLEN ROCK, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2011**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual report consists of four parts – Independent Auditors' Report, required supplementary information which includes the management's discussion and analysis (this section), the district-wide financial statements, fund financial statements and notes to the financial statements.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the Glen Rock Public School's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Glen Rock Public Schools, reporting the Glen Rock Public School's operation in more detail than the district-wide statements.
  - The governmental fund statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
  - Proprietary fund statements offer short and long-term financial information about the activities the Glen Rock Public Schools operates like a business.
  - 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 to whom the resources belong.

Table A-1 summarizes the major features of the Glen Rock Public School's financial statements, including the portion of the Glen Rock Public School's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**GLEN ROCK PUBLIC SCHOOLS  
GLEN ROCK, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2011**

**Table A-1** Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Governmental Funds	Proprietary 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
Required financial statements	Statements of Net Assets Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Assets Statement of Revenues, Expenses, and Changes in Fund Net Assets and Statement of Cash Flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial 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, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues 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 revenues and expenses during the year, regardless of when cash is received or paid.

**District-wide Statements**

**District-wide.** The *District-wide financial statements* are designed to provide readers with a broad overview of the Glen Rock Public School's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Glen Rock Public School's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, when assessing the overall health of the District, you need to consider additional non-financial factors, such as changes in the District's property tax base and the condition of the school buildings and other facilities.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*.

**GLEN ROCK PUBLIC SCHOOLS  
GLEN ROCK, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2011**

**District-wide Statements (Continued)**

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental activities*- Most of the District's basic services are included here, such as regular and special education, transportation, maintenance and administration services. Property taxes and state aids finance most of these activities.
- *Business-type activities*- The District charges fees to customers to help it cover the costs of the District's Food Service Fund and the Community School which includes Before and After School Care.

**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 uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The District has three kinds of funds:

**Governmental funds.** The District's basic services are included in the governmental funds, which generally focus on near-term inflows and outflows of spendable resources and the balances of spendable resources at year-end. Consequently, the governmental fund statements provide a detailed short-term view that helps to 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, we provide a reconciliation at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and Debt Service Fund. A budgetary comparison statement has been provided for the General Fund, Special Revenue Fund and Debt Service Fund.

**GLEN ROCK PUBLIC SCHOOLS  
GLEN ROCK, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2011**

**Fund Financial Statements (Continued)**

**Proprietary Funds.** The District maintains one type of Proprietary Fund, an Enterprise Fund, which is used to report the activity of the Food Service Fund and Community School. Proprietary Funds provide the same type of information as the district-wide financial statements and is presented as business-type activities in the district-wide financial statements.

**Fiduciary Funds.** Fiduciary Funds are used to account for resources held for the benefit of parties outside the government, such as the Payroll Agency Fund, Unemployment Trust Fund, Scholarship Funds and the Student Activity Funds. Fiduciary Funds are *not* reflected in the district-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds.

**Notes to the Basic Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

**DISTRICT-WIDE FINANCIAL ANALYSIS OF THE GLEN ROCK PUBLIC SCHOOL DISTRICT AS A WHOLE**

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

Table A-2 provides a summary of the school district's net assets for fiscal years 2011 and 2010. For 2011 and 2010 net assets were \$14,294,980 and \$12,093,176, respectively.

By far the largest portion of the District's net assets reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide regular and special education, transportation, maintenance and administration services. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**GLEN ROCK PUBLIC SCHOOLS  
GLEN ROCK, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2011**

Table A-2  
Statement of Net Assets  
As of June 30, 2011 and 2010

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current and Other Assets	\$ 14,332,184	\$ 30,925,896	\$ 786,516	\$ 871,002	\$ 15,118,700	\$ 31,796,898
Capital Assets	<u>48,581,306</u>	<u>33,147,210</u>	<u>45,326</u>	<u>50,277</u>	<u>48,626,632</u>	<u>33,197,487</u>
<b>Total Assets</b>	<u>62,913,490</u>	<u>64,073,106</u>	<u>831,842</u>	<u>921,279</u>	<u>63,745,332</u>	<u>64,994,385</u>
Current Liabilities	1,327,271	3,493,001	255,817	314,179	1,583,088	3,807,180
Non-Current Liabilities	<u>47,865,264</u>	<u>49,094,029</u>	<u>-</u>	<u>-</u>	<u>47,865,264</u>	<u>49,094,029</u>
<b>Total Liabilities</b>	<u>49,192,535</u>	<u>52,587,030</u>	<u>255,817</u>	<u>314,179</u>	<u>49,448,352</u>	<u>52,901,209</u>
Net Assets:						
Invested in Capital Assets, Net of Related Debt	10,093,774	9,580,909	45,326	50,277	10,139,100	9,631,186
Restricted	2,297,610	1,248,379			2,297,610	1,248,379
Unrestricted	<u>1,327,571</u>	<u>656,788</u>	<u>530,699</u>	<u>556,823</u>	<u>1,858,270</u>	<u>1,213,611</u>
<b>Total Net Assets</b>	<u>\$ 13,718,955</u>	<u>\$ 11,486,076</u>	<u>\$ 576,025</u>	<u>\$ 607,100</u>	<u>\$ 14,294,980</u>	<u>\$ 12,093,176</u>

**GLEN ROCK PUBLIC SCHOOLS  
GLEN ROCK, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2011**

**Governmental activities.** Governmental activities increased the District's net assets by \$2,232,879. Key elements of this increase are as follows:

**Table A-3  
Changes in Net Assets  
For the Fiscal Years Ended June 30, 2011 and 2010**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services			\$ 1,746,082	\$ 1,796,310	\$ 1,746,082	\$ 1,796,310
Operating Grants and Contributions	\$ 4,266,182	\$ 5,312,878			4,266,182	5,312,878
Capital Grants and Contributions	23,977	127,977			23,977	127,977
General Revenues						
Property Taxes	41,406,510	39,871,316			41,406,510	39,871,316
Restricted State Aid	670,441	874,878			670,441	874,878
Other	404,601	392,082	157	27,153	404,758	419,235
<b>Total Revenues</b>	<u>46,771,711</u>	<u>46,579,131</u>	<u>1,746,239</u>	<u>1,823,463</u>	<u>48,517,950</u>	<u>48,402,594</u>
<b>Expenses</b>						
Instruction						
Regular	17,593,987	17,658,483			17,593,987	17,658,483
Special Education	6,270,198	6,502,286			6,270,198	6,502,286
Other Instruction	767,042	1,027,123			767,042	1,027,123
School Sponsored Activities and Ath.	836,969	858,564			836,969	858,564
Support Services						
Student and Instruction Related Serv.	4,801,585	4,957,126			4,801,585	4,957,126
Attendance and Social Work	72,159	64,685			72,159	64,685
Health Services	560,561	561,856			560,561	561,856
Educational Media/School Library	850,298	900,408			850,298	900,408
General Administrative Services	1,126,466	1,130,141			1,126,466	1,130,141
School Administrative Services	3,101,922	2,609,528			3,101,922	2,609,528
Plant Operations and Maintenance	4,325,822	4,389,404			4,325,822	4,389,404
Pupil Transportation	912,763	1,012,058			912,763	1,012,058
Central Services	1,298,378	1,234,575			1,298,378	1,234,575
Food Service			525,246	623,161	525,246	623,161
Community School			1,252,068	1,302,111	1,252,068	1,302,111
Interest on Long-Term Debt	2,020,682	3,758,288	-	-	2,020,682	3,758,288
<b>Total Expenses</b>	<u>44,538,832</u>	<u>46,664,525</u>	<u>1,777,314</u>	<u>1,925,272</u>	<u>46,316,146</u>	<u>48,589,797</u>
Increase/(Decrease) in Net Assets	2,232,879	(85,394)	(31,075)	(101,809)	2,201,804	(187,203)
Net Assets, Beginning of Year	<u>11,486,076</u>	<u>11,571,470</u>	<u>607,100</u>	<u>708,909</u>	<u>12,093,176</u>	<u>12,280,379</u>
Net Assets, End of Year	<u>\$ 13,718,955</u>	<u>\$ 11,486,076</u>	<u>\$ 576,025</u>	<u>\$ 607,100</u>	<u>\$ 14,294,980</u>	<u>\$ 12,093,176</u>

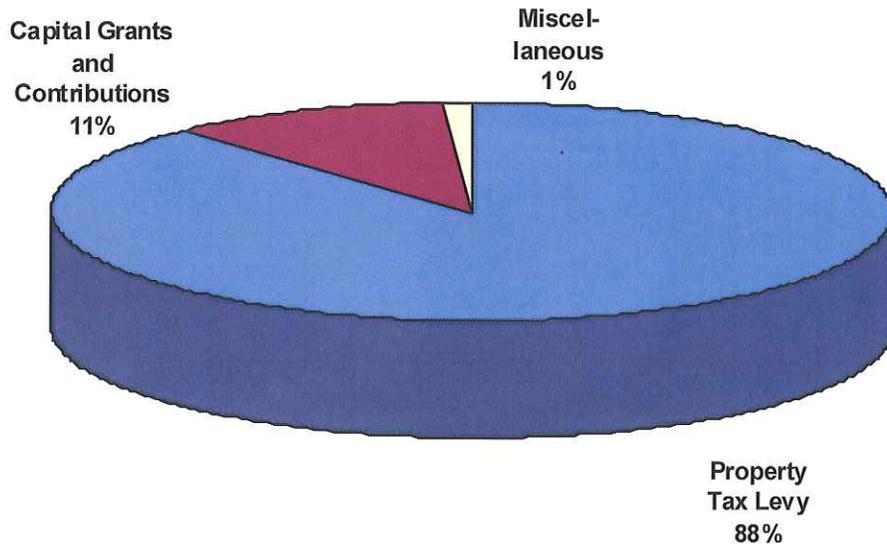
**GLEN ROCK PUBLIC SCHOOLS  
GLEN ROCK, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2011**

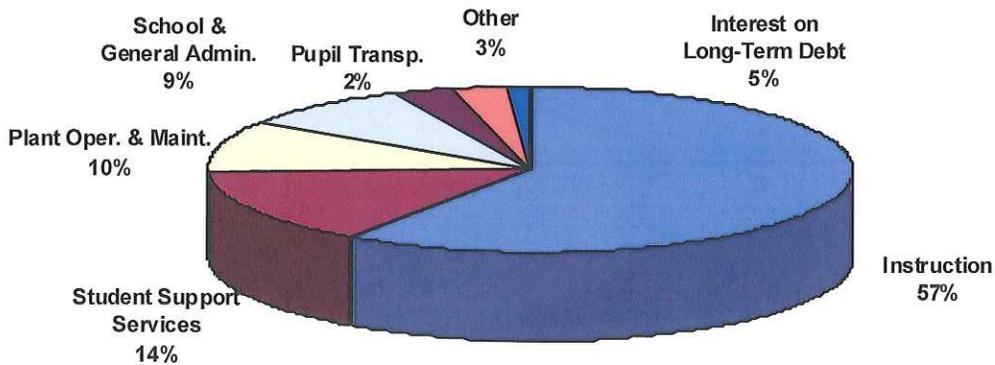
**Governmental activities.** The District's total governmental activities revenues were \$46,771,711. The local share of the revenues, that included property taxes, interest, State aid restricted for debt service and miscellaneous revenue, amounted to \$42,481,552 or 91% of total revenues. Funding from state, federal sources and capital grants and contributions amounted to \$4,290,159 or 9%. (See Table A-3)

The District's governmental expenses are predominantly related to instruction and support services. Instruction totaled \$25,468,196 (57%), student support services totaled \$17,049,954 (38%) and interest on long-term debt total \$2,020,682 (5%) of total expenditures. (See Table A-3.)

Revenues by Source- Governmental Activities  
For Fiscal Year 2011



Expenditures by Type- Governmental Activities  
For Fiscal Year 2011



**GLEN ROCK PUBLIC SCHOOLS  
GLEN ROCK, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2011**

**Table A-4  
Total and Net Cost of Governmental Activities  
For the Fiscal Years Ended June 30, 2011 and 2010**

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Governmental Activities				
Instruction				
Regular	\$ 17,593,987	\$ 17,658,483	\$ 16,176,288	\$ 16,188,519
Special Education	6,270,198	6,502,286	4,600,051	4,025,707
Other Instruction	767,042	1,027,123	645,478	874,157
School Sponsored Activities and Athletics	836,969	858,564	778,129	799,386
Support Services				
Student and Instruction Related Svcs.	4,801,585	4,957,126	4,223,952	4,258,859
Attendance and Social Work	72,159	64,685	66,109	64,685
Health Services	560,561	561,856	521,585	517,757
Educational Media/School Library	850,298	900,408	782,613	827,551
General Administrative Services	1,126,466	1,130,141	1,077,569	1,086,653
School Administrative Services	3,101,922	2,609,528	2,847,030	2,390,312
Plant Operations and Maintenance	4,325,822	4,389,404	4,310,391	4,277,826
Pupil Transportation	912,763	1,012,058	900,418	919,395
Central Services	1,298,378	1,234,575	1,298,378	1,234,575
Interest on Long-Term Debt	2,020,682	3,758,288	2,020,682	3,758,288
Total Governmental Activities	<u>\$ 44,538,832</u>	<u>\$ 46,664,525</u>	<u>\$ 40,248,673</u>	<u>\$ 41,223,670</u>

**Business-Type Activities**

The cost of Business-Type Activities for the fiscal year ended June 30, 2011 was \$1,746,082. These costs were funded by charges for services (Detailed on Table A-3). The operations resulted in a decrease in net assets of \$31,075.

**GLEN ROCK PUBLIC SCHOOLS  
GLEN ROCK, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2011**

**Business-Type Activities (Continued)**

Revenues for the District's business-type activities (food service and community school-after school child care programs) were comprised of charges for services and federal reimbursements.

Food Service Program

- Food service revenues exceeded expenses by \$5,359.
- Charges for services represent 100% percent of revenue.
- Revenues include lunches and ala carte meals paid for by the students and District staff.

Community School – Before and After Child Care

- Community School expenses exceeded revenues by \$36,434.
- Charges for services represent 100 percent of revenue.
- Revenues include tuition for Community School classes and child care programs.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

**Governmental Funds.** The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the District completed the 2010-2011 year, its governmental funds reported a combined fund balance of \$13,506,284. In 2009-2010 the fund balance was \$28,030,103.

**The District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$46,747,734 and expenditures were \$61,271,553.

**GLEN ROCK PUBLIC SCHOOLS  
GLEN ROCK, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2011**

**The District's Funds (Continued)**

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the governmental fund revenues for the fiscal years ended June 30, 2011 and 2010.

	<u>Year Ended</u> <u>June 30, 2011</u>	<u>Year Ended</u> <u>June 30, 2010</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Increase</u> <u>(Decrease)</u>
Local Sources	\$ 41,802,558	\$ 40,269,398	\$ 1,533,160	3.81%
State Sources	4,034,449	5,448,542	(1,414,093)	-25.95%
Federal Sources	<u>910,727</u>	<u>858,012</u>	<u>52,715</u>	6.14%
 Total Revenues	 <u>\$ 46,747,734</u>	 <u>\$ 46,575,952</u>	 <u>\$ 171,782</u>	 0.4%

The following schedule represents a summary of general fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal year ended June 30, 2011 and 2010.

	<u>Year Ended</u> <u>June 30, 2011</u>	<u>Year Ended</u> <u>June 30, 2010</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Increase</u> <u>(Decrease)</u>
Instruction	\$ 25,243,286	\$ 25,760,197	\$ (516,911)	-2.01%
Support Services and Undistributed	16,911,003	16,692,899	218,104	1.31%
Capital Outlay	15,793,847	17,902,401	(2,108,554)	-11.78%
Debt Service				
Principal	1,208,898	875,071	333,827	38.15%
Interest	<u>2,114,519</u>	<u>3,167,153</u>	<u>(1,052,634)</u>	-33.24%
 Total Expenditures	 <u>\$ 61,271,553</u>	 <u>\$ 64,397,721</u>	 <u>\$ (3,126,168)</u>	 -4.9%

**GLEN ROCK PUBLIC SCHOOLS  
GLEN ROCK, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2011**

**General Fund Budgetary Highlights**

The District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgetary fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent overexpenditures in specific line item accounts.

**Capital Assets.** The Glen Rock Public School's investment in capital assets for its governmental and business type activities as of June 30, 2011 amounts to \$48,626,632 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and building improvements, and machinery and equipment.

**Table A-5  
Capital Assets  
(net of accumulated depreciation) at June 30, 2011 and 2010**

	Governmental Activities		Business-Type Activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	\$ 12,022	\$ 12,022			\$ 12,022	\$ 12,022
Construction In Progress	36,372,775	20,742,233			36,372,775	20,742,233
Land Improvements	728,850	711,600			728,850	711,600
Buildings and Building Improvements	18,028,663	18,025,580			18,028,663	18,025,580
Machinery and Equipment	<u>3,105,741</u>	<u>2,951,792</u>	\$ 176,264	\$ 176,264	<u>3,282,005</u>	<u>3,128,056</u>
 Total	 58,248,051	 42,443,227	 176,264	 176,264	 58,424,315	 42,619,491
Less: Accumulated Depreciation	<u>9,666,745</u>	<u>9,296,017</u>	<u>130,938</u>	<u>125,987</u>	<u>9,797,683</u>	<u>9,422,004</u>
 Total	 <u>\$ 48,581,306</u>	 <u>\$ 33,147,210</u>	 <u>\$ 45,326</u>	 <u>\$ 50,277</u>	 <u>\$ 48,626,632</u>	 <u>\$ 33,197,487</u>

Additional information on Glen Rock Public School's capital assets can be found in the notes of this report.

**GLEN ROCK PUBLIC SCHOOLS  
GLEN ROCK, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2011**

**Debt Administration.** As of June 30, 2011 the school district had long-term debt and outstanding long-term liabilities in the amount of \$47,865,264 as stated in Table A-6.

**Table A-6  
Long-Term Debt  
Outstanding Long-Term Liabilities**

	<u>2011</u>	<u>2010</u>
Serial Bonds	\$ 46,567,000	\$ 47,657,000
Loans Payable	381,996	500,894
Compensated Absences Payable	<u>916,268</u>	<u>936,135</u>
 Total	 <u>\$ 47,865,264</u>	 <u>\$ 49,094,029</u>

Additional information on Glen Rock Public School's long-term debt can be found in the notes of this report.

Moody's Investors Service has assigned an Aa2 enhanced rating to the Glen Rock Public School's \$46,567,000 General Obligation School Bonds. These bonds are secured by New Jersey's Chapter 72 program. The Aa2 rating on this issue reflects: Chapter 72's highly liquid reserve that by statute is perpetually sized at 1.5% of New Jersey school district related indebtedness; significant ability to regenerate the fund in the case of a draw; and, Moody's anticipation that program mechanics will govern timely bond repayment in the case of a defaulting issuer. Additional information on this program follows:

**CHAPTER 72 IS A CONSTITUTIONALLY CREATED FUND LOCATED IN THE STATE'S FUND FOR SUPPORT OF FREE PUBLIC SCHOOLS**

The Chapter 72 reserves, authorized in 1980 (NJ 18A:56-19), to make scheduled debt service payments for a defaulting issuer are carved from the State of New Jersey's larger constitutionally created Fund for Support of Free Public Schools. Chapter 72 assets currently valued at \$62 million, are recalculated annually, to comply with the statutory requirement that the reserve equal exactly 1.5% of the \$4.1 billion of outstanding school related debt. Currently, Chapter 72 assets comprise 41% of the Fund.

**GLEN ROCK PUBLIC SCHOOLS  
GLEN ROCK, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2011**

**FOR THE FUTURE**

While many factors influence the District's future, the availability of funding for special education needs and our economy will have the most impact on educational and fiscal decisions in the future.

Currently, the District is in superior financial condition. Everyone associated with the Glen Rock Board of Education is grateful for the community support of the schools, as evidenced by the successful passage of the annual budget and most notably the District's March 11, 2008 referendum initiative. Student enrollment growth at the elementary schools continues to be an area of concern. The District is confident that the referendum building program will address overcrowding issues at the High School/Middle School facility and address numerous maintenance related infrastructure improvements at all of the District's schools. In the future, an environment of minimal state aid support and continued increases in New Jersey State mandates will result in a difficult balance of utilizing current district resources without comprising educational programs.

In conclusion, the Glen Rock School District has committed itself to financial excellence for many years. Its system for financial planning, budgeting, and internal financial controls is audited annually and it plans to continue to manage its finances in order to meet the many financial challenges ahead.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

If you have questions about this report or need additional information, contact the School Business Administrator at the Glen Rock Public Schools, 620 Harristown Road, Glen Rock, NJ 07452.

**BASIC FINANCIAL STATEMENTS**

**GLEN ROCK PUBLIC SCHOOLS**  
**STATEMENT OF NET ASSETS**  
**AS OF JUNE 30, 2011**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 12,422,888	\$ 1,738,833	\$ 14,161,721
Receivables, net	857,476		857,476
Internal Balances	955,492	(955,492)	-
Inventory		3,175	3,175
Deferred Charges	96,328		96,328
Capital Assets, net			
Being Depreciated	12,196,509	45,326	12,241,835
Not Being Depreciated	36,384,797	-	36,384,797
Total Assets	<u>62,913,490</u>	<u>831,842</u>	<u>63,745,332</u>
<b>LIABILITIES</b>			
Accounts Payable	650,883	32,446	683,329
Unearned Revenue	44,742	223,371	268,113
Accrued Interest Payable	599,699		599,699
Payable to Other Governments	33,947		33,947
Noncurrent Liabilities			
Due Within One Year	1,257,928		1,257,928
Due Beyond One Year	46,607,336	-	46,607,336
Total Liabilities	<u>49,194,535</u>	<u>255,817</u>	<u>49,450,352</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	10,093,774	45,326	10,139,100
Restricted for			
Capital Projects	2,142,652		2,142,652
Debt Service	154,958		154,958
Unrestricted	1,327,571	530,699	1,858,270
Total Net Assets	<u>\$ 13,718,955</u>	<u>\$ 576,025</u>	<u>\$ 14,294,980</u>

The accompanying Notes to the Basic Financial Statements are an Integral Part of this Statement.

GLEN ROCK PUBLIC SCHOOLS  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 17,593,987		\$ 1,393,722	\$ 23,977	\$ (16,176,288)	\$	\$ (16,176,288)
Special Education	6,270,198		1,670,147		(4,600,051)		(4,600,051)
Other Instruction	767,042		121,564		(645,478)		(645,478)
School Sponsored Activities and Athletics	836,969		58,840		(778,129)		(778,129)
Support Services							
Student and Instruction Related Services	4,801,585		577,633		(4,223,952)		(4,223,952)
Attendance and Social Work	72,159		6,050		(66,109)		(66,109)
Health Services	560,561		38,976		(521,585)		(521,585)
Educational Media/School Library	850,298		67,685		(782,613)		(782,613)
School Administrative Services	3,101,922		254,892		(2,847,030)		(2,847,030)
General Administrative Services	1,126,466		48,897		(1,077,569)		(1,077,569)
Central Services	1,298,378				(1,298,378)		(1,298,378)
Plant Operations and Maintenance	4,325,822		15,431		(4,310,391)		(4,310,391)
Pupil Transportation	912,763		12,345		(900,418)		(900,418)
Interest on Long-Term Debt	2,020,682				(2,020,682)		(2,020,682)
Total Governmental Activities	44,538,832		4,266,182	23,977	(40,248,673)		(40,248,673)
<b>Business-Type Activities</b>							
Food Service	525,246	530,605				\$ 5,359	5,359
Community School	1,252,068	1,215,477				(36,591)	(36,591)
Total Business-Type Activities	1,777,314	1,746,082				(31,232)	(31,232)
Total Primary Government	\$ 46,316,146	\$ 1,746,082	\$ 4,266,182	\$ 23,977	(40,248,673)	(31,232)	(40,279,905)
<b>General Revenues</b>							
Taxes:							
Property Taxes, Levied for General Purposes, Net					39,248,529		39,248,529
Taxes Levied for Debt Service					2,157,981		2,157,981
State Aid Restricted for Debt Service					670,441		670,441
Miscellaneous Income					404,601	157	404,758
Total General Revenues					42,481,552	157	42,481,709
Change in Net Assets					2,232,879	(31,075)	2,201,804
Net Assets, Beginning of Year					11,486,076	607,100	12,093,176
Net Assets, End of Year					\$ 13,718,955	\$ 576,025	\$ 14,294,980

The accompanying Notes to the Basic Financial Statements are an Integral Part of this Statement.

**FUND FINANCIAL STATEMENTS**

**GLEN ROCK PUBLIC SCHOOLS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2011**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 3,454,665		\$ 8,961,909	\$ 6,314	\$ 12,422,888
Receivables from Other Governments	529,021	\$ 328,455			857,476
Due from Other Funds	1,343,574	-	-	148,644	1,492,218
Total Assets	<u>\$ 5,327,260</u>	<u>\$ 328,455</u>	<u>\$ 8,961,909</u>	<u>\$ 154,958</u>	<u>\$ 14,772,582</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 341,070	\$ 21,458	\$ 288,355		\$ 650,883
Due to Other Funds		228,308	308,418		536,726
Payable to State Government		33,947			33,947
Deferred Revenue	-	44,742	-	-	44,742
Total Liabilities	<u>341,070</u>	<u>328,455</u>	<u>596,773</u>	<u>-</u>	<u>1,266,298</u>
<b>Fund Balances</b>					
<b>Restricted:</b>					
Excess Surplus- Designated for Subsequent Year's Expenditures	648,376				648,376
Excess Surplus	870,051				870,051
Capital Reserve	2,142,652				2,142,652
Emergency Reserve	406,000				406,000
Capital Projects			8,365,136		8,365,136
Debt Service				154,958	154,958
<b>Assigned:</b>					
Year-End Encumbrances	315,728				315,728
<b>Unassigned:</b>					
General Fund	603,383	-	-	-	603,383
Total Fund Balances	<u>4,986,190</u>	<u>-</u>	<u>8,365,136</u>	<u>154,958</u>	<u>13,506,284</u>
Total Liabilities and Fund Balances	<u>\$ 5,327,260</u>	<u>\$ 328,455</u>	<u>\$ 8,961,909</u>	<u>\$ 154,958</u>	

Amounts reported for governmental activities in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$58,248,051 and the accumulated depreciation is \$9,666,745. 48,581,306

The District has financed capital assets through the issuance of serial bonds, loans and long term-lease obligations. The interest accrual at year end is: (599,699)

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. Long-term liabilities at year end consist of:

Bonds Payable	\$ 46,567,000
Loans Payable	381,996
Deferred charge for Issuance Costs	(96,328)
Compensated Absences	916,268
	<u>(47,768,936)</u>

Net Assets of Governmental Activities (Exhibit A-1) \$ 13,718,955

**GLEN ROCK PUBLIC SCHOOLS  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 39,248,529			\$ 2,157,981	\$ 41,406,510
Miscellaneous	243,404	\$ 4,000	\$ 148,644	-	396,048
Total - Local Sources	<u>39,491,933</u>	<u>4,000</u>	<u>148,644</u>	<u>2,157,981</u>	<u>41,802,558</u>
State Sources	3,200,097	163,911		670,441	4,034,449
Federal Sources	-	910,727	-	-	910,727
Total Revenues	<u>42,692,030</u>	<u>1,078,638</u>	<u>148,644</u>	<u>2,828,422</u>	<u>46,747,734</u>
<b>EXPENDITURES</b>					
Current					
Regular Instruction	17,397,834	19,168			17,417,002
Special Education Instruction	5,486,555	750,993			6,237,548
Other Instruction	697,574	61,769			759,343
School Sponsored Activities and Athletics	829,393				829,393
Support Services and Undistributed Costs					
Student and Instructional Related Services	4,512,267	246,708			4,758,975
Health Services	555,542				555,542
Attendance and Social Work	71,380				71,380
Educational Media/School Library	841,583				841,583
General Administrative Services	1,120,170				1,120,170
School Administrative Services	3,069,102				3,069,102
Plant Operations and Maintenance	4,295,719				4,295,719
Pupil Transportation	912,343				912,343
Central Services	1,286,189				1,286,189
Debt Service					
Principal				1,208,898	1,208,898
Interest and Other Charges				2,114,519	2,114,519
Capital Outlay	163,305	-	15,630,542	-	15,793,847
Total Expenditures	<u>41,238,956</u>	<u>1,078,638</u>	<u>15,630,542</u>	<u>3,323,417</u>	<u>61,271,553</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>1,453,074</u>	<u>-</u>	<u>(15,481,898)</u>	<u>(494,995)</u>	<u>(14,523,819)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In				643,644	643,644
Transfers Out	-	-	(643,644)	-	(643,644)
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>(643,644)</u>	<u>643,644</u>	<u>-</u>
Net Change in Fund Balances	1,453,074	-	(16,125,542)	148,649	(14,523,819)
Fund Balance, Beginning of Year	3,533,116	-	24,490,678	6,309	28,030,103
Fund Balance, End of Year	<u>\$ 4,986,190</u>	<u>\$ -</u>	<u>\$ 8,365,136</u>	<u>\$ 154,958</u>	<u>\$ 13,506,284</u>

The accompanying Notes to the Basic Financial Statements are an Integral Part of this Statement.

**GLEN ROCK PUBLIC SCHOOLS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Total net change in fund balances - governmental funds (Exhibit B-2)** **\$ (14,523,819)**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlay exceeds depreciation over donated assets in the current period.

Donated Assets	\$	23,977	
Capital Outlay		15,793,847	
Depreciation Expense		<u>(383,728)</u>	
			15,434,096

In the statement of activities, certain operating expenses - compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Compensated Absences, Net	19,867
---------------------------	--------

The issuance of long-term debt (e.g. bonds, loans, and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net assets.

Reduction on Long-Term Debt	1,208,898
-----------------------------	-----------

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

The details are as follows:

Decrease in Accrued Interest		98,424	
Amortization of Deferred Charge on Issuance Costs		<u>(4,587)</u>	

**Change in net assets of governmental activities (Exhibit A-2)** **\$ 2,232,879**

**GLEN ROCK PUBLIC SCHOOLS  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 AS OF JUNE 30, 2011**

<b>ASSETS</b>	<b>Food Service</b>	<b>Community School</b>	<b>Business-Type Activities Enterprise Fund Totals</b>
Current Assets:			
Cash and Cash Equivalents	\$ 76,863	\$ 1,661,970	\$ 1,738,833
Inventory	3,175	-	3,175
	<u>80,038</u>	<u>1,661,970</u>	<u>1,742,008</u>
Total Current Assets			
Non-Current Assets			
Equipment	176,264		176,264
Less: Accumulated Depreciation	(130,938)	-	(130,938)
	<u>45,326</u>	<u>-</u>	<u>45,326</u>
Total Non-Current Assets			
	<u>125,364</u>	<u>1,661,970</u>	<u>1,787,334</u>
Total Assets			
<b>LIABILITIES</b>			
Current Liabilities			
Due to Other Funds		955,492	955,492
Accounts Payable	27,539	4,907	32,446
Unearned Revenue	-	223,371	223,371
	<u>27,539</u>	<u>1,183,770</u>	<u>1,211,309</u>
Total Current Liabilities			
<b>NET ASSETS</b>			
Invested in Capital Assets	45,326		45,326
Unrestricted	52,499	478,200	530,699
	<u>97,825</u>	<u>478,200</u>	<u>576,025</u>
Total Net Assets	<u>\$ 97,825</u>	<u>\$ 478,200</u>	<u>\$ 576,025</u>

The accompanying Notes to the Basic Financial Statements are an Integral Part of this Statement.

**GLEN ROCK PUBLIC SCHOOLS  
 PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET ASSETS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Food Service</u>	<u>Community School</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
<b>OPERATING REVENUES</b>			
Tuition/Fees		\$ 1,127,350	\$ 1,127,350
Trips		88,127	88,127
Daily Sales	\$ 530,605	-	530,605
 Total Operating Revenues	 <u>530,605</u>	 <u>1,215,477</u>	 <u>1,746,082</u>
<b>OPERATING EXPENSES</b>			
Salaries, Benefits and Payroll Taxes	235,147	978,220	1,213,367
Cost of Sales	225,044		225,044
Trips		86,186	86,186
Purchased Services	39,450	75,749	115,199
Equipment Rental		11,454	11,454
Supplies and Materials	20,654	100,459	121,113
Depreciation Expense	4,951	-	4,951
 Total Operating Expenses	 <u>525,246</u>	 <u>1,252,068</u>	 <u>1,777,314</u>
 Operating Income (Loss)	 5,359	 (36,591)	 (31,232)
<b>NONOPERATING REVENUES</b>			
Interest and Investment Revenue	-	157	157
 Total Non Operating Revenues	 -	 157	 157
 Change in Net Assets	 <u>5,359</u>	 <u>(36,434)</u>	 <u>(31,075)</u>
 Net Assets, Beginning of Year	 <u>92,466</u>	 <u>514,634</u>	 <u>607,100</u>
 Net Assets, End of Year	 <u>\$ 97,825</u>	 <u>\$ 478,200</u>	 <u>\$ 576,025</u>

The accompanying Notes to the Basic Financial Statements are an Integral Part of this Statement.

**GLEN ROCK PUBLIC SCHOOLS  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Food Service</u>	<u>Community School</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	\$ 530,606	\$ 2,284,319	\$ 2,814,925
Payments for Employees	(235,147)	(978,220)	(1,213,367)
Payments to Suppliers	<u>(298,212)</u>	<u>(454,938)</u>	<u>(753,150)</u>
Net Cash Provided By (Used For) Operating Activities	<u>(2,753)</u>	<u>851,161</u>	<u>848,408</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on Investments	<u>-</u>	<u>157</u>	<u>157</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,753)	851,318	848,565
Cash and Cash Equivalents, Beginning of Year	<u>79,616</u>	<u>810,652</u>	<u>890,268</u>
Cash and Cash Equivalents, End of Year	<u>\$ 76,863</u>	<u>\$ 1,661,970</u>	<u>\$ 1,738,833</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH    PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>			
Operating Income/(Loss)	\$ 5,359	\$ (36,591)	\$ (31,232)
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used For) Operating Activities			
Depreciation	4,951		4,951
(Increase) Decrease in Inventories	(1,072)		(1,072)
Increase (Decrease) in Interfund Payable		934,123	934,123
Increase (Decrease) in Unearned Revenue		(50,051)	(50,051)
Increase (Decrease) in Accounts Payable	<u>(11,991)</u>	<u>3,680</u>	<u>(8,311)</u>
Total Adjustments	<u>(8,112)</u>	<u>887,752</u>	<u>879,640</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ (2,753)</u>	<u>\$ 851,161</u>	<u>\$ 848,408</u>

The accompanying Notes to the Basic Financial Statements are an Integral Part of this Statement.

**GLEN ROCK PUBLIC SCHOOLS  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
AS OF JUNE 30, 2011**

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Trust Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 500,753	\$ 150,087	\$ 470,153
Due From Other Funds	<u>50,382</u>	<u>-</u>	<u>-</u>
Total Assets	<u>551,135</u>	<u>150,087</u>	<u>470,153</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings			178,462
Intergovernmental Payable	6,144		
Due to Other Funds			50,382
Due to Student Groups	<u>-</u>	<u>-</u>	<u>241,309</u>
Total Liabilities	<u>6,144</u>	<u>-</u>	<u>\$ 470,153</u>
<b>NET ASSETS</b>			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 544,991</u>	<u>\$ 150,087</u>	

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

**GLEN ROCK PUBLIC SCHOOLS  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Trust Funds</u>
<b>ADDITIONS</b>		
Contributions		
Employee	\$ 36,311	
Board Contributions	314,000	
Investment Earnings		
Interest	-	\$ 180
Total Additions	<u>350,311</u>	<u>180</u>
<b>DEDUCTIONS</b>		
Scholarship Awards		6,000
Unemployment Compensation Claims	<u>136,796</u>	<u>-</u>
Total Deductions	<u>136,796</u>	<u>6,000</u>
Change in Net Assets	213,515	(5,820)
Net Assets, Beginning of Year	<u>331,476</u>	<u>155,907</u>
Net Assets, End of Year	<u>\$ 544,991</u>	<u>\$ 150,087</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Glen Rock Public Schools (the "Board" or the "District") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine 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. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Glen Rock Public Schools this includes general operations, food service, community school, before and after school child care and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

**B. Basic Financial Statements**

The basic financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements. Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities.

The district-wide financial statements report information on all of the nonfiduciary activities of the Board of Education. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basic Financial Statements (Continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The District considers all of its governmental and enterprise funds to be major funds.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets and all liabilities associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Assets. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due.

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. All other revenue items are considered to be measurable and available only when cash is received by the District.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal and state financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of major capital facilities and other capital assets.

The *debt service fund* accounts for the accumulation of resources for and the payment of principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary funds which are organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

The *community school fund* accounts for the activities of the District's adult evening school, before and after school child care, "Tots" Program and Kindergarten Plus.

Additionally, the government reports the following fund type:

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, for private donations for scholarship awards, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the district-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Board has elected not to follow private-sector guidance issued subsequent to December 1, 1989.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, investment earnings and miscellaneous revenues.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund, and the community school enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. Assets, Liabilities and Net Assets or Equity**

**1. *Deposits and Investments***

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

**2. *Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

*Tuition Revenues* - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

*Tuition Expenditures* - Tuition charges for the fiscal years 2009-2010 and 2010-2011 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenue is recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred revenues. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1<sup>st</sup> in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

**GLEN ROCK PUBLIC SCHOOLS  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Assets or Equity (Continued)**

**3. Inventories**

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

**4. Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$500, if purchased prior to July 1, 2001 or \$2,000 if purchased after July 1, 2001 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings & Building Improvements	20-50
Machinery and Equipment	10

**5. Compensated Absences**

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Assets or Equity (Continued)**

**6. *Long-term obligations***

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond issuance costs, are deferred and amortized over the life of the bonds using the straight line method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

**7. *Fund Equity***

Beginning with 2010/11 fiscal year, the District implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

**Restricted Fund Balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

*Reserved Excess Surplus – Designated for Subsequent Year's Expenditures* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2010 audited excess surplus that was appropriated in the 2011/2012 original budget certified for taxes.

*Reserved Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2011 audited excess surplus that is required to be appropriated in the 2012/2013 original budget certified for taxes.

*Capital Reserve* – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2.)

*Emergency Reserve* – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Assets or Equity (Continued)**

**7. Fund Equity (Continued)**

Capital Projects – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

Debt Service – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Year-End Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Unassigned Fund Balance – Represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund.

**8. Reclassifications**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

In accordance with the requirements of the New Jersey Department of Education ("the Department"), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent and is voted upon at the annual school election on the third Tuesday in April. Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account 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. The Board approved several budget transfers during 2010/2011. During 2010/2011 the Board increased the original budget by \$1,159,646. The increase was funded by additional grant awards and the reappropriation of prior year general fund encumbrances.

**GLEN ROCK PUBLIC SCHOOLS  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgetary Information (Continued)**

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. 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 committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

**B. Excess Expenditures Over Appropriations**

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
General Administration – Salaries	\$371,069	\$418,074	\$47,005
General Administration-Other Purch.			
Prof. Svcs.	10,274	11,476	1,202
Unallocated Employee Benefits –			
Other Ret. Contributions	548,612	551,622	3,010

The above variances were caused by audit adjustments and were offset with other available resources.

**C. Capital Reserve**

A capital reserve account was established by the District on October 16, 2001. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, 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. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**GLEN ROCK PUBLIC SCHOOLS  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**C. Capital Reserve (Continued)**

The activity of the capital reserve for the fiscal year ended June 30, 2011 is as follows:

Balance, July 1, 2010		\$ 1,242,070
Increases		
Interest Earnings	\$ 582	
Deposits Approved by Board Resolution	<u>900,000</u>	
		<u>900,582</u>
Balance, June 30, 2011		<u>\$ 2,142,652</u>

The June 30, 2011 LRFP balance of local support costs of uncompleted capital projects is \$30,224,465. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

**D. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved 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 in excess of 2% of budget expenditures 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 excess fund balance at June 30, 2011 is \$1,518,427. Of this amount, \$648,376 was designated and appropriated in the 2011/2012 original budget certified for taxes and the remaining amount of \$870,051 will be appropriated in the 2012/2013 original budget certified for taxes.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

**Deposits**

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

**GLEN ROCK PUBLIC SCHOOLS  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits and Investments (Continued)**

**Deposits (Continued)**

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2011, the book value of the Board's deposits was \$15,282,714 and bank balances of the Board's cash and deposits amounted to \$16,339,830. The Board's deposits which are displayed on the balance sheets and statement of net assets as "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	\$ 15,954,882
Uninsured and Collateralized	<u>384,948</u>
	<u>\$ 16,339,830</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2011 the Board's bank balance of \$384,948 was exposed to custodial credit risk as follows:

**Depository Account**

Uninsured and Collateralized	
Collateral held by pledging financial institution's trust department not in the Board's name	<u>\$ 384,948</u>

**Investments**

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2011, the Board had no outstanding investments.

**GLEN ROCK PUBLIC SCHOOLS  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits and Investments (Continued)**

**Investments (Continued)**

Investment and interest earnings in the Capital Projects Fund are assigned to the Debt Service Fund in accordance with Board policy.

**B. Receivables**

Receivables as of June 30, 2011 for the district's individual major funds including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Receivables:			
Intergovernmental	\$ 529,021	\$ 328,455	\$ 857,476
Gross Receivables	529,021	328,455	857,476
Less: Allowance for Uncollectibles	<u>          -</u>	<u>          -</u>	<u>          -</u>
Net Total Receivables	<u>\$ 529,021</u>	<u>\$ 328,455</u>	<u>\$ 857,476</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

Special Revenue Fund	<u>Unearned</u>
Unencumbered grant draw downs	<u>\$44,742</u>
Total deferred revenue for governmental funds	<u>\$44,742</u>

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

	<u>Balance</u> <u>July 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2011</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 12,022			\$ 12,022
Construction in Progress	20,742,233	\$ 15,630,542	-	36,372,775
<b>Total capital assets, not being depreciated</b>	<u>20,754,255</u>	<u>15,630,542</u>	<u>-</u>	<u>36,384,797</u>
Capital assets, being depreciated:				
Land Improvements	711,600	17,250		728,850
Buildings and Building Improvements	18,025,580	3,083		18,028,663
Machinery and Equipment	2,951,792	166,949	\$ (13,000)	3,105,741
<b>Total capital assets being depreciated</b>	<u>21,688,972</u>	<u>187,282</u>	<u>(13,000)</u>	<u>21,863,254</u>
Less accumulated depreciation for:				
Land Improvements	(711,600)			(711,600)
Buildings and Building Improvements	(6,015,782)	(327,955)		(6,343,737)
Machinery and Equipment	(2,568,635)	(55,773)	13,000	(2,611,408)
<b>Total accumulated depreciation</b>	<u>(9,296,017)</u>	<u>(383,728)</u>	<u>13,000</u>	<u>(9,666,745)</u>
<b>Total capital assets, being depreciated, net</b>	<u>12,392,955</u>	<u>(196,446)</u>	<u>-</u>	<u>12,196,509</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 33,147,210</u>	<u>\$ 15,434,096</u>	<u>\$ -</u>	<u>\$ 48,581,306</u>
<b>Business-type activities:</b>				
Capital assets, being depreciated:				
Machinery and Equipment	\$ 176,264	-	-	\$ 176,264
Less accumulated depreciation for:				
Machinery and Equipment	(125,987)	\$ (4,951)	-	(130,938)
<b>Business-type activities capital assets, net</b>	<u>\$ 50,277</u>	<u>\$ (4,951)</u>	<u>\$ -</u>	<u>\$ 45,326</u>

**GLEN ROCK PUBLIC SCHOOLS  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Capital Assets (Continued)**

Depreciation expense was charged to functions/programs of the primary government as follows:

**Governmental activities:**

Instruction

Regular	\$ 186,660
Special	34,435
Other Instruction	8,120
School-Sponsored Activities and Athletics	<u>7,990</u>

Total Instruction	<u>237,205</u>
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Support Services

Student and Instructional Related Services	44,939
Attendance and Social Work	822
Health Services	5,293
Educational Media School Library	9,191
School Administrative Services	34,614
General Administrative Services	6,640
Central Services	12,855
Operations and Maintenance of Plant	31,749
Transportation	<u>420</u>

Total Support Services	<u>146,523</u>
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Total Depreciation Expense - Governmental Activities	<u>\$ 383,728</u>
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**Business-Type Activities**

Food Service Fund	<u>\$ 4,951</u>
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**GLEN ROCK PUBLIC SCHOOLS  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Capital Assets (Continued)**

**Construction commitments**

The District has the following active construction projects as of June 30, 2011:

<u>Project</u>	<u>Spent to Date</u>	<u>Transferred to Debt Service</u>	<u>Remaining Commitment</u>
Additions, Renovations and Alterations at the Glen Rock Schools	<u>\$ 36,482,864</u>	<u>\$ 495,000</u>	<u>\$ 8,365,491</u>

**D. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2011, is as follows:

**Due to/from other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue	\$ 228,308
General Fund	Capital Projects	159,774
General Fund	Community School	955,492
Debt Service Fund	Capital Projects	148,644
Unemployment Fund	Agency Fund	<u>50,382</u>
Total		<u>\$ 1,542,600</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

**GLEN ROCK PUBLIC SCHOOLS  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Interfund Receivables, Payables, and Transfers (Continued)**

**Interfund transfers**

	<u>Transfer In:</u>	
	<u>Debt Service Fund</u>	<u>Total</u>
Transfer Out:		
Capital Projects	<u>\$ 643,644</u>	<u>\$ 643,644</u>

The above transfers are the result of revenues earned in one fund to finance expenditures in another fund.

**E. Long-Term Debt**

**General Obligation Bonds**

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2011 are comprised of the following issues:

\$3,469,000, 2002 Improvement Bonds, due in annual installments of \$284,000 to \$290,000 through April 2018, interest at 3.30% to 4.00%	<u>\$2,024,000</u>
\$45,343,000, 2008 Improvement Bonds, due in annual installments of \$845,000 to \$3,163,000 through September 2033, interest at 4.25% to 4.75%	<u>44,543,000</u>
	<u>\$46,567,000</u>

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Long-Term Debt (Continued)**

**Intergovernmental Loan Payable**

The Board has entered into loan agreements with the New Jersey Economic Development Agency to provide funds for the acquisition and construction of major capital facilities.

Loans payable at June 30, 2011 are comprised of the following:

\$479,510, Safe Program Loan due in annual installments of \$25,327 through July, 2013 interest at 1.5%	\$ 75,715
\$1,438,530 Small Project Loan due in annual Installments of \$97,688 to \$106,574 through July, 2013 interest at 5.288%	<u>306,281</u>
	<u>\$381,996</u>

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

**Governmental Activities:**

Year Ending June 30,	<u>Serial Bonds</u>		<u>Intergovernmental Loan</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2012	\$ 1,135,000	\$ 2,049,995	\$ 122,928	\$ 14,559	\$ 3,322,482
2013	1,185,000	2,003,450	127,256	5,900	3,321,606
2014	1,240,000	1,954,384	131,812	3,007	3,329,203
2015	1,295,000	1,902,690			3,197,690
2016	1,350,000	1,848,296			3,198,296
2017-2021	8,129,000	8,273,307			16,402,307
2022-2026	10,345,000	6,279,225			16,624,225
2027-2031	12,790,000	3,691,047			16,481,047
2032-2034	<u>9,098,000</u>	<u>660,487</u>	<u>-</u>	<u>-</u>	<u>9,758,487</u>
	<u>\$ 46,567,000</u>	<u>\$ 28,662,881</u>	<u>\$ 381,996</u>	<u>\$ 23,466</u>	<u>\$ 75,635,343</u>

**GLEN ROCK PUBLIC SCHOOLS  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Long-Term Debt (Continued)**

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2011 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 103,422,137
Less: Net Debt	<u>46,949,351</u>
Remaining Borrowing Power	<u>\$ 56,472,786</u>

**Changes in long-term liabilities**

Long-term liability activity for the fiscal year ended June 30, 2011, was as follows:

	<u>Balance,</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>June 30, 2011</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
<b>Governmental activities:</b>					
Bonds Payable	\$ 47,657,000		\$ 1,090,000	\$ 46,567,000	\$ 1,135,000
Intergovernmental Loans	500,894		118,898	381,996	122,928
Compensated Absences	<u>936,135</u>	<u>\$ 220,650</u>	<u>240,517</u>	<u>916,268</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 49,094,029</u>	<u>\$ 220,650</u>	<u>\$ 1,449,415</u>	<u>\$ 47,865,264</u>	<u>\$ 1,257,928</u>

Compensated absences are generally liquidated by the general fund.

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

**GLEN ROCK PUBLIC SCHOOLS  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG) . The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims, property, general liability, automobile coverage, theft of damage to and destruction of assets; errors and omissions, injuries to employees' student accident; termination of employees and natural disasters.

The relationship between the Board and the insurance fund is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the fund, to report claims on a timely basis, cooperate with the management of the fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the fund. Members have a contractual obligation to fund any deficit of the fund attributable to a membership year during which they were a member.

NESBIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

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, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's fiduciary trust fund for the current and previous two years:

<u>Year Ended</u> <u>June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2011	\$ 314,000	\$ 36,311	\$ 136,796	\$ 544,991
2010	150,000	38,430	74,486	331,476
2009	None	38,200	63,756	217,532

**B. Contingent Liabilities**

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

**B. Contingent Liabilities (Continued)**

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2011, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. There was an arbitrage calculation performed in 2009; estimated earnings due to the IRS in the amount of \$28,719 were remitted in 2010. An updated arbitrage calculation has not been performed to determine if any additional earnings are due back to the IRS.

**D. Employee Retirement Systems and Pension Plans**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all eligible Board employees:

**Public Employees' Retirement System (PERS)** – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

**Teachers' Pension and Annuity Fund (TPAF)** – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Other Pension Funds**

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for the system.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

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 accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Basis of Accounting**

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

**Investment Valuation**

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Significant Legislation**

P.L. 2010, c. 1, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, and employer contributions to the retirement system.

This new legislation changed the membership eligibility criteria for new members of TPAF and PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of TPAF and PERS to 1/60 from 1/55, and it provided that new members of TPAF and PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of TPAF and PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the prosecutor's part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time five years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7<sup>th</sup> of the required amount, beginning in Fiscal Year 2012.

P.L. 2010, c.3, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the TPAF and PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

**Funding Status and Funding Progress**

As of June 30, 2009, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 66.0 percent with an unfunded actuarial accrued liability of \$45.8 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 62.0 percent and \$30.7 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 72.1 percent and \$15.1 billion.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual limitations on the pattern of cost sharing between the employer and members in the future.

**GLEN ROCK PUBLIC SCHOOLS  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Actuarial Methods and Assumptions**

In the June 30, 2009 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for the retirement systems and (2) 5.45 percent for projected salary increases for the PERS and 5.74 percent for TPAF.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 5.5% for PERS, 5.5% for TPAF of the employee's annual compensation.

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2011 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

During the years ended June 30, 2011, 2010 and 2009 the Board was required to contribute for PERS and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

<u>Year Ended</u> <u>June 30,</u>	<u>PERS</u>	<u>On-behalf</u> <u>TPAF</u>
2011	\$ 551,622	\$ 53,036
2010	474,407	59,343
2009	415,477	58,096

During the last three fiscal years the State of New Jersey did not contribute to the TPAF for normal cost and accrued liability. The State contributed \$53,036, \$59,343 and \$58,096 during 2010/2011, 2009/2010 and 2008/2009, respectively, for the NCGI premium only.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,314,644 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are cost sharing multiple employer defined benefit plans.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 514 state and local participating employers and contributing entities for Fiscal Year 2010.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

**Health Benefits Program Fund (HBPF) – Local Education** (including Prescription Drug Program Fund) – The State of New Jersey provides free coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides free coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Basis of Accounting**

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

**Significant Legislation**

P.L. 2010, c.2 effective May 21, 2010, makes changes to the SHBP-State/Local Government/Local Education concerning eligibility, cost sharing, choice of a plan, the application of benefit changes, the waiver of coverage, and multiple coverage under such plans. It also requires contributions toward the cost of health care benefits coverage by public employees and certain retirees.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

**Funded Status and Funding Progress**

As of June 30, 2009, the most recent actuarial valuation date, the State had a \$56.8 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$20.5 billion for state active and retired members and \$36.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the June 30, 2009, actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

**Post-Retirement Medical Benefits Contributions**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2010, there were 87,288 retirees receiving post-retirement medical benefits and the State contributed \$883.8 million on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2010.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Post-Retirement Medical Benefits Contributions (Continued)**

The State sets the contribution rate based on a pay as you go basis and not on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2011, 2010 and 2009 were \$1,126,489, \$1,114,543 and \$1,108,317, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**BUDGETARY COMPARISON SCHEDULES**

**GLEN ROCK PUBLIC SCHOOLS  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 39,248,529		\$ 39,248,529	\$ 39,248,529	
Miscellaneous	295,775	-	295,775	230,852	\$ (64,923)
Total Revenues - Local Sources	<u>39,544,304</u>	<u>-</u>	<u>39,544,304</u>	<u>39,479,381</u>	<u>(64,923)</u>
State Sources					
Extraordinary Aid	196,617	-	196,617	630,629	434,012
TPAF Wage Freeze		-		25,105	25,105
On Behalf TPAF Pension System Contributions- (Non-Budgeted)- NCGI Premium				53,036	53,036
(Non-Budgeted)-Post Retirement Medical Contribution				1,126,489	1,126,489
Reimbursed TPAF Social Security Contributions- (Non-Budgeted)	-	-	-	1,314,664	1,314,664
Total State Sources	<u>196,617</u>	<u>-</u>	<u>196,617</u>	<u>3,149,923</u>	<u>2,953,306</u>
Total Revenues	<u>39,740,921</u>	<u>-</u>	<u>39,740,921</u>	<u>42,629,304</u>	<u>2,888,383</u>
<b>CURRENT EXPENDITURES</b>					
Instruction - Regular Programs					
Salaries of Teachers:					
Kindergarten	332,644	\$ 4,121	336,765	336,081	684
Grades 1 - 5	3,970,466	31,684	4,002,150	3,948,661	53,489
Grades 6 - 8	3,481,445	(69,107)	3,412,338	3,344,108	68,230
Grades 9 - 12	4,130,846	42,435	4,173,281	4,123,782	49,499
Home Instruction:					
Salaries of Teachers	7,500	-	7,500		7,500
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	16,350	(5,400)	10,950	4,221	6,729
Purchased Technical Services	82,511	(64,511)	18,000	17,144	856
Other Purchased Services	149,382	15,393	164,775	156,356	8,419
General Supplies	660,306	364,451	1,024,757	855,388	169,369
Textbooks	122,303	66,769	189,072	123,969	65,103
Miscellaneous Expenditures	30,590	2,525	33,115	25,006	8,109
Total Instruction Regular Programs	<u>12,984,343</u>	<u>388,360</u>	<u>13,372,703</u>	<u>12,934,716</u>	<u>437,987</u>
Special Education					
Learning/Language Disabilities					
Salaries of Teachers	355,994	(139,614)	216,380	216,380	-
Other Salaries for Instruction	126,943	(18,869)	108,074	103,313	4,761
General Supplies	1,250	(750)	500	445	55
Total Learning/Language Disabilities	<u>484,187</u>	<u>(159,233)</u>	<u>324,954</u>	<u>320,138</u>	<u>4,816</u>

**GLEN ROCK PUBLIC SCHOOLS  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Special Education (Continued)					
Resource Room/Resource Center					
Salaries of Teachers	\$ 1,705,715	\$ 17,224	\$ 1,722,939	\$ 1,708,210	\$ 14,729
General Supplies	12,250	1,166	13,416	8,300	5,116
Textbooks	4,350	(350)	4,000	168	3,832
Other Objects	1,500	-	1,500	390	1,110
Total Resource Room/Resource Center	<u>1,723,815</u>	<u>18,040</u>	<u>1,741,855</u>	<u>1,717,068</u>	<u>24,787</u>
Preschool Disabilities - Part Time					
Salaries of Teachers	79,154	(1,698)	77,456	77,456	
Other Salaries for Instruction	21,557	18,138	39,695	39,695	-
General Supplies	1,300	300	1,600	-	1,600
Total Preschool Disabilities	<u>102,011</u>	<u>16,740</u>	<u>118,751</u>	<u>117,151</u>	<u>1,600</u>
Home Instruction					
Salaries of Teachers	38,500	(11,791)	26,709	23,050	3,659
Purchased Professional-Educational Services	436,000	(43,063)	392,937	335,495	57,442
Total Home Instruction	<u>474,500</u>	<u>(54,854)</u>	<u>419,646</u>	<u>358,545</u>	<u>61,101</u>
Total Special Education	<u>2,784,513</u>	<u>(179,307)</u>	<u>2,605,206</u>	<u>2,512,902</u>	<u>92,304</u>
Basic Skills/Remedial					
Salaries of Teachers	309,581	(64,433)	245,148	212,139	33,009
General Supplies	3,385	-	3,385	1,300	2,085
Total Basic Skills/Remedial	<u>312,966</u>	<u>(64,433)</u>	<u>248,533</u>	<u>213,439</u>	<u>35,094</u>
Bilingual Education					
Salaries of Teachers	332,268	(32,175)	300,093	299,114	979
Other Purchased Services	700	5,600	6,300	2,673	3,627
General Supplies	5,600	(5,600)			-
Other Objects	750	-	750	130	620
Total Bilingual Education	<u>339,318</u>	<u>(32,175)</u>	<u>307,143</u>	<u>301,917</u>	<u>5,226</u>
School Sponsored Co-Curricular Activities					
Salaries	84,318	40,241	124,559	123,277	1,282
Supplies and Materials	43,190	(11,274)	31,916	31,293	623
Other Objects	-	300	300	300	-
Total School-Sponsored Co-Curricular Activities	<u>127,508</u>	<u>29,267</u>	<u>156,775</u>	<u>154,870</u>	<u>1,905</u>
School Sponsored Athletics					
Salaries	342,288	37,877	380,165	379,815	350
Purchased Services	103,143	3,181	106,324	105,542	782
Supplies and Materials	25,700	(13,034)	12,666	10,564	2,102
Other Objects	3,200	(2,486)	714	187	527
Total School Sponsored Athletics	<u>474,331</u>	<u>25,538</u>	<u>499,869</u>	<u>496,108</u>	<u>3,761</u>
Total Instruction	<u>17,022,979</u>	<u>167,250</u>	<u>17,190,229</u>	<u>16,613,952</u>	<u>576,277</u>

(Continued)

**GLEN ROCK PUBLIC SCHOOLS  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures					
Instruction					
Tuition to County Vocational School District - Regular	\$ 309,650	\$ (41,900)	\$ 267,750	\$ 265,300	\$ 2,450
Tuition to County Vocational School District - Special		58,775	58,775	58,775	
Tuition to Other LEAs - Within State - Regular		9,006	9,006	9,006	
Tuition to Other LEAs - Within State - Special	595,939	91,509	687,448	687,448	
Tuition to Private Schools for the Disabled - Within State	963,828	27,536	991,364	930,245	61,119
Tuition to County Sp Service and Regional Day School	237,325	65,498	302,823	302,823	
Tuition - Other	387,980	(157,131)	230,849	221,618	9,231
<b>Total Instruction</b>	<u>2,494,722</u>	<u>53,293</u>	<u>2,548,015</u>	<u>2,475,215</u>	<u>72,800</u>
Attendance and Social Work					
Salaries	51,514	213	51,727	51,727	-
Other Purchased Services	400	-	400	400	
Supplies and Materials	2,500	-	2,500	908	1,592
Other Objects	200	-	200	-	200
<b>Total Attendance and Social Work</b>	<u>54,614</u>	<u>213</u>	<u>54,827</u>	<u>53,035</u>	<u>1,792</u>
Health Services					
Salaries	398,002	(34,412)	363,590	333,246	30,344
Purchased Professional and Technical Services	99,750	-	99,750	77,255	22,495
Other Purchased Services	325	-	325	300	25
Supplies and Materials	11,960	17,280	29,240	26,220	3,020
Other Objects	850	-	850	339	511
<b>Total Health Services</b>	<u>510,887</u>	<u>(17,132)</u>	<u>493,755</u>	<u>437,360</u>	<u>56,395</u>
Speech, OT/PT and Related Services					
Salaries	410,129	67,218	477,347	418,181	59,166
Purchased Professional/Educational Services	333,617	40,400	374,017	311,528	62,489
Supplies and Materials	11,000	-	11,000	9,285	1,715
Other Objects	3,000	-	3,000	-	3,000
<b>Total Speech OT/PT and Related Services</b>	<u>757,746</u>	<u>107,618</u>	<u>865,364</u>	<u>738,994</u>	<u>126,370</u>
Other Supp. Svcs.-Extraord. Serv.					
Salaries	771,065	(52,510)	718,555	676,917	41,638
Purchased Professional-Educational Services	147,500	(20,990)	126,510	100,410	26,100
Supplies and Materials	20,750	(2,000)	18,750	12,328	6,422
<b>Total Other Support/Extraordinary Services</b>	<u>939,315</u>	<u>(75,500)</u>	<u>863,815</u>	<u>789,655</u>	<u>74,160</u>
Guidance					
Salaries of Other Professional Staff	754,774	(119,854)	634,920	629,490	5,430
Salaries of Secretarial and Clerical Assistants	81,460	10,656	92,116	91,889	227
Purchased Professional-Educational Services	44,000	(12)	43,988	43,918	70
Other Purchased Professional/Technical Services	14,000	(70)	13,930	11,232	2,698
Other Purchased Services	10,000	(985)	9,015	8,274	741
Supplies and Materials	22,000	399	22,399	17,311	5,088
Other Objects	2,500	(250)	2,250	1,610	640
<b>Total Guidance</b>	<u>928,734</u>	<u>(110,116)</u>	<u>818,618</u>	<u>803,724</u>	<u>14,894</u>

**GLEN ROCK PUBLIC SCHOOLS  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures					
Child Study Team					
Salaries of Other Professional Staff	\$ 735,828	\$ 89,463	\$ 825,291	\$ 705,293	\$ 119,998
Salaries of Secretarial and Clerical Assistants	106,733	(2,125)	104,608	104,608	-
Other Salaries	27,500	5,538	33,038	33,038	-
Other Purchased Professional and Technical Services	97,650	(1,504)	96,146	63,027	33,119
Other Purchased Services	11,075	619	11,694	9,199	2,495
Supplies and Materials	19,000	2,000	21,000	17,911	3,089
Other Objects	6,400	-	6,400	1,770	4,630
Total Child Study Team	<u>1,004,186</u>	<u>93,991</u>	<u>1,098,177</u>	<u>934,846</u>	<u>163,331</u>
Improvement of Instruction					
Salaries of Supervisors of Instruction	155,037	(149,590)	5,447	2,237	3,210
Salaries of Secretarial Staff	63,415	(962)	62,453	62,203	250
Other Salaries	35,600	(750)	34,850	27,557	7,293
Other Purchased Professional and Technical Services	4,000	(3,650)	350	350	-
Other Purchased Services	7,000	-	7,000	2,460	4,540
Supplies and Materials	8,200	(2,004)	6,196	3,944	2,252
Other Objects	26,000	(2,494)	23,506	23,506	-
Total Improvement of Instruction	<u>299,252</u>	<u>(159,450)</u>	<u>139,802</u>	<u>122,257</u>	<u>17,545</u>
Educational Media Services/ School Library					
Salaries	598,372	(1,688)	596,684	578,719	17,965
Other Purchased Services	6,200	348	6,548	4,486	2,062
Supplies and Materials	75,702	(2,594)	73,108	52,114	20,994
Total Educational Media Services/ School Library	<u>680,274</u>	<u>(3,934)</u>	<u>676,340</u>	<u>635,319</u>	<u>41,021</u>
Instructional Staff Training Services					
Salaries of Other Professional Staff	78,076	-	78,076	75,988	2,088
Other Salaries	3,000	946	3,946	2,056	1,890
Purchased Professional Educational Services	31,400	(24,400)	7,000	5,914	1,086
Other Purchased Professional and Technical Services	5,000	15,005	20,005	20,005	-
Other Purchased Services	46,535	(16,735)	29,800	7,981	21,819
Supplies and Materials	1,000	(226)	774	262	512
Other Objects	1,500	750	2,250	2,125	125
Total Instructional Staff Training Services	<u>166,511</u>	<u>(24,660)</u>	<u>141,851</u>	<u>114,331</u>	<u>27,520</u>
Support Services General Administration					
Salaries	365,780	5,289	371,069	418,074	(47,005)
Legal Services	77,692	(9,907)	67,785	66,311	1,474
Audit Fees	44,200	32,805	77,005	49,005	28,000
Architectural/Engineering Services	5,000	22,075	27,075	16,500	10,575
Equipment Rental	6,500	3,774	10,274	11,476	(1,202)
Communications/Telephone	217,681	(208,781)	8,900	5,842	3,058
BOE Other Purchased Services	9,500	40,086	49,586	41,743	7,843
Other Purchased Services	54,385	179,167	233,552	232,882	670
Supplies and Materials	7,500	87	7,587	7,023	564
Miscellaneous Expenditures	43,580	(17,530)	26,050	22,090	3,960
BOE Membership Dues and Fees	26,050	10,693	36,743	29,482	7,261
Total Support Services General Administration	<u>857,868</u>	<u>57,758</u>	<u>915,626</u>	<u>900,428</u>	<u>15,198</u>

(Continued)

**GLEN ROCK PUBLIC SCHOOLS  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures					
Support Services School Administration					
Salaries of Principals and Assistant Principals	\$ 1,074,408	\$ (25,828)	\$ 1,048,580	\$ 1,048,580	-
Salaries of Other Professional Staff	295,797	277,514	573,311	573,311	
Salaries of Secretarial Staff	509,708	44,266	553,974	553,974	\$ -
Other Salaries	4,500	(327)	4,173	3,500	673
Purchased Professional and Technical Services	17,952	(6,837)	11,115	6,222	4,893
Other Purchased Services	50,775	(1,233)	49,542	41,938	7,604
Supplies and Materials	55,947	8,055	64,002	52,963	11,039
Other Objects	18,250	634	18,884	11,856	7,028
Total Support Services School Administration	2,027,337	296,244	2,323,581	2,292,344	31,237
Central Services					
Salaries	472,670	(4,575)	468,095	467,271	824
Purchased Technical Services	24,025	8,665	32,690	27,890	4,800
Miscellaneous Purchased Services	39,150	(3,025)	36,125	32,549	3,576
Supplies and Materials	12,500	3,247	15,747	11,019	4,728
Interest on Current Loans		-			
Miscellaneous Expenditures	2,525	1,265	3,790	3,398	392
Total Undistributed Expenditures - Central Services	550,870	5,577	556,447	542,127	14,320
Admin. Info. Tech.					
Salaries	349,647	(1,950)	347,697	342,141	5,556
Purchased Professional Services	77,352	(3,766)	73,586	61,725	11,861
Other Purchased Services	3,300	-	3,300	355	2,945
Supplies and Materials	4,500	2,880	7,380	7,198	182
Other Objects	1,600	300	1,900	1,878	22
Total Undistributed Expenditures - Admin. Info. Technology	436,399	(2,536)	433,863	413,297	20,566
Required Maintenance for School Facilities					
Salaries	418,436	(44,001)	374,435	371,672	2,763
Cleaning, Repair and Maintenance Services	86,950	19,458	106,408	78,527	27,881
General Supplies	47,750	(15,170)	32,580	24,381	8,199
Total Required Maint for School Facilities	553,136	(39,713)	513,423	474,580	38,843
Custodial Services					
Salaries	1,468,884	161,997	1,630,881	1,627,315	3,566
Purchased Professional and Technical Services	26,000	556	26,556	24,950	1,606
Cleaning, Repair and Maintenance Services	121,716	(14,641)	107,075	68,466	38,609
Rental of Land and Bldgs. Oth. Than Lease Purc. Agreement		1,527	1,527	1,264	263
Other Purchased Property Services	33,100	692	33,792	20,339	13,453
Insurance	236,965	(16,597)	220,368	220,368	-
Miscellaneous Purchased Services	15,000	15,921	30,921	28,531	2,390
General Supplies	222,040	(12,635)	209,405	203,161	6,244
Energy (Electricity)	453,302	435,924	889,226	669,085	220,141
Energy (Natural Gas)	331,526	(331,526)	-	-	-
Other Objects	13,000	(5,000)	8,000	6,204	1,796
Total Custodial Services	2,921,533	236,218	3,157,751	2,869,683	288,068

(Continued)

**GLEN ROCK PUBLIC SCHOOLS  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures					
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	\$ 116,000	\$ 4,711	\$ 120,711	\$ 114,911	\$ 5,800
General Supplies	15,000	(1,486)	13,514	12,098	1,416
Total Care and Upkeep of Grounds	<u>131,000</u>	<u>3,225</u>	<u>134,225</u>	<u>127,009</u>	<u>7,216</u>
Security					
Cleaning, Repair and Maintenance Services	9,000	-	9,000	7,564	1,436
Total Security	<u>9,000</u>	<u>-</u>	<u>9,000</u>	<u>7,564</u>	<u>1,436</u>
Student Transportation Services					
Salaries for Pupil Trans (Bet Home & Sch)-Sp. Ed.	19,517	18,279	37,796	26,457	11,339
Cleaning, Repair and Maintenance Services	2,800	(430)	2,370	872	1,498
Contr Serv(Bet Home &Sch)-Vend		162,966	162,966	152,394	10,572
Contr Serv(Oth. Than Bet Home &Sch)-Vend	164,200	727,548	891,748	717,311	174,437
Contr Serv(Sp. Ed. Stdts)-Joint Agrmnts	890,864	(890,864)			
Transportation Supplies	5,000	430	5,430	5,430	
Other Objects	8,400	(690)	7,710	3,591	4,119
Total Student Transportation Services	<u>1,090,781</u>	<u>17,239</u>	<u>1,108,020</u>	<u>906,055</u>	<u>201,965</u>
Unallocated Employee Benefits					
Social Security Contributions - Other	625,019	-	625,019	501,684	123,335
Other Retirement Contributions - Regular	499,043	49,569	548,612	551,622	(3,010)
Unemployment Compensation	314,000	-	314,000	314,000	-
Workmens Compensation	289,118	(56,468)	232,650	232,650	-
Health Benefits	4,985,625	(415,100)	4,570,525	4,473,509	97,016
Tuition Reimbursements	72,750	(34,428)	38,322	35,572	2,750
Other Employee Benefits	69,097	152,846	221,943	220,650	1,293
Total Unallocated Employee Benefits	<u>6,854,652</u>	<u>(303,581)</u>	<u>6,551,071</u>	<u>6,329,687</u>	<u>221,384</u>
On Behalf TPAF Pension System Contributions- (Non-Budgeted)- Normal Costs				53,036	(53,036)
Post Retirement and Medical Contribution				1,126,489	(1,126,489)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,314,664	(1,314,664)
Total TPAF Pension and Social Security Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,494,189</u>	<u>(2,494,189)</u>
Total Undistributed Expenditures	<u>23,268,817</u>	<u>134,754</u>	<u>23,403,571</u>	<u>24,461,699</u>	<u>(1,058,128)</u>
Interest Earned on Current Expense Emergency	250	-	250	-	250
Total Current Expenditures	<u>40,292,046</u>	<u>302,004</u>	<u>40,594,050</u>	<u>41,075,651</u>	<u>(481,601)</u>
<b>CAPITAL OUTLAY</b>					
Equipment					
Undistributed Expenditures					
Instruction		265,305	265,305	140,560	124,745
Other Supp. Serv. - Students		15,856	15,856	15,856	
Other Supp. Serv. - Related		2,567	2,567	2,567	
School Administration	-	4,322	4,322	4,322	-
Total Equipment	<u>-</u>	<u>288,050</u>	<u>288,050</u>	<u>163,305</u>	<u>124,745</u>

**GLEN ROCK PUBLIC SCHOOLS  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Facilities Acquisition and Construction Services Operation and Maintenance of Plant	-	\$ 3,127	\$ 3,127	-	\$ 3,127
Total Facilities Acquisition and Construction Services	-	3,127	3,127	-	3,127
Interest Deposit to Capital Reserve	\$ 525	-	525	-	525
	525	-	525	-	525
Total Expenditures - Capital Outlay	525	291,177	291,702	\$ 163,305	128,397
Total Expenditures - General Fund	40,292,571	593,181	40,885,752	41,238,956	(353,204)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(551,650)	(593,181)	(1,144,831)	1,390,348	2,535,179
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(551,650)	(593,181)	(1,144,831)	1,390,348	2,535,179
Fund Balance, Beginning of Year	4,226,471	-	4,226,471	4,226,471	-
Fund Balance, End of Year	\$ 3,674,821	\$ (593,181)	\$ 3,081,640	\$ 5,616,819	\$ 2,535,179
<b>Recapitulation of Fund Balance</b>					
<b>Restricted:</b>					
Excess Surplus- Designated for Subsequent Year's Expenditures				648,376	
Excess Surplus				870,051	
Capital Reserve				2,142,652	
Emergency Reserve				406,000	
<b>Assigned:</b>					
Year-End Encumbrances				315,728	
<b>Unassigned:</b>					
				1,234,012	
Fund Balance (Budgetary Basis)				5,616,819	
<b>Reconciliation to Governmental Fund Statements (GAAP)</b>					
2010/2011 Extraordinary Aid Not Recognized on a GAAP Basis				630,629	
Fund Balance per Governmental Funds (GAAP Basis)				\$ 4,986,190	

**GLEN ROCK PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State Sources	\$ 152,375	\$ 42,409	\$ 194,784	\$ 163,911	\$ (30,873)
Federal Sources	429,351	520,056	949,407	910,727	(38,680)
Local Sources					
Miscellaneous	-	4,000	4,000	4,000	-
Total Revenues	<u>581,726</u>	<u>566,465</u>	<u>1,148,191</u>	<u>1,078,638</u>	<u>(69,553)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries		15,550	15,550	7,785	7,765
Purchased Professional/Educational Services	48,925	41,378	90,303	71,844	18,459
Tuition	327,017	359,680	686,697	686,697	-
General Supplies	9,900	63,151	73,051	42,436	30,615
Textbooks	17,626	2,154	19,780	19,168	612
Total Instruction	<u>403,468</u>	<u>481,913</u>	<u>885,381</u>	<u>827,930</u>	<u>57,451</u>
Support Services					
Salaries	1,633	(1,633)			-
Benefits	125	(125)			-
Purchased Professional Tech. Services					-
Purchased Professional/Educational Services	137,118	67,516	204,634	192,532	12,102
Travel	1,050	(1,050)			-
Other Purchased Services	28,566	18,558	47,124	47,124	-
General Supplies	9,766	1,286	11,052	11,052	-
Total Support Services	<u>178,258</u>	<u>84,552</u>	<u>262,810</u>	<u>250,708</u>	<u>12,102</u>
Total Expenditures	<u>581,726</u>	<u>566,465</u>	<u>1,148,191</u>	<u>1,078,638</u>	<u>69,553</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**GLEN ROCK PUBLIC SCHOOLS  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	<u>General Fund</u>		<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	C-1 \$ 42,629,304	C-2	\$ 1,078,638
Difference - Budget to GAAP:			
State Aid and Extraordinary payment recognized for GAAP purposes, not recognized for Budgetary statements (2009/2010 State Aids).	693,355		
Extraordinary payment recognized for budgetary purposes, not recognized for GAAP statements (2010/2011 State Aids).	<u>(630,629)</u>		<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	B-2 \$ <u>42,692,030</u>	B-2	\$ <u>1,078,638</u>
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	C-1 \$ <u>41,238,956</u>	C-2	\$ <u>1,078,638</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	B-2 \$ <u>41,238,956</u>	B-2	\$ <u>1,078,638</u>

**SCHOOL LEVEL SCHEDULES**

**(General Fund)**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**

**GLEN ROCK PUBLIC SCHOOLS**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	No Child Left Behind		IDEIA Part B Basic ARRA		IDEIA Part B Pre-School ARRA		IDEIA Part B Pre-School ARRA		Totals Pg 1	Totals Pg 2	Grand Totals
	Title IIA	Title III Immigrant	IDEIA Part B Basic ARRA	IDEIA Part B Pre-School ARRA							
<b>REVENUES</b>											
Intergovernmental											
State Sources	\$ 31,493	\$ 19,215	\$ 512,279	\$ 314,685	\$ 22,918	\$ 1,470	\$ 163,911	\$ 163,911	\$ 910,727	\$ 163,911	\$ 163,911
Federal Sources											
Local Sources											
Miscellaneous										4,000	4,000
<b>Total Revenues</b>	<b>\$ 31,493</b>	<b>\$ 19,215</b>	<b>\$ 512,279</b>	<b>\$ 314,685</b>	<b>\$ 22,918</b>	<b>\$ 1,470</b>	<b>\$ 163,911</b>	<b>\$ 163,911</b>	<b>\$ 910,727</b>	<b>\$ 167,911</b>	<b>\$ 1,078,638</b>
<b>EXPENDITURES</b>											
Instruction:											
Salaries				\$ 7,785				\$ 7,785			\$ 7,785
Tuition			\$ 441,254	225,799	19,644			686,697			686,697
Purchased Prof. Educational Services				27,258				27,258	\$ 44,586		71,844
General Supplies	\$ 516	\$ 4,000		27,783		\$ 1,470		42,436			42,436
Textbooks									19,168		19,168
<b>Total Instruction</b>	<b>516</b>	<b>4,000</b>	<b>441,254</b>	<b>288,625</b>	<b>19,644</b>	<b>1,470</b>	<b>63,754</b>	<b>764,176</b>	<b>63,754</b>	<b>827,930</b>	
Support Services											
Purchased Professional Educational Services	26,850		60,779	21,410	3,274			112,313		80,219	192,532
Travel											
Other Purchased Services	4,127	8,790	10,246	4,650				23,686		23,438	47,124
General Supplies		6,425						10,552		500	11,052
<b>Total Support Services</b>	<b>30,977</b>	<b>15,215</b>	<b>71,025</b>	<b>26,060</b>	<b>3,274</b>	<b>-</b>	<b>104,157</b>	<b>146,551</b>	<b>104,157</b>	<b>250,708</b>	
<b>Total Expenditures</b>	<b>\$ 31,493</b>	<b>\$ 19,215</b>	<b>\$ 512,279</b>	<b>\$ 314,685</b>	<b>\$ 22,918</b>	<b>\$ 1,470</b>	<b>\$ 167,911</b>	<b>\$ 910,727</b>	<b>\$ 167,911</b>	<b>\$ 1,078,638</b>	

GLEN ROCK PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Non Public							Page 2 Totals		
	Supplemental Instruction	Corrective Speech	ESL	Compensatory Education	Examination/ Classification	Nursing	Textbook		Home Instruction	Miscellaneous
<b>REVENUES</b>										
Intergovernmental										
State Sources	\$ 19,038	\$ 15,881	\$ 854	\$ 53,753	\$ 28,705	\$ 23,438	\$ 19,168	\$ 3,074		\$ 163,911
Federal Sources										
Local Sources										
Miscellaneous									\$ 4,000	4,000
<b>Total Revenues</b>	<b>\$ 19,038</b>	<b>\$ 15,881</b>	<b>\$ 854</b>	<b>\$ 53,753</b>	<b>\$ 28,705</b>	<b>\$ 23,438</b>	<b>\$ 19,168</b>	<b>\$ 3,074</b>	<b>\$ 4,000</b>	<b>\$ 167,911</b>
<b>EXPENDITURES</b>										
Instruction:										
Purchased Prof. Educational Services		\$ 15,881			\$ 28,705		\$ 19,168			\$ 44,586
Textbooks										19,168
<b>Total Instruction</b>		<b>15,881</b>			<b>28,705</b>		<b>19,168</b>			<b>63,754</b>
Support Services										
Purchased Professional Educational Services	\$ 19,038		\$ 854	\$ 53,753				\$ 3,074	\$ 3,500	80,219
Other Purchased Services						\$ 23,438				23,438
General Supplies									500	500
<b>Total Support Services</b>	<b>19,038</b>		<b>854</b>	<b>53,753</b>		<b>23,438</b>		<b>3,074</b>	<b>4,000</b>	<b>104,157</b>
<b>Total Expenditures</b>	<b>\$ 19,038</b>	<b>\$ 15,881</b>	<b>\$ 854</b>	<b>\$ 53,753</b>	<b>\$ 28,705</b>	<b>\$ 23,438</b>	<b>\$ 19,168</b>	<b>\$ 3,074</b>	<b>\$ 4,000</b>	<b>\$ 167,911</b>

**GLEN ROCK PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOT APPLICABLE**

**CAPITAL PROJECTS FUND**

GLEN ROCK PUBLIC SCHOOLS  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Transfer Out</u>	<u>Balance, June 30, 2011</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Additions, Renovations and Alterations at the Glen Rock High School/Middle School, Central, Coleman, Byrd and Hamilton Elementary Schools	\$ 45,343,355	\$ 20,852,322	\$ 15,630,542	\$ 495,000	\$ 8,365,491
	<u>\$ 45,343,355</u>	<u>\$ 20,852,322</u>	<u>\$ 15,630,542</u>	<u>\$ 495,000</u>	<u>\$ 8,365,491</u>
					Project Balances \$ 8,365,491
					Less: Authorized but not Issued (355)
					Fund Balance, June 30, 2011 \$ 8,365,136
					<b><u>Recapitulation of Fund Balance:</u></b>
					Restricted for Capital Projects:
					Year End Encumbrances \$ 3,424,399
					Available for Capital Projects <u>4,940,737</u>
					Total Fund Balance - Restricted for Capital Projects \$ <u>8,365,136</u>

**GLEN ROCK PUBLIC SCHOOLS**  
**SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGETARY BASIS**  
**CAPITAL PROJECTS FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**EXHIBIT F-2**

**Revenues and Other Financing Sources**

Interest on Investments	\$ <u>148,644</u>
Total Revenues	<u>148,644</u>

**Expenditures and Other Financing Uses**

Salaries	15,000
Purchases Prof/Tech Services	898,085
Facilities Acquisition and Construction Services	13,263,982
Rental of Land and Buildings	327,647
General Supplies	1,117,683
Miscellaneous Expenditures	8,145
Transfer Out- Debt Service	<u>643,644</u>
Total Expenditures	<u>16,274,186</u>

Excess (Deficiency) of Revenues over (under) Expenditures	(16,125,542)
---	--------------

Fund Balance, Beginning of Year	<u>24,490,678</u>
---------------------------------	-------------------

Fund Balance, End of Year	<u>\$ 8,365,136</u>
---------------------------	---------------------

**GLEN ROCK PUBLIC SCHOOLS  
CAPITAL PROJECTS FUND**

EXHIBIT F-2a

**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
ADDITIONS, RENOVATIONS AND ALTERATION AT THE GLEN ROCK HIGH SCHOOL/  
MIDDLE SCHOOL, CENTRAL, COLEMAN, BYRD AND HAMILTON ELEMENTARY SCHOOLS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	\$ 45,343,000	-	\$ 45,343,000	\$ 45,343,355
 Total Revenues and Other Financing Sources	 <u>45,343,000</u>	 <u>-</u>	 <u>45,343,000</u>	 <u>45,343,355</u>
 <b>Expenditures and Other Financing Uses</b>				
Salaries	25,000	\$ 15,000	40,000	50,000
Purchased Professional and Technical services	3,477,198	898,085	4,375,283	4,414,336
Rental of Land and Buildings	504,175	327,647	831,822	619,608
Construction Services	16,498,166	13,263,982	29,762,148	39,592,836
General Supplies	259,994	1,117,683	1,377,677	251,225
Miscellaneous Expenditures	87,789	8,145	95,934	415,350
Transfer Out	-	495,000	495,000	-
 Total Expenditures and Other Financing Uses	 <u>20,852,322</u>	 <u>16,125,542</u>	 <u>36,977,864</u>	 <u>45,343,355</u>
 Excess (Deficiency) of Revenues over (under) Expenditures	 <u>\$ 24,490,678</u>	 <u>\$ (16,125,542)</u>	 <u>\$ 8,365,136</u>	 <u>\$ -</u>

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bonds Authorization Date	3/11/2008
Bonds Authorized	\$ 45,343,355
Bonds Issued	\$ 45,343,000
Original Authorized Cost	\$ 45,343,355
Change Orders	N/A
Revised Authorized Cost	\$ 45,343,355
 Change Order Percentage	 N/A
Percentage Completion	90.00%
Original Target Completion Date	6/30/2011
Revised Target Completion Date	6/30/2011

**PROPRIETARY FUND**

**GLEN ROCK PUBLIC SCHOOLS  
PROPRIETARY FUND  
COMBINING STATEMENT OF NET ASSETS  
AS OF JUNE 30, 2011**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**FIDUCIARY FUNDS**

**GLEN ROCK PUBLIC SCHOOLS  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF NET ASSETS  
AS OF JUNE 30, 2011**

	<u>Student Activity</u>	<u>Payroll Agency</u>	<u>Agency Totals</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 241,309	\$ 228,844	\$ 470,153
Total Assets	<u>\$ 241,309</u>	<u>\$ 228,844</u>	<u>\$ 470,153</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 178,462	\$ 178,462
Due to Other Funds		50,382	50,382
Due to Student Groups	\$ 241,309	-	241,309
Total Liabilities	<u>\$ 241,309</u>	<u>\$ 228,844</u>	<u>\$ 470,153</u>

**COMBINING STATEMENT OF CHANGES IN NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-8**

**GLEN ROCK PUBLIC SCHOOLS  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Balance</u> <u>July 1, 2010</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disburse-</u> <u>ments</u>	<u>Balance</u> <u>June 30, 2011</u>
Elementary Schools	\$ 16,034	\$ 42,162	\$ 39,852	\$ 18,344
Middle / High School	200,366	576,604	554,005	222,965
Athletic Activity	-	112,817	112,817	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL ALL SCHOOLS</b>	<u>\$ 216,400</u>	<u>\$ 731,583</u>	<u>\$ 706,674</u>	<u>\$ 241,309</u>

**PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Balance,</u> <u>July 1,</u> <u>2010</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance,</u> <u>June 30,</u> <u>2011</u>
Due to Other Funds	\$ 71,672	\$ 166,885	\$ 188,175	\$ 50,382
Accrued Salaries and Wages	-	16,057,315	16,057,315	-
Payroll Deductions and Withholdings	437,718	11,468,316	11,727,572	178,462
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total</b>	<u>\$ 509,390</u>	<u>\$ 27,692,516</u>	<u>\$ 27,973,062</u>	<u>\$ 228,844</u>

**LONG-TERM DEBT**



**GLEN ROCK PUBLIC SCHOOLS  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOT APPLICABLE

**DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 2,157,981		\$ 2,157,981	\$ 2,157,981	-
State Sources					
State Aid	<u>670,441</u>	<u>-</u>	<u>670,441</u>	<u>670,441</u>	<u>-</u>
Total Revenues	<u>2,828,422</u>	<u>-</u>	<u>2,828,422</u>	<u>2,828,422</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Interest	2,114,522	-	2,114,522	2,114,519	\$ 3
Redemption of Principal	<u>1,208,900</u>	<u>-</u>	<u>1,208,900</u>	<u>1,208,898</u>	<u>2</u>
Total Expenditures	<u>3,323,422</u>	<u>-</u>	<u>3,323,422</u>	<u>3,323,417</u>	<u>5</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(495,000)	-	(495,000)	(494,995)	(5)
Other Financing Sources/(Uses)					
Transfer-In	<u>495,000</u>	<u>-</u>	<u>495,000</u>	<u>643,644</u>	<u>148,644</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources/(Uses)	-	-	-	148,649	148,639
Fund Balance, Beginning of Year	<u>6,309</u>	<u>-</u>	<u>6,309</u>	<u>6,309</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 6,309</u>	<u>\$ -</u>	<u>\$ 6,309</u>	<u>\$ 154,958</u>	<u>\$ 148,639</u>
Designated for Subsequent Year Expenditures				\$ 62,500	
Restricted for Debt Service				<u>92,458</u>	
				<u>\$ 154,958</u>	

**GLEN ROCK PUBLIC SCHOOLS**  
**LONG-TERM DEBT**  
**SCHEDULE OF SCHOOL FACILITIES LOAN PAYABLE**  
**NJ ECONOMIC DEVELOPMENT AUTHORITY**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

<u>Purpose</u>	<u>Date of Issue</u>	Amount of <u>Original Issue</u>	<u>Annual Date</u>	<u>Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance</u>	
						<u>July 1, 2010</u>	<u>June 30, 2011</u>
NJ Economic Development Authority Various Improvements	08/19/1993	\$ 479,510	7/15/2011-13	\$ 25,237	1.500%	\$ 100,952	\$ 75,715
NJ Economic Development Authority Various Improvements	08/19/1993	1,438,530	7/15/11 7/15/12 7/15/13	97,688 102,022 106,574	5.288% 5.288% 5.288%	399,942	306,281
						<u>\$ 500,894</u>	<u>\$ 381,996</u>

## STATISTICAL SECTION

This part of the Glen Rock Borough School District Board of Education'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 government's overall financial health.

### Contents

### Exhibits

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

#### **Revenue Capacity**

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

J-10 to J-13

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

J-16 to J-20

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

GLEN ROCK PUBLIC SCHOOLS  
NET ASSETS BY COMPONENT  
LAST NINE FISCAL YEARS  
(Unaudited)  
(accrual basis of accounting)

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007 (Restated)	2008	2009	2010	2011
<b>Governmental Activities</b>									
Invested in Capital Assets, Net of Related Debt	\$ 4,539,618	\$ 5,117,633	\$ 5,200,476	\$ 5,644,991	\$ 7,849,031	\$ 8,403,048	\$ 8,958,088	\$ 9,580,909	\$ 10,093,774
Restricted	(60,436)	453,711	1,229,114	200,766	20,435	723,112	1,635,132	1,248,379	2,297,610
Unrestricted	43,408	(896,938)	18,000	1,192,318	1,623,150	1,657,407	978,250	656,788	1,327,571
Credit for Total Compensated Absences	(1,801,345)								
<b>Total Governmental Activities Net Assets</b>	<b>\$ 2,721,245</b>	<b>\$ 4,674,406</b>	<b>\$ 6,447,590</b>	<b>\$ 7,038,075</b>	<b>\$ 9,492,616</b>	<b>\$ 10,783,567</b>	<b>\$ 11,571,470</b>	<b>\$ 11,486,076</b>	<b>\$ 13,718,955</b>
<b>Business-type activities</b>									
Invested in Capital Assets, Net of Related Debt	\$ 109,445	\$ 103,046	\$ 11,717	\$ 39,028	\$ 63,645	\$ 57,773	\$ 52,011	\$ 50,277	\$ 45,326
Unrestricted	35,311	75,773	125,601	424,218	558,367	694,132	656,898	556,823	550,699
<b>Total Business-Type Activities Net Assets</b>	<b>\$ 144,756</b>	<b>\$ 178,819</b>	<b>\$ 137,318</b>	<b>\$ 463,246</b>	<b>\$ 622,012</b>	<b>\$ 751,905</b>	<b>\$ 708,909</b>	<b>\$ 607,100</b>	<b>\$ 576,025</b>
<b>District-wide</b>									
Invested in Capital Assets, Net of Related Debt	\$ 4,649,063	\$ 5,220,679	\$ 5,212,193	\$ 5,684,019	\$ 7,912,676	\$ 8,460,821	\$ 9,010,099	\$ 9,631,186	\$ 10,139,100
Restricted	(60,436)	453,711	1,229,114	200,766	20,435	723,112	1,635,132	1,248,379	2,297,610
Unrestricted	78,719	(821,165)	143,601	1,616,536	2,181,517	2,351,539	1,635,148	1,213,611	1,858,270
Credit for Total Compensated Absences	(1,801,345)								
<b>Total District Net Assets</b>	<b>\$ 2,866,001</b>	<b>\$ 4,853,225</b>	<b>\$ 6,584,908</b>	<b>\$ 7,501,321</b>	<b>\$ 10,114,628</b>	<b>\$ 11,535,472</b>	<b>\$ 12,280,379</b>	<b>\$ 12,093,176</b>	<b>\$ 14,294,980</b>

Note:  
GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

Source: District Financial Records

GLEN ROCK PUBLIC SCHOOLS  
CHANGES IN NET ASSETS  
LAST NINE FISCAL YEARS  
(Unaudited)  
(accrual basis of accounting)

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>									
<b>Governmental activities</b>									
Instruction									
Regular	\$ 11,412,577	\$ 14,323,132	\$ 14,594,542	\$ 16,051,310	\$ 17,109,077	\$ 17,926,212	\$ 17,223,617	\$ 17,658,483	\$ 17,593,987
Special Education	1,962,171	2,872,332	2,571,724	5,192,374	5,862,512	6,005,551	6,114,569	6,502,286	6,270,198
Other Special Education	1,078,105	1,339,743	1,338,127	897,276	982,186	945,477	1,016,571	1,027,123	767,042
School Sponsored Activities and Athletics				811,803	862,765	862,371	874,532	858,564	836,969
Support Services:									
Tuition	1,328,169	1,681,735	1,706,336	3,900,638	4,341,886	4,643,869	4,874,428	4,937,126	4,801,585
Student & Instruction Related Services	2,639,972	3,595,277	4,714,116	84,227	120,823	71,554	61,115	64,685	72,159
Attendance and Social Work				440,357	514,994	529,422	541,423	561,856	560,561
Health Services				747,839	889,035	775,865	884,253	900,408	850,298
Educational Media/School Library	574,296	1,718,454	1,578,807	2,191,383	2,236,822	2,540,131	2,507,260	2,609,528	3,101,922
School Administrative Services	1,372,858	693,288	865,203	1,118,625	1,081,862	938,860	1,059,244	1,130,141	1,126,466
General Administration				889,567	1,299,684	1,137,338	1,332,829	1,234,575	1,298,378
Central Services	4,356,502	3,756,466	4,633,470	4,148,572	4,190,314	4,239,060	4,328,733	4,389,404	4,325,822
Plant Operations and Maintenance	538,061	776,694	1,018,402	1,100,494	1,049,647	1,131,713	1,093,196	1,012,058	912,763
Pupil Transportation									
Other Support Services	4,571,282		947,543						
Unallocated Benefits	944,313	905,855							
Special Schools	883,581								
Debt Service		374,416	279,451	404,782	252,933	223,084	238,924	3,758,288	2,020,682
Interest on Long-Term Debt									
Total Governmental Activities Expenses	\$ 31,664,087	\$ 32,622,366	\$ 35,073,087	\$ 37,979,247	\$ 40,794,540	\$ 41,970,507	\$ 42,350,694	\$ 46,664,525	\$ 44,538,832
Business-Type Activities:									
Food Service	611,401	453,462	473,002	480,907	524,556	483,048	557,056	623,161	525,246
Community School				1,041,820	1,091,479	1,139,054	1,284,661	1,302,111	1,252,068
Total Business-Type Activities Expense	611,401	453,462	473,002	1,522,727	1,616,035	1,622,102	1,841,717	1,925,272	1,777,314
Total District Expenses	\$ 32,275,488	\$ 33,075,828	\$ 35,546,089	\$ 39,501,974	\$ 42,410,575	\$ 43,592,609	\$ 44,192,411	\$ 48,589,797	\$ 46,316,146
<b>Program Revenues</b>									
<b>Governmental Activities:</b>									
Charges for Services:									
Special Education- Tuition	\$ 11,439			\$ 256,845	\$ 269,546	\$ 204,770	\$ 5,701	\$ 5,440,855	\$ 4,290,159
Operating Grants and Contributions	665,947	\$ 4,220,416	\$ 4,844,838	4,673,572	5,854,736	5,883,781	4,932,022		
Total Governmental Activities Program Revenues	678,386	4,220,416	4,844,838	4,930,417	6,124,282	6,090,551	4,937,723	5,440,855	4,290,159
<b>Business-Type Activities:</b>									
Charges for Services:									
Food Service	426,111	470,500	498,667	518,252	520,610	501,641	487,896	568,433	530,605
Community School				1,173,416	1,245,141	1,250,354	1,310,096	1,227,877	1,215,477
Operating Grants and Contributions	36,379								
Total Business Type Activities Program Revenues	462,490	470,500	498,667	1,691,668	1,765,751	1,751,995	1,797,992	1,796,310	1,746,082
Total District Program Revenues	\$ 1,140,876	\$ 4,690,916	\$ 5,343,505	\$ 6,622,085	\$ 7,890,033	\$ 7,842,546	\$ 6,735,715	\$ 7,237,165	\$ 6,036,241
<b>Net (Expense)/Revenue</b>									
<b>Governmental Activities</b>	\$ (30,985,701)	\$ (28,401,950)	\$ (30,228,249)	\$ (33,048,830)	\$ (34,670,258)	\$ (35,879,956)	\$ (37,412,971)	#####	#####
<b>Business-Type Activities</b>	(148,911)	17,038	25,665	168,941	149,716	129,893	(43,725)	(128,962)	(31,232)
<b>Total District-Wide Net Expense</b>	\$ (31,134,612)	\$ (28,384,912)	\$ (30,202,584)	\$ (32,879,889)	\$ (34,520,542)	\$ (35,750,063)	\$ (37,456,696)	#####	#####

GLEN ROCK PUBLIC SCHOOLS  
 CHANGES IN NET ASSETS  
 LAST NINE FISCAL YEARS  
 (Unaudited)  
 (accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Revenues and Other Changes in Net Assets</b>									
Governmental activities:									
Property Taxes Levied for General Purposes, net	\$ 24,233,105	\$ 27,493,121	\$ 30,161,538	\$ 31,925,553	\$ 33,730,381	\$ 35,338,962	\$ 36,557,380	\$ 37,738,970	\$ 39,246,529
Taxes Levied for Debt Service	825,065	1,145,693	1,043,083	1,068,557	1,131,604	1,091,430	1,051,124	2,132,346	2,157,981
Extraordinary Items - Adjustments to Fixed Assets			(623,924)						
State Aid Restricted for Debt Service								874,878	670,441
Unrestricted Grants and Contributions	2,690,159			368,846	365,190	413,536	19,054		
Federal and State Aid Not Restricted									
Donation of Capital Assets		312,953			14,100				
Other Adjustments		1,405,844	1,420,736	276,359	318,594	326,979	573,316	392,082	404,601
Miscellaneous Income	(2,500)	(2,500)							
Transfers									
<b>Total Governmental Activities</b>	<b>29,706,739</b>	<b>30,355,111</b>	<b>32,001,433</b>	<b>33,639,315</b>	<b>35,559,869</b>	<b>37,170,907</b>	<b>38,200,874</b>	<b>41,138,276</b>	<b>42,481,552</b>
Business-Type Activities:									
Extraordinary Items - Adjustments to Fixed Assets		14,525	(67,166)						
Federal and State Aid Not Restricted					9,050		729	27,153	157
Miscellaneous Income	2,500	2,500							
Transfers									
<b>Total Business-Type Activities</b>	<b>2,500</b>	<b>17,025</b>	<b>(67,166)</b>	<b>-</b>	<b>9,050</b>	<b>-</b>	<b>729</b>	<b>27,153</b>	<b>157</b>
<b>Total District-Wide</b>	<b>\$ 29,709,239</b>	<b>\$ 30,372,136</b>	<b>\$ 31,934,267</b>	<b>\$ 33,639,315</b>	<b>\$ 35,568,919</b>	<b>\$ 37,170,907</b>	<b>\$ 38,201,603</b>	<b>\$ 41,165,429</b>	<b>\$ 42,481,709</b>
<b>Change in Net Assets</b>	<b>\$ (1,278,962)</b>	<b>\$ 1,953,161</b>	<b>\$ 1,773,184</b>	<b>\$ 590,485</b>	<b>\$ 889,611</b>	<b>\$ 1,290,951</b>	<b>\$ 787,903</b>	<b>\$ (85,394)</b>	<b>\$ 2,232,879</b>
Governmental Activities	(146,411)	34,063	(41,501)	168,941	158,766	129,893	(42,996)	(101,809)	(31,075)
Business-Type Activities									
<b>Total District</b>	<b>\$ (1,425,373)</b>	<b>\$ 1,987,224</b>	<b>\$ 1,731,683</b>	<b>\$ 759,426</b>	<b>\$ 1,048,377</b>	<b>\$ 1,420,844</b>	<b>\$ 744,907</b>	<b>\$ (187,203)</b>	<b>\$ 2,201,804</b>

Note:  
 GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

Source: District Financial Records

**GLEN ROCK PUBLIC SCHOOLS  
FUND BALANCES - GOVERNMENTAL FUNDS  
LAST NINE FISCAL YEARS**

(Unaudited)  
(modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund									
Reserved		\$ 321,700	\$ 485,819	\$ 1,280,282	\$ 1,350,402	\$ 2,347,894	\$ 2,823,169	\$ 3,191,654	
Unreserved		815,381	1,340,541	820,802	796,950	657,202	242,714	341,462	
Restricted	\$ 43,408								\$ 4,067,079
Assigned									315,728
Unassigned									603,383
<b>Total General Fund</b>	<b>\$ 43,408</b>	<b>\$ 1,137,081</b>	<b>\$ 1,826,360</b>	<b>\$ 2,101,084</b>	<b>\$ 2,147,352</b>	<b>\$ 3,005,096</b>	<b>\$ 3,065,883</b>	<b>\$ 3,533,116</b>	<b>\$ 4,986,190</b>
All Other Governmental Funds									
Reserved			\$ 74,908			\$ 1,903,753	\$ 26,365,521	\$ 16,092,535	
Unreserved			68,386	143,583	113,002	(2,762,566)	16,420,468	8,404,452	
Restricted	\$ (60,436)	\$ 2							\$ 8,520,094
<b>Total All Other Governmental Funds</b>	<b>\$ (60,436)</b>	<b>\$ 2</b>	<b>\$ 143,294</b>	<b>\$ 143,583</b>	<b>\$ 113,002</b>	<b>\$ (858,813)</b>	<b>\$ 42,785,989</b>	<b>\$ 24,496,987</b>	<b>\$ 8,520,094</b>

Note:  
GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

Source: District Financial Records

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

GLEN ROCK PUBLIC SCHOOLS  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
LAST NINE FISCAL YEARS

(Unaudited)  
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>									
Tax Levy	\$25,058,170	\$28,638,814	\$31,204,621	\$32,994,110	\$34,861,985	\$36,430,392	\$37,608,504	\$39,871,316	\$41,406,510
Tuition Charges	11,439								
Miscellaneous	1,958,410	1,405,844	1,422,469	554,204	588,140	489,144	579,017	398,082	396,048
State Sources	2,958,695	3,770,992	4,194,783	4,478,054	5,638,979	5,742,361	4,569,411	5,448,542	4,034,449
Federal Sources	398,481	449,424	648,323	563,364	580,947	579,281	581,665	858,012	910,727
<b>Total Revenue</b>	<b>30,385,195</b>	<b>34,265,074</b>	<b>37,470,196</b>	<b>38,569,732</b>	<b>41,670,051</b>	<b>43,241,178</b>	<b>43,138,597</b>	<b>46,575,952</b>	<b>46,747,734</b>
<b>Expenditures</b>									
Instruction									
Regular Instruction	11,412,577	11,596,001	12,062,330	15,681,307	16,750,489	17,696,636	16,908,894	17,440,552	17,417,002
Special Education Instruction	1,962,171	2,325,440	2,083,457	5,118,525	5,773,453	5,957,257	6,048,773	6,455,998	6,237,548
Other Special Instruction	1,078,105								
Other Instruction		1,084,656	1,124,567	877,516	958,653	933,307	998,530	1,014,282	759,343
School Sponsored Activities and Athletics				793,325	844,303	852,509	860,548	849,365	829,393
Support Services:									
Tuition	1,328,169	1,361,533	1,433,201	3,824,447	4,248,115	4,589,062	4,796,443	4,902,744	4,758,975
Student & Inst. Related Services	2,639,972	2,910,736	3,956,318	429,771	502,565	522,453	531,611	555,002	555,542
Health Services									
Attendance and Social Work					81,956	117,227	70,427	59,835	71,380
Educational Media/School Library				729,207	867,404	765,777	868,020	889,083	841,583
General Administration		561,286	726,844	1,102,202	1,065,829	932,405	1,050,316	1,123,381	1,120,170
School Administration	1,947,154	1,391,261	2,268,101	2,141,334	2,181,104	2,503,952	2,459,610	2,575,454	3,069,102
School Administrative Services				1,074,108	1,268,237	1,122,510	1,312,526	1,219,903	1,286,189
Central Services	2,884,965	3,041,235	3,543,855	3,956,783	4,118,250	4,199,386	4,472,874	4,352,096	4,295,719
Plant Operations and Maintenance	538,061	628,812	863,108	1,017,810	1,048,911	1,131,106	1,092,206	1,011,495	912,343
Pupil Transportation									
Other Support Services	4,571,282	5,569,734	6,178,848						
Unallocated Benefits	944,513	905,855	947,543						
Special Schools	3,587,034	8,092	406,371	777,898	378,318	1,005,313	2,125,894	17,902,401	15,793,847
Capital Outlay									
Debt Service:									
Principal	543,118	710,839	730,612	966,527	1,251,737	873,013	876,514	875,071	1,208,898
Interest and Other Charges	342,463	374,416	312,470	302,032	279,789	218,416	203,325	3,167,153	2,114,519
Cost of Issuance							110,089		
<b>Total Expenditures</b>	<b>33,779,584</b>	<b>35,108,463</b>	<b>36,637,625</b>	<b>38,876,748</b>	<b>41,654,364</b>	<b>43,375,529</b>	<b>44,776,008</b>	<b>64,397,721</b>	<b>61,271,553</b>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>(3,394,389)</b>	<b>1,156,611</b>	<b>832,571</b>	<b>(307,016)</b>	<b>15,687</b>	<b>(134,351)</b>	<b>(1,637,411)</b>	<b>(17,821,769)</b>	<b>(14,523,819)</b>
<b>Other Financing sources (uses)</b>									
Proceeds from borrowing							45,343,000		
Capital Leases (non-budgeted)				582,029		43,605			
Premium on Issuance of Temporary Note						(23,325)			
Cancel Prior Year SDA Revenue									
Transfers in			228,039	70,224	182,402	149,672	494,515	515,513	643,644
Transfers out		(2,500)	(228,039)	(70,224)	(182,402)	(149,672)	(494,515)	(515,513)	(643,644)
<b>Total other financing sources (uses)</b>	<b>469,000</b>	<b>(2,500)</b>	<b>-</b>	<b>582,029</b>	<b>-</b>	<b>20,280</b>	<b>45,343,000</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$(2,925,389)</b>	<b>\$1,154,111</b>	<b>\$832,571</b>	<b>\$275,013</b>	<b>\$15,687</b>	<b>\$(114,071)</b>	<b>\$43,705,589</b>	<b>\$(17,821,769)</b>	<b>\$(14,523,819)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>1.80%</b>	<b>2.15%</b>	<b>2.02%</b>	<b>2.54%</b>	<b>3.03%</b>	<b>2.06%</b>	<b>2.31%</b>	<b>1.88%</b>	<b>2.66%</b>

\* Noncapital expenditures are total expenditures less capital outlay.

Source: District Financial Records

Note: GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**GLEN ROCK PUBLIC SCHOOLS  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST EIGHT YEARS  
(Unaudited)**

<b>Fiscal Year Ended June 30,</b>	<b>Interest Earned</b>	<b>Tuition</b>	<b>Insurance Refund</b>	<b>Prior Year Refunds</b>	<b>Miscellaneous</b>	<b>Total</b>
2004	\$ 19,450	\$ 41,333			\$ 259,110	\$ 319,893
2005	55,636	298,516			8,493	362,645
2006	175,268	256,845			97,756	529,869
2007	290,294	269,546			28,300	588,140
2008	235,272	204,770			31,712	471,754
2009	45,899	5,701			32,902	84,502
2010	9,507		\$ 10,772	\$ 108,015	66,275	194,569
2011	7,010		5,506	201,367	29,521	243,404

Source: District Financial Records

Note:

GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only eight years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**GLEN ROCK PUBLIC SCHOOLS  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	Total Assessed Value				Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
	Vacant Land	Residential	Commercial	Industrial				
2002	\$ 5,632,500	\$ 979,151,900	\$ 80,878,100	\$ 13,305,900	\$ 819,722	\$ 1,079,788,122	\$ 1,473,213,767	\$ 2.230
2003	8,042,700	1,638,574,600	129,361,000	23,465,800	1,157,453	1,801,185,953	1,624,225,547	1.488
2004	7,660,300	1,646,170,900	128,764,100	23,465,800	1,100,107	1,807,161,207	1,624,530,764	1.654
2005	8,401,700	1,661,491,200	127,787,000	23,465,800	953,332	1,822,099,032	1,653,737,081	1.763
2006	9,323,900	1,675,011,200	127,356,100	23,365,800	790,908	1,835,847,908	2,454,998,540	1.851
2007	13,634,300	2,074,105,200	165,440,900	27,477,000	N/A	2,282,055,921	2,486,732,404	1.562
2008	14,024,400	2,088,397,700	162,754,700	28,148,200	1,323,041	2,294,648,041	2,599,165,134	2.313
2009	12,902,000	2,101,360,200	162,882,300	26,261,400	1,777,910	2,305,183,810	2,679,812,741	1.684
2010	12,801,000	2,098,317,800	161,034,800	26,161,400	1,865,954	2,300,180,954	2,602,698,275	1.770
2011	11,580,800	2,104,036,300	155,178,900	24,843,000	1,691,075	2,297,330,075	2,507,253,486	1.825

Source: County Abstract of Ratables

Note: The Borough underwent a revaluation of property values which took effect in 2003 and 2007.

**GLEN ROCK PUBLIC SCHOOLS**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN YEARS**  
**(Unaudited)**  
*(rate per \$100 of assessed value)*

Calendar Year	Total Direct School Tax Rate	Overlapping Rates		Total Direct and Overlapping Tax Rate
		Municipality	County	
2002	\$ 2.230	\$ 0.790	\$ 0.330	\$ 3.350
2003	* 1.488	0.529	0.193	2.210
2004	1.654	0.547	0.209	2.410
2005	1.763	0.556	0.221	2.540
2006	1.851	0.583	0.226	2.660
2007	* 1.562	0.471	0.197	2.230
2008	1.613	0.490	0.210	2.313
2009	1.684	0.504	0.223	2.411
2010	1.770	0.527	0.222	2.519
2011	1.825	0.543	0.227	2.595

Source: County Abstract of Ratables

Note: The Borough underwent a revaluation of property values which took effect in 2003 and 2007.

EXHIBIT J-8

GLEN ROCK PUBLIC SCHOOLS  
 PRINCIPAL PROPERTY TAXPAYERS  
 CURRENT YEAR AND TEN YEARS AGO  
 (Unaudited)

Taxpayer	2011		2001	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Opeachy Ltd, L.P.	\$ 15,315,000	0.67%	\$ 8,715,000	0.97%
Bank of America	11,000,000	0.48%	6,251,500	0.88%
333 Realty LLC	8,583,500	0.37%	6,300,000	0.70%
Glen Rock Property, LLC	7,634,800	0.33%	4,000,000	0.45%
Financial Services, Inc.	6,375,000	0.28%	3,460,000	0.39%
SAC Family, LLC	5,369,100	0.23%	3,300,000	0.37%
Rock Glen Assoc LLC	4,800,000	0.21%	3,200,000	0.36%
Heritage Plaza I	4,625,000	0.20%	3,097,500	0.34%
Joan Ree Realty LLC	4,596,000	0.20%	2,500,000	0.28%
Leone, Jr. Simibaldo	4,119,000	0.18%	2,175,000	0.24%
	\$ 72,417,400	3.15%	\$ 42,999,000	4.98%

Source: Municipal Tax Assessor

**GLEN ROCK PUBLIC SCHOOLS  
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		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	\$ 23,168,229	\$ 23,168,229	100.00%	N/A
2003	25,058,170	25,058,170	100.00%	N/A
2004	28,638,814	28,638,814	100.00%	N/A
2005	31,204,621	31,204,621	100.00%	N/A
2006	32,994,110	32,994,110	100.00%	N/A
2007	34,861,985	34,861,985	100.00%	N/A
2008	36,430,392	36,430,392	100.00%	N/A
2009	37,608,504	37,608,504	100.00%	N/A
2010	39,871,316	39,871,316	100.00%	N/A
2011	41,406,510	40,890,042	98.75%	\$ 516,468

**GLEN ROCK PUBLIC SCHOOLS  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST SEVEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	Governmental Activities						Total District	Population	Per Capita
	General Obligation Bonds	Intergovernmental Loans	Capital Leases						
2005	\$ 6,034,000	\$ 1,041,727	\$ 382,029	\$	7,075,727	11,268	\$	628	
2006	5,369,000	940,200			6,691,229	11,157		600	
2007	4,604,000	835,492			5,439,492	11,115		489	
2008	3,839,000	727,479			4,566,479	11,087		412	
2009	48,417,000	615,965			49,032,965	11,130		4,405	
2010	47,657,000	500,894			48,157,894	11,130		4,327	
2011	46,567,000	381,996			46,948,996	11,601		4,047	

Source: District financial records

Note:  
GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 34 in fiscal year 2006 only seven years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**GLEN ROCK PUBLIC SCHOOLS**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST SEVEN FISCAL YEARS**  
**(Unaudited)**

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
2005	\$ 6,034,000		\$ 6,034,000	0.33%	\$ 535
2006	5,369,000		5,369,000	0.29%	481
2007	4,604,000		4,604,000	0.20%	414
2008	3,839,000	\$ 59,996	3,779,004	0.16%	341
2009	48,417,000	525,796	47,891,204	2.08%	4,303
2010	47,657,000	6,309	47,650,691	2.07%	4,281
2011	46,567,000	154,958	46,412,042	1.85%	4,170

Source: District Financial Records, NJ Dept. of Education and Tax Assessor

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 34 in fiscal year 2006 only seven years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**GLEN ROCK PUBLIC SCHOOLS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**DECEMBER 31, 2010**  
**(Unaudited)**

	<u>Total</u>
Municipal Debt: (1)	
Glen Rock Board of Education	\$ 47,239,351
Borough of Glen Rock	<u>15,461,975</u>
	<u>62,701,326</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	<u>9,568,358</u>
	<u>9,568,358</u>
Total Direct and Overlapping Debt	<u>\$ 72,269,684</u>

## Source:

(1) Glen Rock's 2010 Annual Debt Statement

(A) The debt for this entity was apportioned to Glen Rock by dividing the municipality's 2010 equalized value by the total 2010 equalized value for Bergen County.

(B) The debt was computed based upon flow

**GLEN ROCK BOARD OF EDUCATION  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 45,920,171	\$ 48,659,137	\$ 62,959,601	\$ 71,870,790	\$ 79,962,879	\$ 88,777,330	\$ 96,577,951	\$ 102,492,283	\$ 104,417,266	\$ 103,422,137
Total net debt applicable to limit	4,295,000	8,550,197	6,699,000	6,034,000	5,707,672	5,439,492	49,909,834	49,033,320	48,158,249	46,949,351
Legal debt margin	<u>\$ 41,625,171</u>	<u>\$ 40,108,940</u>	<u>\$ 56,260,601</u>	<u>\$ 65,836,790</u>	<u>\$ 74,255,207</u>	<u>\$ 83,337,838</u>	<u>\$ 46,668,117</u>	<u>\$ 53,458,963</u>	<u>\$ 56,259,017</u>	<u>\$ 56,472,786</u>
Total net debt applicable to the limit as a percentage of debt limit	9.35%	17.57%	10.64%	8.40%	7.14%	6.13%	51.68%	47.84%	46.12%	45.40%

**Legal Debt Margin Calculation for Fiscal Year 2010**

Equalized valuation basis	
2008	\$ 2,658,003,013
2009	2,598,314,608
2010	<u>2,500,342,689</u>
	<u>\$ 7,756,660,310</u>
Average equalized valuation of taxable property	\$ 2,585,553,437
Debt limit (4% of average equalization value)	\$ 103,422,137
Total Net Debt Applicable to Limit	<u>46,949,351</u>
Legal debt margin	<u>\$ 56,472,786</u>

Source: Annual Debt Statements

**GLEN ROCK PUBLIC SCHOOLS  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS  
 (Unaudited)**

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2002	11,453	\$ 51,931	N/A
2003	11,399	51,291	2.50%
2004	11,366	54,669	2.00%
2005	11,268	56,963	2.70%
2006	11,157	63,021	2.80%
2007	11,115	67,113	2.50%
2008	11,087	69,696	3.30%
2009	11,130	64,388	6.00%
2010	11,601	N/A	6.10%
2011	N/A	N/A	N/A

Source: New Jersey State Department of Education

N/A- Information not available

GLEN ROCK PUBLIC SCHOOLS  
PRINCIPAL EMPLOYERS,  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)

<u>Employer</u>	<u>2011</u>		<u>2002</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

NOT AVAILABLE

**GLEN ROCK PUBLIC SCHOOLS  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Function/Program</u>	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction										
Regular	152	159	166	175	176	176	177	180	174	175
Special education	22	28	28	31	32	28	28	29	32	26
Support Services:										
General administration	2	2	2	2	2	2	2	2	2	2
School administrative services	10	11	9	9	9	9	9	9	9	8
Central services	1	1	1	1	1	1	1	1	1	1
Plant operations and maintenance	31	31	31	31	31	32	32	33	32	31
Food Service	12	12	12	12	12	12	12	-	-	-
<b>Total</b>	<b>230</b>	<b>244</b>	<b>249</b>	<b>261</b>	<b>263</b>	<b>260</b>	<b>261</b>	<b>254</b>	<b>250</b>	<b>243</b>

Source: District Personnel Records

GLEN ROCK PUBLIC SCHOOLS  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff	Pupil/Teacher Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School					
2002	2,263	\$ 26,211,875	\$ 11,583	2.09%	174.60	12.70	12.60	11.80	2,243.0	2,159.0	1.04%	96.27%	
2003	2,346	30,333,665	12,930	15.72%	185.10	11.80	11.20	11.30	2,327.0	2,256.0	1.03%	96.93%	
2004	2,414	32,015,116	13,271	5.54%	185.10	11.30	9.80	10.10	2,375.1	2,294.4	2.06%	96.60%	
2005	2,444	35,188,172	14,397	9.91%	183.50	10.10	10.20	10.50	2,410.0	2,308.9	1.47%	95.80%	
2006	2,498	37,030,291	14,827	5.23%	198.90	10.50	10.50	10.50	2,471.2	2,358.5	2.54%	95.44%	
2007	2,511	39,744,520	15,828	6.75%	203.80	10.40	10.40	10.38	2,490.4	2,372.8	0.78%	95.28%	
2008	2,479	41,278,787	16,651	5.20%	217.50	13.3	10.0	10.28	2,482.6	2,379.5	-0.31%	95.85%	
2009	2,570	41,460,186	16,132	0.44%	183.50	12.0	11.1	9.82	2,528.9	2,407.9	1.86%	95.22%	
2010	2,482	42,453,096	17,104	2.40%	224.60	12.0	11.1	9.82	2,482.0	2,377.2	-2.10%	95.78%	
2010	2,482	42,453,096	17,104	2.40%	224.60	12.0	11.1	9.82	2,482.0	2,377.2	-2.10%	95.78%	
2011	2,439	42,154,289	17,283	2.40%	224.60	12.0	11.1	9.82	2,433.60	2,339.30	-2.10%	96.13%	

Sources: District records

- Note: a Enrollment based on annual October district count.  
 b Operating expenditures equal total expenditures (modified accrual) less debt service and capital outlay.  
 c Cost per pupil represents operating expenditures divided by enrollment.

GLEN ROCK PUBLIC SCHOOLS  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>District Building</u>										
<u>Elementary</u>										
<u>Hamilton</u>										
Square Feet	N/A	29,895	29,895	29,895	29,895	29,895	31,080	31,080	31,080	31,080
Capacity (students)	N/A	240	240	240	240	240	240	240	240	240
Enrollment	N/A	276	276	276	276	276	280	272	272	247
<u>Central</u>										
Square Feet	45,400	45,400	45,400	45,400	45,400	45,400	43,200	43,200	43,200	43,200
Capacity (students)	344	344	344	344	344	344	344	344	344	344
Enrollment	308	308	308	308	308	308	318	347	347	328
<u>Coleman</u>										
Square Feet	38,280	38,280	38,280	38,280	38,280	38,280	36,360	36,360	36,360	36,360
Capacity (students)	308	308	308	308	308	308	308	308	308	308
Enrollment	332	332	332	332	332	332	317	297	297	283
<u>Bvrd</u>										
Square Feet	33,062	33,062	33,062	33,062	33,062	33,062	31,200	31,200	31,200	31,200
Capacity (students)	245	245	245	245	245	245	245	245	245	245
Enrollment	220	220	220	220	220	220	236	235	235	238
<u>Middle School/High School</u>										
Square Feet	197,385	197,385	197,385	197,385	197,385	197,385	203,402	203,402	203,402	262,098
Capacity (students)	1,451	1,451	1,451	1,451	1,451	1,451	1,451	1,451	1,451	1,451
Enrollment	1,328	1,328	1,328	1,328	1,328	1,328	1,330	1,333	1,333	1,307

Number of Schools at June 30, 2011  
Elementary = 4  
Middle School/High School = 1

Source: District Records

GLEN ROCK PUBLIC SCHOOLS  
 GENERAL FUND  
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 LAST TEN YEARS  
 (Unaudited)

UNDISTRIBUTED EXPENDITURES - REQUIRED  
 MAINTENANCE FOR SCHOOL FACILITIES

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>School Facilities</b>										
Glen Rock Senior High School	\$ 134,971	\$ 145,908	\$ 514,510	\$ 248,693	\$ 160,846	\$ 179,095	\$ 177,543	\$ 192,735	\$ 172,310	\$ 142,373
Glen Rock Middle School	122,693	132,614	467,632	226,034	139,400	155,216	159,788	173,463	155,079	128,137
Richard E. Byrd Elem. School	46,789	44,194	155,840	80,848	48,253	53,728	59,181	64,245	57,437	47,458
Central Elementary School	59,450	62,698	221,090	106,866	64,339	71,639	76,935	83,519	74,668	61,697
Clara E. Coleman Elem. School	52,325	63,811	225,014	108,763	69,700	77,607	65,099	70,670	63,180	52,204
Hamilton Elementary School	35,712	50,892	179,458	86,743	53,615	59,698	53,262	57,821	51,693	42,711
<b>Total School Facilities</b>	<b>\$ 451,940</b>	<b>\$ 500,117</b>	<b>\$ 1,763,544</b>	<b>\$ 857,947</b>	<b>\$ 536,153</b>	<b>\$ 596,983</b>	<b>\$ 591,808</b>	<b>\$ 642,453</b>	<b>\$ 574,367</b>	<b>\$ 474,580</b>

Source: District Records

**GLEN ROCK PUBLIC SCHOOLS**  
**INSURANCE SCHEDULE**  
**JUNE 30, 2011**  
**(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
<b>Commercial Property</b>		
Property - Blanket Buildings & Grounds		
School Limit per Statement of Values	\$ 97,317,094	\$ 5,000
Flood:		
Outside Zones A, V, or B	5,000,000	50,000
Zone B	2,000,000	100,000
Zones A or V	1,000,000	500,000
Earthquake	5,000,000	50,000
Business Income & Extra Expense	250,000	5,000
Contractors Equipment	250,000	1,000
Athletic Equipment	250,000	1,000
Musical Instruments	100,000	5,000
Valuable Papers	5,000,000	1,000
Electronic Data Processing Equipment	2,500,000	5,000
Accounts Receivable	100,000	1,000
<b>Boiler and Machinery</b>		
Property Damage (Blanket)	97,008,793	5,000
<b>General Liability</b>		
General Aggregate	2,000,000	
Each Occurrence	1,000,000	
<b>Commercial Automobile</b>		
Combined Single Limit	1,000,000	
Comprehensive		1,000
Collision		1,000
<b>Commercial Umbrella</b>		
	9,000,000	10,000
<b>Commercial Umbrella - Fireman's Fund</b>		
Per Occurrence	50,000,000	
General Aggregate	50,000,000	
<b>Workers Compensation</b>		
Per Occurrence	1,000,000	
Policy Limit	1,000,000	
Aggregate	1,000,000	
<b>Environmental Legal Liability</b>		
Per Occurrence	1,000,000	15,000
General Aggregate	3,000,000	
<b>Crime</b>		
Primary (Per Employee)	100,000	5,000
Blanket Employee Dishonesty - Excess	400,000	
Forgery and Alterations	50,000	
<b>Educators Legal Liability</b>		
Educators Legal Deductible		25,000
Employment Practices Deductible		25,000

Source: District records

**SINGLE AUDIT SECTION**

# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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EDWARD N. KERE, CPA

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable President and Members  
of the Board of Trustees  
Glen Rock Public Schools  
Glen Rock, 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 Glen Rock Public Schools as of and for the fiscal year ended June 30, 2011, which collectively comprise the Glen Rock Public Schools' basic financial statements and have issued our report thereon dated November 22, 2011. 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 and Regulatory Compliance, Department of Education, State of New Jersey.

### Internal Control Over Financial Reporting

Management of the Glen Rock Public Schools is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Glen Rock Public Schools' 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 Glen Rock Public Schools' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Glen Rock Public Schools' 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 Glen Rock Public Schools' financial statements will not be prevented, or detected and corrected on a timely basis.

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

### Compliance and Other Matters

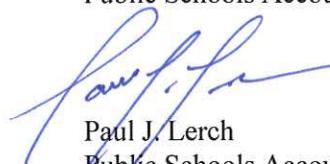
As part of obtaining reasonable assurance about whether the Glen Rock Public Schools' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct 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 and Regulatory Compliance, Department of Education, State of New Jersey.

We noted certain matters that we have reported to management of the Glen Rock Public Schools in a separate report entitled, "Auditors' Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 22, 2011.

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



LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public Schools Accountants



Paul J. Lerch  
Public Schools Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
November 22, 2011

# LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-2

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REGISTERED MUNICIPAL ACCOUNTANTS

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## 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 OMB CIRCULAR 04-04

### Independent Auditors' Report

Honorable President and Members  
of the Board of Trustees  
Glen Rock Public Schools  
Glen Rock, New Jersey

### Compliance

We have audited the Glen Rock Public Schools' compliance 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 OMB Circular 04-04 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of Glen Rock Public School's major federal and state programs for the fiscal year ended June 30, 2011. Glen Rock Public Schools' major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Glen Rock Public Schools' management. Our responsibility is to express an opinion on Glen Rock Public Schools' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and circulars 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 Glen Rock Public Schools' compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Glen Rock Public Schools' compliance with those requirements.

In our opinion, Glen Rock Public Schools complied, in all material respects, with the compliance 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, 2011.

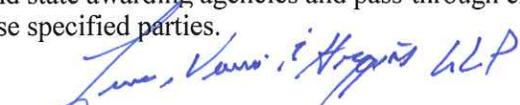
**Internal Control Over Compliance**

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

A deficiency in internal control over compliance 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 noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected on a timely basis.

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

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



LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
November 22, 2011

GLEN ROCK PUBLIC SCHOOLS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Grant Project Number	Grant Period	Award Amount	Balance July 1, 2010	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Balance June 30, 2011	Due to Grantor	Memo GAAP Receivable
<b>U.S. Department of Education</b>														
<b>Passed Through State Department of Education</b>														
I.A.S.A. Consolidated Grant / NCLB														
Title IIA	84.367A		9/1/10-8/31/11	\$ 39,842			\$ 22,018	\$ 31,493			\$ (17,824)	\$ 8,349		\$ (17,824)
Title IIA, Carryover	84.367A		9/1/09-8/31/10	40,015	(202)		4,155					3,953		
Title IIA, Carryover	84.367A		9/1/08-8/31/09	40,335	(3,953)		1,500				(2,453)			(2,453)
Title III	84.365A		9/1/10-8/31/11	19,490			17,802	19,215			(1,688)	275		(1,688)
Title III, Carryover	84.365A		9/1/09-8/31/10	17,951	(9,489)		11,598				(2,109)	2,109		(2,109)
Title III, Carryover	84.365A		9/1/08-8/31/09	16,670	(2,109)						(960)			(960)
Title III, Immigrant	84.365A		9/1/10-8/31/11	8,667			7,707	8,667			(44,425)			(44,425)
ID.E.A. Part B, Basic	84.027		9/1/10-8/31/11	512,279			467,854	512,279						
ID.E.A. Part B, Basic Carryover	84.027		9/1/09-8/31/10	510,935	(97,133)		97,133							
ARRA - ID.E.A. Part B, Basic	84.391		9/1/09-8/31/10	588,346	(128,214)		218,503	314,685			(240,517)	16,121		(240,517)
ID.E.A. Part B, Preschool	84.173		9/1/10-8/31/11	22,918			22,918							
ARRA - ID.E.A. Part B, Preschool	84.392		9/1/09-8/31/10	21,297	(5,892)		5,892	1,470			(15,405)	13,935		(15,405)
Total Special Revenue Fund					(246,992)		877,080	910,727			(325,381)	44,742		(325,381)
Total Federal Financial Assistance					\$ (246,992)		\$ 877,080	\$ 910,727			\$ (325,381)	\$ 44,742		\$ (325,381)

GLEN ROCK PUBLIC SCHOOLS  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

State Department of Education	Grant or State Project Number	Grant	Award Amount	Balance June 30, 2010	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balance	(Accts. Receivable)	Balance June 30, 2011 Deferred Revenue	Due to Grantor	Memorandum		
													GAAP Receivable	Budgetary Expenditures	
General Fund	10-495-034-5120-014	7/1/09-6/30/10	\$ 94,566	\$ (12,345)		\$ 12,345									
Transportation Aid	10-495-034-5120-089	7/1/09-6/30/10	978,052	(126,534)		126,534									
Special Education Aid	11-100-034-5120-473	7/1/10-6/30/11	630,629			\$ 630,629				\$ (630,629)				\$ 630,629	
Extraordinary Aid	10-100-034-5120-475	7/1/09-6/30/10	539,045	(539,045)		539,045									
Extraordinary Aid	10-100-034-5120-473	7/1/09-6/30/10	120,590	(15,431)		15,431									
Security Aid	10-495-034-5120-084	7/1/09-6/30/10	25,105			12,552				(12,552)				25,105	
TPAF Wage Freeze	11-495-034-5095-002	7/1/10-6/30/11	53,056			53,056								53,056	
On-Behalf TPAF Pension System Contr. (Non-Budgeted)-NCGI	11-495-034-5095-006	7/1/10-6/30/11	1,126,489			1,126,489								1,126,489	
Post Retirement Medical Contribution	11-495-034-5095-001	7/1/10-6/30/11	1,314,644			1,314,644								1,314,644	
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	7/1/10-6/30/11													
Total General Fund				(693,353)		3,200,096	3,149,923			(643,182)				(12,553)	3,149,923
Special Revenue Fund															
New Jersey Non-Public Aid:															
Textbook	11-100-034-5120-064	7/1/10-6/30/11	19,780			19,780	19,168					\$ 612			19,168
Textbook	10-100-034-5120-064	7/1/09-6/30/10	23,438	680		23,501	23,438		\$ 680						23,438
Nursing	11-100-034-5120-070	7/1/10-6/30/11													
Auxiliary Services:															
Compensatory Education	11-100-034-5120-067	7/1/10-6/30/11	61,958			61,958	53,753		3,723			8,205			53,753
Compensatory Education	10-100-034-5120-067	7/1/09-6/30/10	71,304	3,723		854	854								854
ESL	11-100-034-5120-067	7/1/10-6/30/11	979	268					268						
ESL	10-100-034-5120-067	7/1/09-6/30/10													
Handicapped Services:															
Examination	11-100-034-5120-066	7/1/10-6/30/11	32,535			32,535	28,705					3,830			28,705
Examination	10-100-034-5120-066	7/1/09-6/30/10	37,657	13,569		25,709	19,038		13,569			6,671			19,038
Supplemental Instruction	11-100-034-5120-066	7/1/10-6/30/11	25,709	7,886		50,510	15,881		7,886			14,629			15,881
Supplemental Instruction	10-100-034-5120-066	7/1/09-6/30/10	30,510	11,841					11,841						
Corrective Speech	10-100-034-5120-066	7/1/09-6/30/10	34,254												
Home Instruction	N/A		3,074							(3,074)					3,074
Total Special Revenue Fund				37,967		194,784	163,911		37,967			33,947			163,911
Debt Service Fund															
Debt Service Aid	11-495-034-5120-075	7/1/10-6/30/11	670,441			670,441	670,441								670,441
Total State Financial Assistance				(655,383)		4,065,321	3,984,275		37,967		(646,256)	\$ 33,947			\$ 3,984,275
On-Behalf TPAF Pension System Contr. (Non-Budgeted)-NCGI	11-495-034-5095-006	7/1/10-6/30/11	53,036			53,036	53,036								53,036
Post Retirement Medical Contribution	11-495-034-5095-001	7/1/10-6/30/11	1,126,489			1,126,489	1,126,489								1,126,489
Total for State Financial Assistance Determination				(655,383)		2,885,796	2,804,750		37,967		(646,256)	\$ 33,947			\$ 2,804,750

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 GENERAL**

The accompanying schedules present the activity of all federal and state financial assistance programs of the Glen Rock Public Schools. The Board of Education is defined in Note 1(A) to the Board's basic financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) to the Board's 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 a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2.. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$62,726 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 3,200,097	\$ 3,200,097
Special Revenue Fund	\$ 910,727	163,911	1,074,638
Debt Service Fund	-	670,441	670,441
	<hr/>	<hr/>	<hr/>
Total Financial Assistance	<u>\$ 910,727</u>	<u>\$ 3,364,008</u>	<u>\$ 4,274,735</u>

**GLEN ROCK PUBLIC SCHOOLS  
 NOTES TO THE SCHEDULES OF EXPENDITURES OF  
 FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

**NOTE 5 FEDERAL AND STATE LOANS OUTSTANDING**

The District's federal and state loans outstanding at June 30, 2011, which are not required to be reported on the schedule of federal awards and state financial assistance, are as follows:

<u>Loan Program</u>	<u>Federal CFDA Number/ State Account Number</u>	<u>State</u>
NJEDA Small Project	L01442	\$ 75,715
NJEDA Safe Program	L01441	<u>306,281</u>
		<u>\$ 381,996</u>

**NOTE 6 OTHER INFORMATION**

TPAF Social Security contributions in the amount of \$1,314,644 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2011. The amount reported as TPAF Pension System NCGI Contributions in the amount of \$53,036 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,126,489 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2011.

**NOTE 7 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's basic financial statements and the amount subject to State single audit and major program determination.

**GLEN ROCK PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? \_\_\_\_\_ yes  X  none reported

Noncompliance material to the basic financial statements noted? \_\_\_\_\_ yes  X  no

**Federal Awards Section**

Internal Control over compliance:

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

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? \_\_\_\_\_ yes  X  none reported

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

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section.510(a))? \_\_\_\_\_ yes  X  none

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.173/84.027</u>	<u>IDEA Part B Basic/Preschool</u>
<u>84.391/84.392</u>	<u>ARRA IDEA Basic/Preschool</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar threshold used to distinguish between Type A and Type B Programs \$ 300,000

Auditee qualified as low-risk auditee?  X  yes \_\_\_\_\_ no

**GLEN ROCK PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Part I – Summary of Auditor’s Results**

**State Awards Section**

Internal Control over compliance:

- 1) Material weakness(es) identified? \_\_\_\_\_ yes      X   no
- 2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? \_\_\_\_\_ yes      X   none reported

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

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04, as amended? \_\_\_\_\_ yes      X   none

Identification of major programs:

<u>State Grant/Project Number (s)</u>	<u>Name of State Program</u>
<u>100-034-5120-473</u>	<u>Extraordinary Aid</u>
<u>495-034-5095-002</u>	<u>TPAF Reimbursable Social Security</u>
<u>495-034-5120-075</u>	<u>Debt Service Aid</u>
_____	_____
_____	_____
_____	_____
_____	_____

Dollar threshold used to distinguish between Type A and Type B Programs    \$ 300,000

Auditee qualified as low-risk auditee?      X   yes    \_\_\_\_\_ no

**GLEN ROCK PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

*Part 2 – Schedule of Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

There are none.

**GLEN ROCK PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

**CURRENT YEAR FEDERAL AWARDS**

There are none.

**CURRENT YEAR STATE AWARDS**

There are none.

**GLEN ROCK PUBLIC SCHOOLS  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315(a)(b) and New Jersey OMB's Circular 04-04.

**STATUS OF PRIOR YEAR FINDINGS**

There were none.