

**Glassboro Board of Education  
Comprehensive Annual Financial Report  
For the Year Ended June 30, 2012**

**SCHOOL DISTRICT  
OF  
GLASSBORO, NEW JERSEY**

**Glassboro Board of Education  
Glassboro, New Jersey**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2012**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

of the

Glassboro Board of Education  
Glassboro, New Jersey

For the Fiscal Year Ended June 30, 2012

Prepared by:

Glassboro Board of Education Administration

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## **INTRODUCTORY SECTION**

# Glassboro Public Schools

560 Joseph Bowe Boulevard  
Glassboro, New Jersey 08028

[www.glassboro.k12.nj.us](http://www.glassboro.k12.nj.us)

Phone: 856-652-2700  
Fax: 856-881-0884

Danielle Sochor  
Director of Curriculum & Personnel



Walter S. Pudelko III, CPA  
Business Administrator

Mark J. Silverstein, Ed.D, Superintendent of Schools

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September 24, 2012

Honorable President and  
Members of the Board of Education  
Glassboro School District  
560 Joseph Bowe Boulevard  
Glassboro, New Jersey 08028

Dear Members of the Board,

Please accept, for your review, the comprehensive annual financial report for the Glassboro Public Schools covering the year ending June 30, 2012. Responsibility for the accuracy of the data, completeness and fairness of presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Government and Non-Profit Organizations," and the New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

EQUAL OPPORTUNITY EMPLOYER

**1. REPORTING ENTITY AND ITS SERVICES**

The Glassboro School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The Glassboro Board of Education and all its schools constitute the District’s reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular and vocational as well as special education for handicapped students. The District’s average daily enrollment for 2011-2012 fiscal year was 2,222 students, which is 5 students more than the previous year’s average daily enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Fiscal Year	Average Daily Enrollment Student Enrollment
2011-12	2,222
2010-11	2,217
2009-10	2,115
2008-09	2,215
2007-08	2,248
2006-07	2,375
2005-06	2,347
2004-05	2,324
2003-04	2,430
2002-03	2,468

**2. ECONOMIC CONDITIONS AND OUTLOOK**

The Borough of Glassboro continues to experience development and expansion. This trend is expected to continue with the successes of the Economic Redevelopment Authority, Rowan University, and the community growth potentials. Over the past ten school years, the District’s Average Daily Enrollment has decreased by 246 students or 10%.

**3. MAJOR INITIATIVES**

J. Harvey Rodgers School

Provide all resident 5 year olds with a full day Kindergarten programming, provide all resident 4 year olds with a half day Pre-K programming and integrate student with disabilities with typically developing peers to the fullest extent possible.

Continue the implementation of a Balanced Literacy Model as well as Everyday Math with a focus on differentiated small group instructional routines with the goal of increasing student achievement on benchmark assessments.

Continue the implementation of Creative Curriculum in all Pre-K classrooms with the goal of developing pro-social behaviors and academic growth through structured play routines.

Implement all “universal” routines for School wide Positive Behavior Support (PBS) with the goal of addressing student behavior through proactive, systemic procedures.

Continue with all PLC initiatives including data review meetings, book studies, action research and “in-house” professional development.

### Dorothy L. Bullock School

Grades 1-3

Dorothy L. Bullock School teachers and administration continue to strengthen School Leadership Teams and Professional Learning Communities to build school culture. The teams were able to look at student data to make appropriate instructional decisions for student success and to review research based readings for improving instruction. The teams used diagnostic tools such as, DIBELS, STAR Math, and STAR Reading, Benchmarks and MAP Teachers continue to implement Accelerated Reading and Accelerated Math into their program to differentiate instruction meeting the needs of advanced learners as well as at-risk students. Teachers also continue to strengthen student writing with the new implementation of the Lucy Calkins Program; Units of Study. Students participate in an end of year culminating activity to share their most special writing pieces of the year. The Bullock staff continues to be committed to meeting the needs of all Students through a very well planned I & RS committee and are using strategies from the much acclaimed work of Ruby Payne; Understanding Poverty.

Bullock School continues to offer high quality character education programs as well as its popular June Pride Day which is in its 7<sup>th</sup> year. Our parents continue to be a positive driving force in our school and dedicate many hours to our students through volunteering, PTO, and other school activities.

### Thomas E. Bowe School

Grades 4-6

Thomas E. Bowe School has established a School Improvement Team (SIT). The functions of the SIT are the following: sharing information, empowering staff and students, providing a venue to support and monitor progress. The School Improvement Team will work to review curriculum standards and data to make suggestions for instructional change. Data will be reviewed and disaggregated to provide accurate information for teachers to reflect and increase pupil performance. Everyday Math has been implemented in 6<sup>th</sup> grade. Teachers will utilize various forms of instructional data such as benchmarks and unit tests to guide their instruction. Map, Star Reading and Accelerated Reader are some of the technological tools to support student growth. Guided reading, Writer's Workshop and The Science of Teaching and Learning are powerful tools to assist as we look to educate the whole child. Bowe School has a Renaissance Program that provides incentive for positive academic and behavioral outcomes. Parental improvement through the PTO and various other components are essential to Bowe School. The PTO conducts fundraisers and special activities to support the school.

### Intermediate School

Grades 7-8

Lion's Quest, a Character Education Program, which is implemented in through our health classes and supported throughout the other disciplines. The purpose remains to promote a peaceful school through lessons, assemblies, monthly slogans, positive values and spirit days.

The Character Education Program is further supported by the Days of Peace and Respect initiative where each grade level competes against each other to reach the benchmarks rewards for no fights or bullying. As we strive to maintain an environment where our students feel safe, they can then focus on their academic achievement. To encourage academic success, the Renaissance Program has been reinstated.

Intermediate School also has a School Leadership team which shares information and empowers staff to make collaborative decisions benefitting the entire school community. This team has and will continue to work in making suggestions for instructional change. Data will be reviewed and disaggregated to provide accurate information for teachers to reflect and increase pupil performance. Teachers will utilize various forms of instructional data such as benchmarks and unit tests, Map, and Study Island to support growth. Guided reading, Writer's Workshop and The Science of Teaching and Learning are powerful tools assisting staff as we work towards educating the whole child.

Glassboro High School  
Grades 9-12

Core Plus Program has been shown to enhance students' mathematical achievement and attitudes toward mathematics. Each course advances students' understanding of mathematics along interwoven strands of algebra and functions, statistics and probability, geometry and trigonometry, and discrete mathematics. Our teachers continue to receive professional development through outside consultants and our Math Coach.

Freshman Mentoring/Transition: A major component of Freshman Transition is the Mentoring Program. Over fifty juniors and seniors volunteered to be freshman mentors. The students are assigned mentors and provide freshmen with mentoring sessions including themes of respect, responsibility, and tolerance.

The Science of Teaching and Learning highlights and educates the participants to the hidden rules that govern how each of us behaves in our social class. Teachers are working diligently in delivering instruction in a diversified format with concrete models to enhance student comprehension and retention. Teachers have learned to be culturally aware in the classroom utilizing strategies to enhance instruction and ultimately bridge the achievement gap in our school.

PLC initiatives including data review meetings, book studies, action research and "in-house" professional development will continue throughout the school year utilizing delayed openings and half day schedules for collaboration.

Read 180 is built on scientifically based research and collaboration of reading experts. Developed in clinical and classroom settings, Read 180 brings together the essential building blocks of effective reading intervention to break the cycle of failure, accelerate instruction, and allow struggling readers to experience success. Students complete instructional software geared toward expanding reading fluency, reading comprehension and retention, along with writing techniques that will help students succeed in high school and beyond.

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 is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principals (G.A.A.P.). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurances recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2012.

## **6. ACCOUNTING SYSTEM AND REPORTS**

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards (G.A.S.B.). The accounting system of the District is organized on the basis of funds and account groups.

## **7. DEBT ADMINISTRATION**

At June 30, 2012, the District's outstanding debt issues included \$10,985,000 of general obligation bonds.

On December 19, 2006, bonds in the 2001 and 2002 series were refinanced for an amount of \$9,485,000. The current outstanding balance is \$9,065,000 and the bonds mature in 2018. The rate of interest will fluctuate from 3.75% to 5%.

On September 10, 2009, bonds in the 2004 series were refinanced for an amount of \$4,095,000. The current outstanding balance is \$1,920,000 and the bonds mature in 2017. The rate of interest will fluctuate from 2.5% to 4%.

## **8. CASH MANAGEMENT**

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

9. **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.

10. **OTHER INFORMATION**

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Petroni & Associates LLC was selected by the 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 of 1984 and the Single Audit Act Amendments of 1996, and the related OMB Circular No. A-133 and New Jersey State Treasury Circular Letter 04-04. The auditor’s report on the basic financial statements 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.

11. **ACKNOWLEDGEMENTS**

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

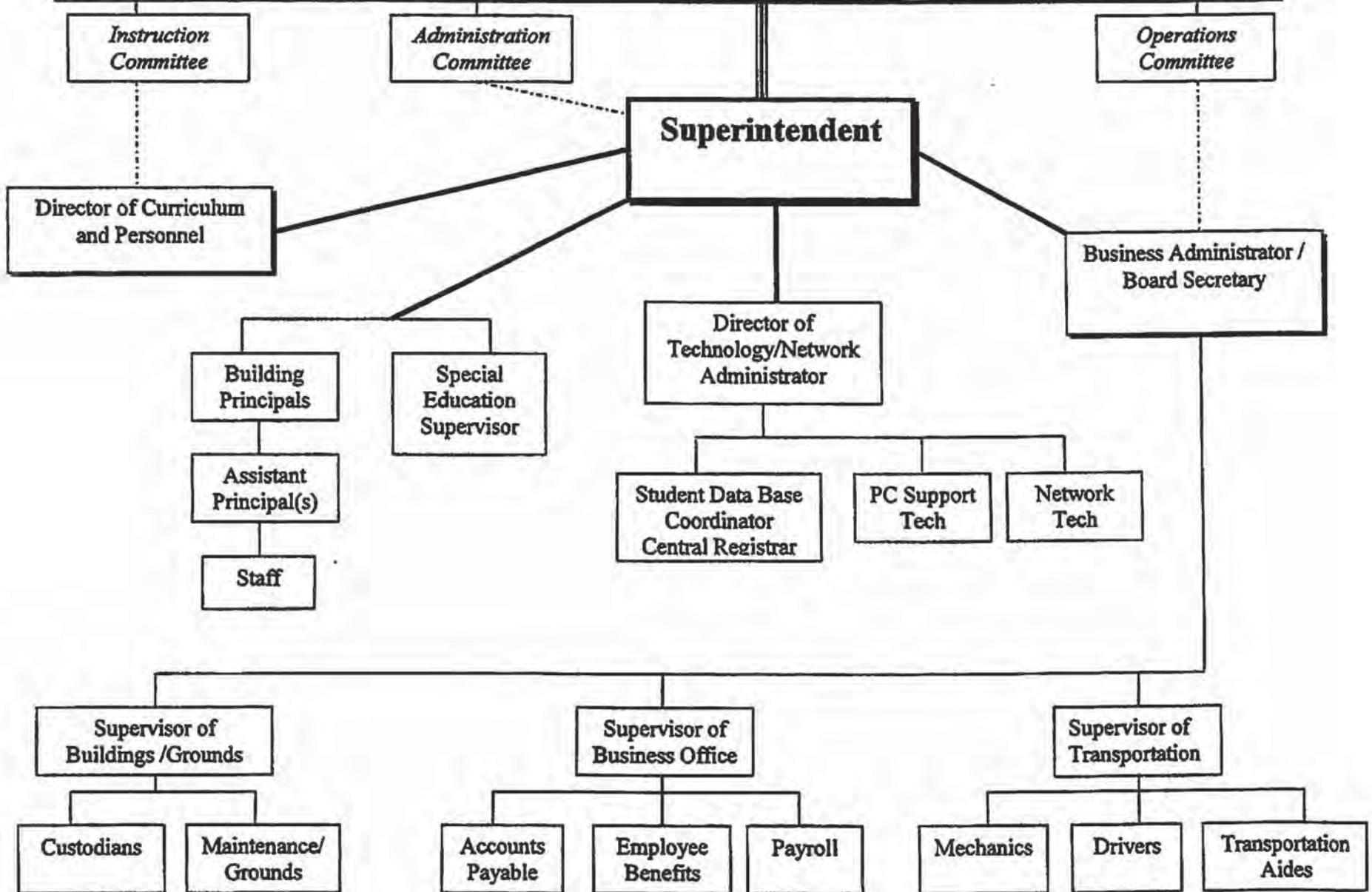
Respectfully submitted,

Mark J. Silverstein, MBA, Ed.D.  
Superintendent of Schools

Walter S. Pudelko, III, CPA  
Business Administrator/  
Board Secretary

# GLASSBORO SCHOOL DISTRICT ORGANIZATIONAL CHART

## BOARD OF EDUCATION



**GLASSBORO BOARD OF EDUCATION**  
**Glassboro, NJ 08028**

**ROSTER OF OFFICIALS**  
**June 30, 2012**

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>Term Expires</u>
Peter J. Calvo, President	2013
Linda M. Emory, Vice President	2012
Susette Jones	2014
Christine Kane	2012
Edward Keith	2012
June H. Longley	2014
Anthony Marino	2013
Ben Stephens	2013
Elizabeth Volz	2014

OTHER OFFICIALS

Dr. Mark J. Silverstein, Superintendent  
Walter Pudelko III, CPA, Business Administrator/Board Secretary  
Karyn Paccione, Treasurer

**GLASSBORO BOARD OF EDUCATION  
Glassboro, NJ 08028**

**CONSULTANTS AND ADVISORS**

**ARCHITECTS**

Fraytak Veisz Hopkins Duthie, P.C.  
1515 Lower Ferry Road  
P.O. Box 7371  
Trenton, NJ 08628

**AUDIT FIRM**

Petroni & Associates LLC  
102 W. High Street, Suite 100  
Glassboro, NJ 08028

**ATTORNEY**

Parker McCay PA  
9000 Midlantic Drive  
Suite 300  
Mt. Laurel, NJ 08054

**OFFICIAL DEPOSITORY**

TD Bank  
Delsea Drive & Dalton Road  
Glassboro, NJ 08028

Susquehanna Bank  
600 North Delsea Drive  
Glassboro, NJ 08028

## **FINANCIAL SECTION**

# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
102 W. High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028  
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA  
Wendy G. Fama, CPA  
Denise R. Nevico, CPA  
Deanna L. Roller, CPA, RMA

## INDEPENDENT AUDITOR'S REPORT

Honorable President and  
Members of the Board of Education  
Glassboro School District  
560 Joseph Bowe Boulevard  
Glassboro, New Jersey 08028

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Glassboro School District in the County of Gloucester, State of New Jersey, as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Glassboro Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Glassboro Board of Education, in the County of Gloucester, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2012, on our consideration of the Glassboro Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* 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 as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Glassboro Board of Education's financial statements. The introductory section, combining and individual fund financial statements, long-term debt schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the 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 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*, respectively, and are also not a required part of the financial statements. The combining and individual fund financial statements and the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise the Glassboro Board of Education's basic financial statements. The introductory and statistical sections are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Licensed Public School Accountant #542

October 15, 2012

## **Required Supplementary Information – Part I**

**GLASSBORO PUBLIC SCHOOLS  
GLASSBORO, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED**

The discussion and analysis of Glassboro Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB's) Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999. Certain comparative information between the current year (2011-2012) and the prior year (2010-2011) is required to be presented in the MD&A.

**Financial Highlights**

Key financial highlights for 2012 are as follows:

- \* General revenues accounted for \$37,985,356 in revenue or 93 percent of all revenues.
- \* Program specific revenues in the form of charges for services and grants and contributions accounted for \$2,832,859 or 7 percent of total revenues of \$40,819,452.
- \* The School District had \$39,108,522 in expenses; only \$2,832,859 of these expenses were offset by program specific charges for services, grants or contributions.
- \* Among governmental funds, the General Fund had \$36,260,188 in revenues and the General Fund's fund balance increased \$953,825 over 2011.

**Using this Comprehensive Annual Financial Report (CAFR)**

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

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Glassboro Public School District, the General Fund is by far the most significant fund.

## **Reporting the School District as a Whole**

### **Statement of Net Assets and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and ask the question, “How did we do financially during 2012?” The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current years revenues and expenses regardless of when cash is received or paid.

These two statements report the School District’s net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District’s property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- \* Governmental Activities – All of the School District’s programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- \* Business-Type Activity – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service Enterprise Fund is reported as a business activity.

## **Reporting the School District’s Most Significant Funds**

### **Fund Financial Statements**

Fund financial reports provide detailed information about the School District’s funds. The School District uses many funds to account for a multitude of financial transactions. The School District’s governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

### **Governmental Funds**

The School District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District’s general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

## Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

## Notes to the 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.

## The School District as a Whole

The Statement of Net Assets provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of a government's financial position.

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 1 provides a summary of the School District's net assets for 2012 with comparative data from 2011.

**Table 1**  
**Summary of Net Assets**

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current & other assets	2,424,532	1,586,402	143,083	151,250	2,567,615	1,737,652
Capital assets	21,914,966	22,682,866	80,656	78,730	21,995,622	22,761,596
Total assets	<u>24,339,498</u>	<u>24,269,268</u>	<u>223,739</u>	<u>229,980</u>	<u>24,563,237</u>	<u>24,499,248</u>
Long-term liabilities	13,736,006	15,296,506			13,736,006	15,296,506
Other liabilities	414,999	473,384		28,056	414,999	501,440
Total liabilities	<u>14,151,005</u>	<u>15,769,890</u>		<u>28,056</u>	<u>14,151,005</u>	<u>15,797,946</u>
Net assets:						
Invested in capital						
assets, net of debt	9,878,118	9,025,089	32,990	47,278	9,911,108	9,072,367
Restricted	2,774,030	1,799,540			2,774,030	1,799,540
Unrestricted	<u>(2,463,655)</u>	<u>(2,325,251)</u>	<u>190,749</u>	<u>154,646</u>	<u>(2,272,906)</u>	<u>(2,170,605)</u>
Total net assets	<u>10,188,493</u>	<u>8,499,378</u>	<u>223,739</u>	<u>201,924</u>	<u>10,412,232</u>	<u>8,701,302</u>

The District's combined net assets were \$10,412,232 on June 30, 2012. This was an increase from the prior year.

Table 2 shows changes in net assets for fiscal year 2012 with comparative data from 2011.

## The School District as a Whole (Continued)

**Table 2**  
**Changes in Net Assets**

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Revenues:</b>						
Program revenues:						
Charges for services	7,000	2,300	295,552	316,140	302,552	318,440
Operating grants & contributions	1,937,408	2,597,744	592,899	532,698	2,530,307	3,130,442
General revenues:						
Property taxes	18,221,217	18,476,272			18,221,217	18,476,272
Grants & entitlements	18,955,677	17,597,793			18,955,677	17,597,793
Other	808,462	586,993	1,237	79	809,699	587,072
<b>Total revenues</b>	<b>39,929,764</b>	<b>39,261,102</b>	<b>889,688</b>	<b>848,917</b>	<b>40,819,452</b>	<b>40,110,019</b>
<b>Expenses:</b>						
Instruction	14,383,529	14,618,577			14,383,529	14,618,577
Support services	21,999,313	21,358,010			21,999,313	21,358,010
Capital outlay	244,572	83,374			244,572	83,374
Transfer to charter schools	31,661	30,665			31,661	30,665
Unallocated depreciation	1,088,023	975,910			1,088,023	975,910
Interest on debt	493,551	531,772			493,551	531,772
Food service			867,873	832,884	867,873	832,884
<b>Total expenses</b>	<b>38,240,649</b>	<b>37,598,308</b>	<b>867,873</b>	<b>832,884</b>	<b>39,108,522</b>	<b>38,431,192</b>
Change in net assets	1,689,115	1,662,794	21,815	16,033	1,710,930	1,678,827
Beginning net assets	8,499,378	6,836,584	201,924	185,891	8,701,302	7,022,475
Ending net assets	10,188,493	8,499,378	223,739	201,924	10,412,232	8,701,302

### Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 46 percent of revenues for governmental activities for the Glassboro Public School District for fiscal year 2012. The District's total revenues were \$39,929,764 for the year ended June 30, 2012. Federal, state, and local grants accounted for another 47 percent of revenue.

The total cost of all programs and services was \$38,240,649. Instruction comprises 38 percent of District expenses.

### Business-Type Activities

Revenues for the District's business-type activity (food service program) was comprised of charges for services and federal and state reimbursements.

- \* Food service income exceeded expenditures by \$21,815.
- \* Charges for services represent \$295,552 of food service revenue.
- \* Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$592,899.

## Statement of Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for the year 2012, with comparative data for 2011. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**Table 3**

	Total Cost of Services		Net Cost of Services	
	2012	2011	2012	2011
Instruction	14,383,529	14,618,577	12,939,282	12,706,764
Support services:				
Pupil & instructional staff	5,521,732	5,512,482	5,030,185	4,837,955
General administration, school administration & business operation	2,791,430	2,785,963	2,791,430	2,785,963
Operation & maintenance of facilities	2,889,225	3,032,171	2,889,225	3,032,171
Pupil transportation	2,018,285	1,806,204	2,018,285	1,806,204
Interest	493,551	531,772	493,551	531,772
Other	11,010,770	10,144,023	10,113,705	9,281,481
	<u>39,108,522</u>	<u>38,431,192</u>	<u>36,275,663</u>	<u>34,982,310</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

"Other" includes special schools and unallocated depreciation.

## The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$39,929,130 and expenditures were \$39,239,053.

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

### General Fund Budgeting Highlights (Continued)

amendment made to the original budget was the inclusion of additional state aid received during the year.

### Capital Assets

At the end of the fiscal year 2012 the School District had \$21,995,622 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2012 balances compared to 2011.

**Table 4**  
**Capital Assets (Net of Depreciation) at June 30,**

	<u>2012</u>	<u>2011</u>
Sites	235,104	235,104
Site improvements	766,647	838,931
Building & building improvements	19,339,101	19,964,012
Machinery & equipment	1,654,770	1,723,549
	<u>21,995,622</u>	<u>22,761,596</u>

Overall capital assets decreased \$765,974 from fiscal year 2011 to fiscal year 2012. For more detailed information, please refer to the Notes to the Financial Statements.

### Debt Administration

At June 30, 2012, the School District had \$13,736,006 of outstanding debt. Of this amount, \$1,699,158 is for compensated absences; \$1,051,848 for various capital leases; and \$10,985,000 of serial bonds for school construction.

**Table 5**  
**Outstanding Serial Bonds at June 30,**

	<u>2012</u>	<u>2011</u>
2002 General Obligation Bonds		205,000
Refunding Bonds of 2006	9,065,000	9,480,000
Refunding Bonds of 2009	1,920,000	2,605,000
	<u>10,985,000</u>	<u>12,290,000</u>

For more detailed information, please refer to the Notes to the Financial Statements.

### For the Future

The Glassboro Public School District is in good financial condition presently. The School District is proud of its community support of the public schools. A major concern is the sustained enrollment of the District with the increased reliance on local property taxes. However, future finances are not without challenges as the community continues to grow and State funding is decreased.

In conclusion, the Glassboro Public School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and

**For the Future (Continued)**

internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Mr. Walter Pudelko III, CPA, Business Administrator/Board Secretary at Glassboro Board of Education, George Beach Administration Building, 560 Joseph Bowe Memorial Boulevard, Glassboro, New Jersey 08028. Please visit our website at [www.glassboroschools.us](http://www.glassboroschools.us).

## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

GLASSBORO SCHOOL DISTRICT  
Statement of Net Assets  
June 30, 2012

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	1,598,835	98,026	1,696,861
Receivables, net	1,017,143	30,952	1,048,095
Inventory		14,105	14,105
Restricted assets:			
Cash and cash equivalents	3		3
Sites	235,104		235,104
Other capital assets, net	21,679,862	80,656	21,760,518
Total Assets	<u>24,530,947</u>	<u>223,739</u>	<u>24,754,686</u>
<b>LIABILITIES</b>			
Cash deficit	191,449		191,449
Accounts payable	319,000		319,000
Payable to state government	21,832		21,832
Deferred revenue	74,167		74,167
Noncurrent liabilities:			
Due within one year	1,829,556		1,829,556
Due beyond one year	11,906,450		11,906,450
Total liabilities	<u>14,342,454</u>		<u>14,342,454</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	9,878,118	32,990	9,911,108
Restricted for:			
Debt service	3		3
Other purposes	2,774,027		2,774,027
Unrestricted	(2,463,655)	190,749	(2,272,906)
Total net assets	<u>10,188,493</u>	<u>223,739</u>	<u>10,412,232</u>

See accompanying notes to the basic financial statements.

GLASSBORO SCHOOL DISTRICT  
Statement of Activities  
For the Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
Instruction:							
Regular	8,976,002				(8,976,002)		(8,976,002)
Special education	3,188,639				(3,188,639)		(3,188,639)
Other special instruction	1,815,288		1,444,247		(371,041)		(371,041)
Other instruction	403,600				(403,600)		(403,600)
Support services:							
Tuition	1,995,833				(1,995,833)		(1,995,833)
Student & instructional related services	3,525,899	7,000	484,547		(3,034,352)		(3,034,352)
School administrative services	1,278,562				(1,278,562)		(1,278,562)
General & business administrative services	1,512,868				(1,512,868)		(1,512,868)
Plant operations & maintenance	2,889,225				(2,889,225)		(2,889,225)
Pupil transportation	2,018,285				(2,018,285)		(2,018,285)
Unallocated benefits	8,778,641				(8,778,641)		(8,778,641)
Capital outlay	244,572		8,614		(235,958)		(235,958)
Transfer to Charter Schools	31,661				(31,661)		(31,661)
Interest on long-term debt	493,551				(493,551)		(493,551)
Unallocated depreciation	1,088,023				(1,088,023)		(1,088,023)
Total governmental activities	<u>38,240,649</u>	<u>7,000</u>	<u>1,937,408</u>		<u>(36,296,241)</u>		<u>(36,296,241)</u>
Business-type activities:							
Food Service	867,873	295,552	592,899			20,578	20,578
Total business-type activities	<u>867,873</u>	<u>295,552</u>	<u>592,899</u>			<u>20,578</u>	<u>20,578</u>
Total primary government	<u>39,108,522</u>	<u>302,552</u>	<u>2,530,307</u>		<u>(36,296,241)</u>	<u>20,578</u>	<u>(36,275,663)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					16,756,877		16,756,877
Taxes levied for debt service					1,464,340		1,464,340
Other local government units					18,371		18,371
Federal and State aid not restricted					18,955,677		18,955,677
Tuition received					351,180		351,180
Transportation fees					106,626		106,626
Investment earnings					35,181	1,237	36,418
Miscellaneous Income					303,484		303,484
Prior year payable canceled					536		536
Prior year receivable canceled					(259)		(259)
Loss on retirement of asset					(6,657)		(6,657)
Total general revenues, special items, extraordinary items and transfers					<u>37,985,356</u>	<u>1,237</u>	<u>37,986,593</u>
Change in net assets					1,689,115	21,815	1,710,930
Net assets - beginning					8,499,378	201,924	8,701,302
Net assets - end					<u>10,188,493</u>	<u>223,739</u>	<u>10,412,232</u>

See accompanying notes to the basic financial statements.

## **FUND FINANCIAL STATEMENTS**

GLASSBORO SCHOOL DISTRICT  
Balance Sheet  
Governmental Funds  
June 30, 2012

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Debt Service Fund	
<b>ASSETS</b>				
Cash and cash equivalents	1,597,290		3	1,597,293
Receivables from other governments	396,981	333,900		730,881
Other - tuition	210,741			210,741
Other - transportation	75,521			75,521
<b>Total Assets</b>	<b>2,280,533</b>	<b>333,900</b>	<b>3</b>	<b>2,614,436</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Cash deficit		191,449		191,449
Accounts payable	241,808	77,192		319,000
Payable to state government		21,832		21,832
Deferred revenue		74,167		74,167
<b>Total liabilities</b>	<b>241,808</b>	<b>364,640</b>		<b>606,448</b>
Fund balances:				
Restricted for:				
Excess surplus - designated for subsequent year's expenditures	1,003,551			1,003,551
Excess surplus	1,605,570			1,605,570
Assigned to:				
Debt service fund			3	3
Designated for subsequent year's expenditures	6,269			6,269
Year-end encumbrances	158,637			158,637
Unassigned:				
General fund	(735,302)			(735,302)
Special revenue fund		(30,740)		(30,740)
<b>Total fund balances</b>	<b>2,038,725</b>	<b>(30,740)</b>	<b>3</b>	<b>2,007,988</b>
<b>Total liabilities and fund balances</b>	<b>2,280,533</b>	<b>333,900</b>	<b>3</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$37,615,269 and the accumulated depreciation is \$15,700,303 (See Note 7).

21,914,966

Internal service funds are used by management to charge the cost of certain activities to individual funds. Assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.

1,545

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 8).

(13,736,006)

Net assets of governmental activities

10,188,493

See accompanying notes to the basic financial statements.

GLASSBORO SCHOOL DISTRICT  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2012

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Debt Service Fund	
<b>REVENUES:</b>				
Local sources:				
Local tax levy	16,756,877		1,464,340	18,221,217
Other local government units restricted	18,371			18,371
Tuition charges	351,180			351,180
Transportation fees	106,626			106,626
Miscellaneous	338,651	13,804		352,455
	<u>17,571,705</u>	<u>13,804</u>	<u>1,464,340</u>	<u>19,049,849</u>
State sources	18,059,657	503,246	267,194	18,830,097
Federal sources	628,826	1,420,358		2,049,184
	<u>36,260,188</u>	<u>1,937,408</u>	<u>1,731,534</u>	<u>39,929,130</u>
<b>EXPENDITURES:</b>				
Current:				
Regular instruction	8,918,629			8,918,629
Special education instruction	3,188,639			3,188,639
Other special instruction	379,493	1,435,795		1,815,288
Other instruction	403,600			403,600
Support:				
Tuition	1,995,833			1,995,833
Student & instruction related services	3,029,813	484,547		3,514,360
School administrative services	1,278,562			1,278,562
Other administrative services	1,515,592			1,515,592
Plant operations and maintenance	2,889,225			2,889,225
Pupil transportation	2,018,285			2,018,285
Unallocated benefits	8,778,641			8,778,641
Debt Service:				
Principal			1,305,000	1,305,000
Interest			493,551	493,551
Capital outlay	1,083,573	8,614		1,092,187
Transfer to charter schools	31,661			31,661
	<u>35,511,546</u>	<u>1,928,956</u>	<u>1,798,551</u>	<u>39,239,053</u>
Excess (deficiency) of revenues over expenditures	<u>748,642</u>	<u>8,452</u>	<u>(67,017)</u>	<u>690,077</u>
Other financing sources (uses):				
Capital leases (non-budgeted)	204,906			204,906
Transfers in	536			536
Transfers out	(259)			(259)
	<u>205,183</u>			<u>205,183</u>
Total other financing sources (uses)	<u>205,183</u>			<u>205,183</u>
Net change in fund balances	953,825	8,452	(67,017)	895,260
Fund balance - July 1	1,084,900	(39,192)	67,020	1,112,728
Fund balance - June 30	<u>2,038,725</u>	<u>(30,740)</u>	<u>3</u>	<u>2,007,988</u>

See accompanying notes to the basic financial statements.

GLASSBORO SCHOOL DISTRICT  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
 of Governmental Funds to the Statement of Activities  
 For the Year Ended June 30, 2012

Total net change in fund balances - governmental funds (from B-2)		895,260
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
	Depreciation expense	(1,088,023)
	Capital outlays	326,780
	Loss on retirement of asset	<u>(6,657)</u>
		(767,900)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
	Bond principal	1,305,000
	Capital lease obligation principal	520,835
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.</p>		
	Capital lease proceeds	(204,906)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. Net revenue (expense) of internal service funds if reported with governmental activities.</p>		
		1,255
<p>In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.</p>		
		<u>(60,429)</u>
Change in net assets of governmental activities		<u><u>1,689,115</u></u>

See accompanying notes to the basic financial statements.

GLASSBORO SCHOOL DISTRICT  
Statement of Net Assets  
Proprietary Funds  
June 30, 2012

	Business-type Activities Enterprise Funds		Governmental Activities - Internal Service Fund
	Major Fund Food Service	Totals	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	98,026	98,026	1,545
Receivables, net	30,952	30,952	
Inventory	14,105	14,105	
Total current assets	<u>143,083</u>	<u>143,083</u>	<u>1,545</u>
Noncurrent assets:			
Furniture, machinery & equipment	427,544	427,544	
Less accumulated depreciation	346,888	346,888	
Total noncurrent assets	<u>80,656</u>	<u>80,656</u>	
Total assets	<u><u>223,739</u></u>	<u><u>223,739</u></u>	<u><u>1,545</u></u>
<b>NET ASSETS</b>			
Invested in capital assets net of related debt	32,990	32,990	
Unrestricted	190,749	190,749	1,545
Total net assets	<u><u>223,739</u></u>	<u><u>223,739</u></u>	<u><u>1,545</u></u>

See accompanying notes to the basic financial statements.

GLASSBORO SCHOOL DISTRICT  
Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2012

	Business-type Activities Enterprise Funds		Governmental Activities - Internal Service Fund
	Major Fund Food Service	Totals	
Operating revenues:			
Charges for services:			
Daily sales - non-reimbursable programs	264,464	264,464	
Special functions	31,088	31,088	
Workers' compensation contributions			7,000
Total operating revenues	<u>295,552</u>	<u>295,552</u>	<u>7,000</u>
Operating expenses:			
Cost of sales	423,468	423,468	
Salaries	246,163	246,163	
Employee benefits	77,162	77,162	
Contracted services	37,750	37,750	
Operations and maintenance	8,513	8,513	
Supplies and materials	40,283	40,283	
Miscellaneous expenditures	13,562	13,562	
Claims expense			5,759
Depreciation	20,972	20,972	
Total operating expenses	<u>867,873</u>	<u>867,873</u>	<u>5,759</u>
Operating income (loss)	<u>(572,321)</u>	<u>(572,321)</u>	<u>1,241</u>
Non-operating revenues (expenses):			
Interest earned	1,237	1,237	14
State sources:			
State school lunch program	10,825	10,825	
Federal sources:			
School breakfast program	111,621	111,621	
National school lunch program	402,082	402,082	
Food distribution program	68,371	68,371	
Total non-operating revenues (expenses)	<u>594,136</u>	<u>594,136</u>	<u>14</u>
Change in net assets	21,815	21,815	1,255
Total net assets - beginning	201,924	201,924	290
Total net assets - ending	<u>223,739</u>	<u>223,739</u>	<u>1,545</u>

See accompanying notes to the basic financial statements.

GLASSBORO SCHOOL DISTRICT  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2012

	Business-type Activities Enterprise Funds		Governmental Activities - Internal Service Fund
	Major Fund Food Service	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers	305,130	305,130	
Receipts for internal service activities			7,000
Payments to employees	(246,163)	(246,163)	
Payments for employee benefits	(77,162)	(77,162)	
Payments to suppliers	(486,710)	(486,710)	
Payment for claims			(5,759)
Net cash provided by (used for) operating activities	<u>(504,905)</u>	<u>(504,905)</u>	<u>1,241</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
State Sources	10,913	10,913	
Federal Sources	513,805	513,805	
Net cash provided by (used for) non-capital financing activities	<u>524,718</u>	<u>524,718</u>	
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>			
Purchase of capital assets	(22,898)	(22,898)	
Net cash provided by investing activities	<u>(22,898)</u>	<u>(22,898)</u>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest earned	1,237	1,237	14
Net cash provided by investing activities	<u>1,237</u>	<u>1,237</u>	<u>14</u>
Net increase (decrease) in cash and cash equivalents	(1,848)	(1,848)	1,255
Balances - beginning of year	99,874	99,874	290
Balances - end of year	<u>98,026</u>	<u>98,026</u>	<u>1,545</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	(572,321)	(572,321)	1,241
<b>Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>			
Depreciation	20,972	20,972	
Food distribution program	68,371	68,371	
(Increase) decrease in accounts receivable	8,776	8,776	
(Increase) decrease in inventory	(2,647)	(2,647)	
Increase (decrease) in accounts payable	(28,056)	(28,056)	
Net cash provided by (used for) operating activities	<u>(504,905)</u>	<u>(504,905)</u>	<u>1,241</u>

See accompanying notes to the basic financial statements.

GLASSBORO SCHOOL DISTRICT  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2012

	Unemployment Compensation Trust	Agency Fund
<b>ASSETS</b>		
Cash and cash equivalents	426,333	528,665
Total assets	426,333	528,665
<b>LIABILITIES</b>		
Payroll deductions and withholdings		191,815
Accrued salaries and wages		180,822
Due to student groups		156,028
Total liabilities		528,665
<b>NET ASSETS</b>		
Held in trust for unemployment claims	426,333	

See accompanying notes to the basic financial statements.

GLASSBORO SCHOOL DISTRICT  
 Statement of Changes in Fiduciary Net Assets  
 Fiduciary Funds  
 For the Year Ended June 30, 2012

	Unemployment Compensation Trust
ADDITIONS:	
Contributions	37,277
Interest earned	3,889
Total additions	41,166
DEDUCTIONS:	
Unemployment claims	38,861
Change in net assets	2,305
Net assets - beginning of year	424,028
Net assets - end of year	426,333

See accompanying notes to the basic financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Introduction**

The Glassboro School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials who are 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.

The financial statements of the Board of Education of Glassboro School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the GASB and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict the GASB pronouncements. Although the District has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the District has chosen not to do so. The more significant accounting policies established in GAAP and used by the District are discussed below.

**A. Reporting Entity**

The Glassboro School District is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-12.

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

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

Based on the aforementioned criteria, the District has no component units.

GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basic Financial Statements – District-Wide Financial Statements**

The District's basic financial statements include both District-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds.) Both the district-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's general, special revenue, capital projects and debt service are classified as governmental activities. The District's food service program is classified as a business-type activity.

In the District-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The District first utilizes restricted resources to finance qualifying activities.

The District-wide Statement of Activities reports both the gross and net costs of each of the District's functions and business-type activities (food service). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, special education, student and instruction related services, etc.) or business-type activities. Operating grants include operating specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

The District does not allocate indirect costs such as depreciation expense, on-behalf TPAF Pension contributions and TPAF Social Security Contributions.

The district-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

**C. Basic Financial Statements – Fund Financial Statements**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basic Financial Statements – Fund Financial Statements (Continued)**

The non-major funds are combined in a column in the fund financial statements. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the District-wide statements.

The following fund types are used by the District:

**GOVERNMENTAL FUNDS**

The focus of the governmental fund's measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

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

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

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

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

GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basic Financial Statements – Fund Financial Statements (Continued)**

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

**PROPRIETARY FUNDS**

The focus of the proprietary funds measurement is upon the determination of operating income, changes in net assets, financial position and cash flows. The generally accepted accounting principles applicable are those similar to business in the private sector. The following is a description of the proprietary funds of the District:

**Enterprise Funds** - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services on a continuing basis are financed or recovered primarily through user charges.

The District's Enterprise Fund is comprised of the Food Service Fund.

**Internal Service Fund** - The Internal Service Fund accounts for the financing of services provided by one department to other departments of the School District, or to other governments on a cost-reimbursement basis.

**FIDUCIARY FUNDS**

The fiduciary fund category is comprised of trust and agency funds. Trust Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and therefore are not available to support District's programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported on the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Both governmental and business-type activities in the District-wide financial statements and the Proprietary and Fiduciary Fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Basis of Accounting**

The Governmental Funds financial statements are reported on the modified accrual basis of accounting. Under this method, revenues are recorded when susceptible to accrual; i.e. both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenue from federal, state, or other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, claims and judgments, and compensated absences, are recorded when due.

**E. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:23-2(g). All budget amendments/transfers of appropriations must be made by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Fund are maintained on the 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.

**F. Encumbrances**

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

GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Encumbrances (Continued)**

Open encumbrances in the Special Revenue Fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

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

**G. Cash and Cash Equivalents**

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

For purposes of determining cash equivalents the District considers all investments with an original maturity of three months or less as cash equivalents.

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of 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.

NJSA 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository, unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least 5% of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**H. Inventories**

Inventories, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Inventories in the Enterprise Fund are recorded at cost, computed on a first-in, first-out method. In the fund based financial statements, commodities received from the U.S. Department of Agriculture are recorded as deferred revenue until consumed.

GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Interfund Transactions**

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in Governmental Funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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

**J. Capital Assets**

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Site improvements	20
Buildings & improvements	20-50
Machinery & equipment	7-20

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and underground pipes. Such items are considered to be part of the cost of buildings or other improvable property.

**K. Compensated Absences**

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

GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Compensated Absences (Continued)**

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and negotiated agreement with the various employee unions.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the School District's past experience of making termination payments. Salary-related payments for the employer's share of social security and medicare taxes are included.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**L. Deferred Revenue**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

**M. Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

**N. Net Assets**

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

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

GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. Fund Balance**

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and polices for determining such classifications, are as follows:

**Non-spendable** - The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

**Restricted** - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

**Committed** - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

**Assigned** - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

**Unassigned** - The unassigned fund balance classification is the residual classification for the general fund. This classification 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. The general fund is the only fund that reports a positive unassigned fund balance amount. In other funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**P. Revenues**

Substantially all governmental fund revenue is accrued. Property taxes are susceptible to accrual and under New Jersey State statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue based on GASB No. 33. In applying GASB 33 to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including requirements are met are reported as advances by the provider and deferred revenue by the recipient.

**Q. Expenditures**

Expenses are recognized when the related fund liability is incurred. Inventory costs reported in the period when inventory items are used, rather than in the period purchased.

**R. Accrued Salaries and Wages**

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

**S. Allocation of Indirect Expenses**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**T. Extraordinary and Special Items**

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence

**U. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

GLASSBORO SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2012

**NOTE 2: CASH AND CASH EQUIVALENTS**

Custodial Credit Risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is based on New Jersey statutes requiring cash be deposited only in New Jersey banking institutions that participate in the Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes NJSA 18A:20-37 that are treated as cash equivalents. The carrying amount of the District's cash and cash equivalents at June 30, 2012 and 2011, was \$2,460,413 and \$1,652,614. As of June 30, 2012 and 2011, \$0 of the District's bank balance of \$3,106,786 and \$1,928,479, respectively, was exposed to Custodial Credit Risk.

**NOTE 3: INVESTMENTS**

As of June 30, 2012, the District had no investments.

**Interest Rate Risk** - The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statute NJSA 18A:20-37 limits the length of time for most investments to 397 days.

**Credit Risk** - New Jersey statute NJSA 18A:20-37 limits District investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the District or the local units in which the District is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools or repurchase of fully collateralized securities.

**Concentration of Credit Risk** - The District places no limit on the amount the District may invest in any one issuer.

**NOTE 4: RECEIVABLES**

Receivables at June 30, 2012, consisted of intergovernmental and other receivables. All receivables are considered collectible in full. A summary of the principal items of the receivables are as follows:

	Governmental Activities	Business-Type Activities
State aid	527,129	560
Federal aid	203,752	27,306
Other	286,262	3,086
	1,017,143	30,952

**NOTE 5: INTERFUND RECEIVABLES AND PAYABLES**

There were no interfund balances remaining on the balance sheet at June 30, 2012.

GLASSBORO SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2012

**NOTE 6: INVENTORY**

Inventory in the Food Service Fund at June 30, 2012, consisted of the following:

Food	8,978
Supplies	<u>5,127</u>
	<u><u>14,105</u></u>

**NOTE 7: CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2012, was as follows:

	Balance <u>June 30, 2011</u>	Additions	Disposals	Balance <u>June 30, 2012</u>
Governmental activities:				
Sites	235,104			235,104
Site improvements	1,891,564	6,225		1,897,789
Building & building improvements	31,048,838	2,395		31,051,233
Machinery & equipment	<u>4,670,419</u>	<u>318,160</u>	<u>557,436</u>	<u>4,431,143</u>
Totals at historical costs	<u>37,845,925</u>	<u>326,780</u>	<u>557,436</u>	<u>37,615,269</u>
Less accumulated depreciation for:				
Site improvements	1,052,635	78,507		1,131,142
Building & building improvements	11,084,824	627,308		11,712,132
Machinery & equipment	<u>3,025,600</u>	<u>382,208</u>	<u>550,779</u>	<u>2,857,029</u>
Total accumulated depreciation	<u>15,163,059</u>	<u>1,088,023</u>	<u>550,779</u>	<u>15,700,303</u>
Total capital assets, net of depreciation	<u><u>22,682,866</u></u>	<u><u>(761,243)</u></u>	<u><u>6,657</u></u>	<u><u>21,914,966</u></u>
Business-type activities:				
Machinery & equipment	434,690	22,898	30,044	427,544
Accumulated depreciation	<u>355,960</u>	<u>20,972</u>	<u>30,044</u>	<u>346,888</u>
Total capital assets, net of depreciation	<u><u>78,730</u></u>	<u><u>1,926</u></u>		<u><u>80,656</u></u>

Depreciation was charged as an unallocated expense since it could not be specifically identified to one program/function for governmental activities.

**NOTE 8: GENERAL LONG-TERM DEBT**

Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Permanently funded debt as of June 30, 2012, consisted of the following:

GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 8: GENERAL LONG-TERM DEBT (CONTINUED)**

\$9,500,000 General Obligation Refunding Bonds dated December 19, 2006, payable in annual installments through August 15, 2018. Interest is paid semi-annually at the rates of 3.75% to 5% per annum. The balance remaining at June 30, 2012, was \$9,065,000.

\$4,095,000 General Obligation Refunding Bonds dated September 1, 2009, payable in annual installments through May 15, 2017. Interest is paid semi-annually at the rates of 2.5% to 4% per annum. The balance remaining at June 30, 2012, was \$1,920,000.

A. Long-term Obligation Activity

Changes in long-term obligations for the fiscal year ended June 30, 2012, are as follows:

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012	Due Within One Year
Bonds payable	12,290,000		1,305,000	10,985,000	1,360,000
Capital leases	1,367,777	204,906	520,835	1,051,848	469,556
Compensated absences	1,638,729	116,314	55,885	1,699,158	
	<u>15,296,506</u>	<u>321,220</u>	<u>1,881,720</u>	<u>13,736,006</u>	<u>1,829,556</u>

B. Bonds Payable

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

June 30	Principal	Interest	Total
2013	1,360,000	438,306	1,798,306
2014	1,425,000	381,963	1,806,963
2015	1,470,000	330,700	1,800,700
2016	1,535,000	264,350	1,799,350
2017	1,615,000	188,300	1,803,300
2018-2020	3,580,000	144,600	3,724,600
	<u>10,985,000</u>	<u>1,748,219</u>	<u>12,733,219</u>

C. Bonds Authorized but Not Issued

As of June 30, 2012, the Board had no authorized but not issued bonds.

D. Other

Interest paid on debt issued by the District is exempt from federal income tax. Because of this, bond holders are willing to accept a lower interest rate than they would on taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this as arbitrage.

GLASSBORO SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2012

**NOTE 8: GENERAL LONG-TERM DEBT (CONTINUED)**

D. Other (Continued)

Earnings in excess of the yield on the debt issue are rebated to the federal government based on requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally allowable returns.

Rebatable arbitrage liabilities related to District debt are not recorded in governmental funds. There is no recognition in the balance sheet or income statement until rebatable amounts are due and payable to the federal government. Thus, rebatable arbitrage liabilities related to governmental debt will be accrued as incurred at least annually (at fiscal year end) on the District-wide financial statements.

For the year ended June 30, 2012, it is not necessary for the Board to establish a liability for arbitrage rebate.

E. Capital Lease Payable

The District has entered into lease purchase agreements for the acquisition of a telephone system, school buses, computers and various copiers. The lease agreements range from four to ten years, and carry interest rates ranging from 0% to 6.29%. The following is a schedule of future minimum lease payments under capital leases, together with the net present value of the minimum lease payments as of June 30, 2012.

June 30	Principal	Interest	Total
2013	469,557	35,144	504,701
2014	235,488	22,707	258,195
2015	175,272	11,530	186,802
2016	97,824	5,590	103,414
2017	46,599	2,406	49,005
2018	27,108	920	28,028
	1,051,848	78,297	1,130,145

**NOTE 9: PENSION PLANS**

**Description of Plans** - All required employees of the District are covered by either the Public Employees' Retirement System (PERS) or the Teachers' Pension and Annuity Fund (TPAF), cost-sharing, multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division

GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 9: PENSION PLANS (CONTINUED)**

**Description of Plans (Continued)** - of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625 or can be accessed on the internet at <http://www.state.nj.us/treasury/pensions/annrptsarchive.htm>.

**Teachers' Pension and Annuity Fund (TPAF)** - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of NJSA 18A:66, to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing, multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the System's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System was established as of January 1, 1955, under the provisions of NJSA 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing, multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**Funding Policy** - The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Effective with the first payroll to be paid on or after October 1, 2011, the employee contributions for TPAF and PERS increased from 5.5% of employees' annual compensation, as defined, to 6.5%. Subsequent increases will be phased in over 7 years (each July 1) to bring the total pension contribution rate to 7.5% as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The District's contributions to PERS for the years ending June 30, 2012, 2011 and 2010, were \$566,815, \$492,501 and \$421,466, respectively, equal to the required contributions for each year.

During the fiscal year ended June 30, 2012, the State of New Jersey contributed \$1,427,661 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the District \$1,071,515 during the year ended June 30, 2012, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

The District's total payroll for the years ended June 30, 2012, 2011 and 2010, were \$20,857,301, \$20,710,110 and \$22,003,515, respectively. Covered payroll was \$4,886,266, \$4,794,649 and \$5,583,940 for PERS and \$15,066,038, \$15,164,542 and \$15,883,258 for TPAF for the same years.

GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 9: PENSION PLANS (CONTINUED)**

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program (DCRP) is a cost-sharing, multiple-employer defined contribution pension fund which was established on July 1, 2007, under provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (NJAC 43:15C-1 et. seq.). The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provision are established by NJSA 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contributes amounts for each pay period to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District contributed \$6,058 for the fiscal year 2012.

**NOTE 10: POST-RETIREMENT BENEFITS**

P.L. 1987, c.384 and P.L. 1990, c. 6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, C.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State 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 or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

**NOTE 11: DEFERRED COMPENSATION**

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

AXA Equitable Tax Shelter  
Metropolitan Life Insurance

Lincoln Investment Planning, Inc.  
MG Trust Company/Aspire Financial

GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 12: COMPENSATED ABSENCES**

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and negotiated agreements with the various employee unions.

The liability for vested compensated absences is recorded in the district-wide *Statement of Net Assets*. The current portion of the compensated absence balance is not considered material to the governmental funds total liabilities and, is therefore not shown separately from the amount due in more than one year.

**NOTE 13: LABOR CONTRACTS**

As of June 30, 2012, the District has a total of approximately 440 employees. Of this total, 373 employees are represented by unions as follows:

Glassboro Education Association (GEA) - 260 employees  
Glassboro Principals and Supervisors Association (GPSA) - 13 employees  
Glassboro Educational Support Professional Association (GESPA) - 100 employees

The union agreements expire on June 30, 2013.

**NOTE 14: RISK MANAGEMENT**

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

**Property and Liability Insurance:**

The District maintains commercial insurance coverage for property, liability, student accidents and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. Any potential liability of the District with respect to loss claims would be equal to the deductibles associated with policies and events which may exceed coverage limits. There have been no significant reductions in insurance coverage amounts.

**New Jersey Unemployment Compensation Insurance:**

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. This 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 expendable trust fund for the current and previous two years:

GLASSBORO SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2012

**NOTE 14: RISK MANAGEMENT (CONTINUED)**

**New Jersey Unemployment Compensation Insurance (Continued):**

<u>Fiscal Year</u>	<u>District Contribution</u>	<u>Employee Contribution</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011-2012	3,032	34,244	38,861	426,333
2010-2011	521,995	54,843	167,396	424,028
2009-2010	None	41,468	46,329	14,543

**NOTE 15: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Glassboro Board of Education by inclusion of \$75,000 on June 30, 2003, for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve fund 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 NJSA 19:60-2. Pursuant to NJAC 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP

The activity of the capital reserve for the July 1, 2011 to June 30, 2012, fiscal year is as follows:

Beginning balance July 1, 2011	5,258
Withdrawals:	
Amount Budgeted	<u>5,258</u>

**NOTE 16: FUND BALANCE APPROPRIATED**

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

The District follows the State of New Jersey's minimum fund balance policy for New Jersey Regular Public School Districts (NJSA 18A:7F-7). Pursuant to that policy, an undesignated fund balance of 2% of the general fund budget or \$250,000, whichever is greater may be maintained.

Specific classifications of fund balance are summarized below:

GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 16: FUND BALANCE APPROPRIATED (CONTINUED)**

**RESTRICTED**

General Fund - In accordance with NJSA 18A:7F-7, \$2,609,121 is restricted as excess surplus (\$1,003,551 of the total restricted amount has been appropriated and included as anticipated revenue for the year ending June 30, 2013).

**ASSIGNED**

General Fund - The District has appropriated and included as an anticipated revenue for the year ending June 30, 2013, \$6,269 of general fund balance as of June 30, 2012. As of June 30, 2012, the District had \$158,637 of encumbrances outstanding for purchase orders and contracts signed by the District, but not completed, as of the close of the fiscal year.

Debt Service - The debt service fund balance as of June 30, 2012, was \$3. The District has appropriated and included as an anticipated revenue, for the year ending June 30, 2013, \$2 of this balance.

**UNASSIGNED**

General Fund - As of June 30, 2012, a deficit of \$735,302 of fund balance was unassigned.

Special Revenue Fund - As of June 30, 2012, the fund balance was a deficit of \$30,740, thus resulting in the fund balance classification of unassigned.

Debt Service - As of June 30, 2012, \$1 of fund balance was unassigned.

**NOTE 17: CALCULATION OF EXCESS SURPLUS**

The designation of Reserved Fund Balance - Excess surplus is a required calculation pursuant NJSA 18A:7F-7, as amended. New Jersey School Districts are required to reserve General Fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2012, is \$2,609,121.

**NOTE 18: DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$735,302 in the General Fund and \$30,740 in the Special Revenue Fund as of June 30, 2012, as reported in the fund statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e. if one government recognizes an asset; the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the District cannot recognize the June state aid payment(s) on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the General and Special Revenue Fund balance deficit does not alone indicate that the District is facing financial difficulties.

GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 18: DEFICIT FUND BALANCES (CONTINUED)**

Pursuant to NJSA 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP statements of \$735,302 is less than the last state aid payment.

**NOTE 19: CONTINGENT LIABILITIES**

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

It is the opinion of the administration and legal counsel, that there exists no litigation or contingent liability that may be pending against the Glassboro School District that would have a material or adverse effect on the Board or the financial position of the District.

**NOTE 20: ECONOMIC DEPENDENCY**

The District is heavily reliant on state aid and local tax levy to fund the District's operations. State sources accounted for approximately 50% of the District's 2011-2012 general fund revenue, while local tax levy accounted for approximately 46%.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

## **BUDGETARY COMPARISON SCHEDULES**

GLASSBORO SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local tax levy	16,756,877		16,756,877	16,756,877	
Other local government units - restricted	18,500		18,500	18,371	(129)
Tuition	215,000		215,000	351,180	136,180
Transportation fees	31,500		31,500	106,626	75,126
Miscellaneous	74,000		74,000	338,651	264,651
<b>Total - local sources</b>	<b>17,095,877</b>		<b>17,095,877</b>	<b>17,571,705</b>	<b>475,828</b>
<b>State sources:</b>					
School choice aid		37,140	37,140	37,140	
Extraordinary aid	96,134		96,134	125,164	29,030
Categorical special education aid	1,076,260		1,076,260	1,076,260	
Equalization aid	14,076,426		14,076,426	14,232,631	156,205
Categorical security aid				183,605	183,605
Reimbursed nonpublic school transportation costs				22,726	22,726
TPAF - post retirement medical (on-behalf non-budgeted)				953,396	953,396
Teachers' pension & annuity fund (on-behalf non-budgeted)				474,265	474,265
Reimbursed TPAF social security contributions (non-budgeted)				1,071,515	1,071,515
<b>Total - state sources</b>	<b>15,248,820</b>	<b>37,140</b>	<b>15,285,960</b>	<b>18,176,702</b>	<b>2,890,742</b>
<b>Federal sources:</b>					
Medical assistance program	61,685		61,685	64,533	2,848
Education jobs fund	547,152	17,141	564,293	564,293	
<b>Total - federal sources</b>	<b>608,837</b>	<b>17,141</b>	<b>625,978</b>	<b>628,826</b>	<b>2,848</b>
<b>Total revenues</b>	<b>32,953,534</b>	<b>54,281</b>	<b>33,007,815</b>	<b>36,377,233</b>	<b>3,369,418</b>

GLASSBORO SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current expense:					
Regular programs - instruction:					
Preschool - salaries of teachers	83,519	14,304	97,823	97,353	470
Kindergarten - Salaries of Teachers	704,134	59,173	763,307	763,306	1
Grades 1-5 - salaries of teachers	2,934,352	(137,584)	2,796,768	2,788,196	8,572
Grades 6-8 - salaries of seachers	1,849,449	52,109	1,901,558	1,900,296	1,262
Grades 9-12 - salaries of teachers	2,959,431	(70,295)	2,889,136	2,882,405	6,731
Regular programs - home instruction:					
Salaries of teachers	47,500		47,500	45,375	2,125
Purchased professional - educational services	33,500		33,500	28,127	5,373
Regular programs - undistributed instruction:					
Other salaries for instruction	100,756	23,603	124,359	82,063	42,296
Purchased technical services		12,984	12,984		12,984
Other purchased services	88,797	30,085	118,882	102,115	16,767
General supplies	214,224	71,306	285,530	224,080	61,450
Textbooks	2,500	(292)	2,208	2,206	2
Other objects	4,230	1,034	5,264	3,107	2,157
Total regular programs - instruction	<u>9,022,392</u>	<u>56,427</u>	<u>9,078,819</u>	<u>8,918,629</u>	<u>160,190</u>
Special education instruction:					
Learning and/or language disabilities:					
Salaries of teachers	484,835	66,455	551,290	551,289	1
Other salaries for instruction	82,140	42,127	124,267	124,267	
General supplies	11,700	726	12,426	12,124	302
Other objects		1,740	1,740	1,740	
Total learning and/or language disabilities	<u>578,675</u>	<u>111,048</u>	<u>689,723</u>	<u>689,420</u>	<u>303</u>
Auditory impairments:					
Salaries of teachers	<u>56,674</u>	<u>(56,674)</u>			

GLASSBORO SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Behavioral disabilities:					
Salaries of teachers	90,129	(71,758)	18,371	17,952	419
Other salaries for instruction	8,626	(8,626)			
General supplies	1,000	(959)	41	41	
Textbooks	1,000	(1,000)			
Other objects	1,000	(1,000)			
Total behavioral disabilities	101,755	(83,343)	18,412	17,993	419
Multiple disabilities:					
Salaries of teachers	58,082	(16,103)	41,979	41,979	
General supplies	500	(387)	113	112	1
Textbooks	500	(500)			
Other objects	500	(500)			
Total multiple disabilities	59,582	(17,490)	42,092	42,091	1
Resource room/resource center:					
Salaries of teachers	2,001,855	4,947	2,006,802	2,006,801	1
Other salaries for instruction	212,631	99,311	311,942	311,941	1
Other purchased services		800	800	800	
General supplies	23,070	(2,381)	20,689	20,649	40
Textbooks		70	70	70	
Total multiple disabilities	2,237,556	102,747	2,340,303	2,340,261	42
Preschool disabilities - part time:					
Salaries of teachers	143,002	(63,986)	79,016	78,510	506
Other salaries for instruction	60,088	(40,105)	19,983	19,590	393
General supplies	1,500	(475)	1,025	774	251
Total preschool disabilities - part time	204,590	(104,566)	100,024	98,874	1,150
Total special education - instruction	3,238,832	(48,278)	3,190,554	3,188,639	1,915

GLASSBORO SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Basic skills/remedial - instruction:					
Salaries of teachers	137,460	122,727	260,187	257,784	2,403
General supplies		1,013	1,013	998	15
Total basic skills/remedial - instruction	137,460	123,740	261,200	258,782	2,418
Bilingual education - instruction:					
Salaries of teachers	156,178	(23,616)	132,562	119,969	12,593
General supplies		612	612	612	
Other objects	300		300	130	170
Total bilingual education - instruction	156,478	(23,004)	133,474	120,711	12,763
School-sponsored co-curricular activities - inst.:					
Salaries	52,087	1,427	53,514	50,548	2,966
Other objects		200	200	200	
Total school-sponsored co-curricular activities - inst.	52,087	1,627	53,714	50,748	2,966
School-sponsored co-curricular athletics - inst.:					
Salaries	192,528	(115)	192,413	189,743	2,670
Purchased services	66,371	326	66,697	66,696	1
Supplies and materials	26,794	2,056	28,850	27,463	1,387
Other objects	4,900	233	5,133	4,922	211
Total school-sponsored co-curricular athletics - inst.	290,593	2,500	293,093	288,824	4,269
Summer school - instruction:					
Salaries of teachers	55,000	(4,062)	50,938	50,938	
Other purchased services		2,925	2,925	2,925	
Total summer school - instruction	55,000	(1,137)	53,863	53,863	
Summer school - support services:					
Salaries	8,000	2,166	10,166	10,165	1
Total instructions	12,960,842	114,041	13,074,883	12,890,361	184,522

GLASSBORO SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - instruction:					
Tuition to other LEA's within the state - regular	117,635	(66,825)	50,810	50,640	170
Tuition to other LEA's within the state - special	67,074	6,679	73,753	73,715	38
Tuition to county voc. school district - regular	116,280	(9,180)	107,100	104,550	2,550
Tuition to CSSD & regional day schools	806,125	(25,022)	781,103	778,287	2,816
Tuition to private schools for the disabled - within state	869,768	79,381	949,149	948,171	978
Tuition - state facilities	40,470		40,470	40,470	
<b>Total undistributed expenditures - instruction</b>	<b>2,017,352</b>	<b>(14,967)</b>	<b>2,002,385</b>	<b>1,995,833</b>	<b>6,552</b>
Undistributed expenditures - attendance and social work:					
Salaries	60,000		60,000	60,000	
Purchased professional and technical services	7,800	961	8,761	8,761	
Supplies and materials	1,800		1,800	416	1,384
<b>Total undistributed expenditures - attendance and social work</b>	<b>69,600</b>	<b>961</b>	<b>70,561</b>	<b>69,177</b>	<b>1,384</b>
Undistributed expenditures - health services:					
Salaries	297,400	17,737	315,137	315,136	1
Purchased professional and technical services	7,670	(3,500)	4,170		4,170
Supplies and materials	5,100	(50)	5,050	4,987	63
Other objects	220	50	270	263	7
<b>Total undistributed expenditures - health services</b>	<b>310,390</b>	<b>14,237</b>	<b>324,627</b>	<b>320,386</b>	<b>4,241</b>
Undistributed expenditures - speech, OT, PT & related services:					
Salaries	292,338	(53,629)	238,709	237,134	1,575
Purchased professional - educational services	43,420	89,000	132,420	130,783	1,637
Supplies and materials	6,500	80	6,580	6,491	89
<b>Total undistributed expenditures - speech, OT, PT &amp; related services</b>	<b>342,258</b>	<b>35,451</b>	<b>377,709</b>	<b>374,408</b>	<b>3,301</b>

GLASSBORO SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - other supp. serv. students - extra. serv.:					
Salaries	175,271	(81,342)	93,929	93,929	
Purchased professional - educational services	54,000	88,003	142,003	119,235	22,768
Total Undistributed expenditures - other supp. serv. students - extra. serv.	229,271	6,661	235,932	213,164	22,768
Undistributed expenditures - guidance:					
Salaries of other professional staff	539,623	7,112	546,735	546,494	241
Salaries of secretarial and clerical assistants	123,611	7,457	131,068	131,066	2
Purchased professional - educational services	4,900	100	5,000	4,995	5
Purchased professional and technical services	28,175	4,211	32,386	32,361	25
Supplies and materials	8,866	(967)	7,899	3,334	4,565
Other objects	1,455	(764)	691	141	550
Total undistributed expenditures - guidance	706,630	17,149	723,779	718,391	5,388
Undistributed Expenditures - child study team:					
Salaries of other professional staff	686,067	(3,882)	682,185	679,759	2,426
Salaries of secretarial and clerical assistants	99,983	2	99,985	99,985	
Purchased professional - educational services	29,500		29,500	18,915	10,585
Miscellaneous purchased services	3,200	(644)	2,556	829	1,727
Supplies and materials	6,400	(2,280)	4,120	3,947	173
Other objects	800		800	800	
Total undistributed expenditures - child study team	825,950	(6,804)	819,146	804,235	14,911
Undistributed expenditures - improvement of inst. services:					
Salaries of supervisors of instruction	105,884	2,037	107,921	107,920	1
Salaries of other professional staff	20,000	(915)	19,085	18,806	279
Salaries of secretaries and clerical assistants	82,593	(2,613)	79,980	79,980	
Salaries of facilitators, math and literacy coaches	130,858	2,116	132,974	132,974	
Purchased professional - technical services		10,100	10,100	9,882	218
Other purchased services	1,300	(152)	1,148	983	165
Supplies and materials	5,000	(302)	4,698	4,698	
Other objects	3,150	(2,092)	1,058	1,058	
Total undistributed expenditures - improvement of inst. services	348,785	8,179	356,964	356,301	663

GLASSBORO SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - edu. media serv./sch. library:					
Salaries	149,013	2,232	151,245	147,584	3,661
Purchased professional and technical services	6,600	(1,189)	5,411	5,410	1
Other purchased services		5,756	5,756	5,756	
Supplies and materials	9,050	(6,371)	2,679	1,147	1,532
<b>Total Undistributed expenditures - edu. media serv./sch. library</b>	<b>164,663</b>	<b>428</b>	<b>165,091</b>	<b>159,897</b>	<b>5,194</b>
Undistributed expenditures - instructional staff training					
Purchased professional - educational services	3,900	6,800	10,700	10,696	4
Other purchased services		2,459	2,459	2,398	61
Supplies and materials		808	808	760	48
<b>Total undistributed expenditures - instructional staff training</b>	<b>3,900</b>	<b>10,067</b>	<b>13,967</b>	<b>13,854</b>	<b>113</b>
Undistributed expenditures - supp. serv. - general administration:					
Salaries	219,076		219,076	219,011	65
Legal services	60,000	51,070	111,070	111,069	1
Audit fees	31,500	(849)	30,651	30,450	201
Architectural/engineering services		32,400	32,400	25,425	6,975
Other purchased professional services		4,500	4,500	4,500	
Communications/telephone	113,567	(22,105)	91,462	85,778	5,684
B.O.E. other purchased services	2,000	(1,577)	423	200	223
Other purchased services	123,260	(2,725)	120,535	120,169	366
General supplies	4,000	(1,205)	2,795	377	2,418
Judgements against the school district	25,000		25,000		25,000
Miscellaneous expenditures	11,400	577	11,977	11,949	28
B.O.E. membership dues and fees	16,000	(214)	15,786	15,557	229
<b>Total Undistributed expenditures - supp. serv. - general administration</b>	<b>605,803</b>	<b>59,872</b>	<b>665,675</b>	<b>624,485</b>	<b>41,190</b>

GLASSBORO SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - supp. serv. - school administration:					
Salaries of principals/assistant principals/program directors	894,072	(10,319)	883,753	882,998	755
Salaries of secretarial and clerical assistants	342,431	12,191	354,622	354,616	6
Purchased professional and technical services	7,800	961	8,761	8,761	
Other purchased services	4,300	31	4,331	1,810	2,521
Supplies and materials	12,785	(447)	12,338	9,405	2,933
Other objects	22,310	685	22,995	20,972	2,023
<b>Total Undist. Expend. - Supp. Serv. - School Administration</b>	<b>1,283,698</b>	<b>3,102</b>	<b>1,286,800</b>	<b>1,278,562</b>	<b>8,238</b>
Undist. Expend. - Central Services					
Salaries	484,244	29,234	513,478	513,477	1
Purchased Professional Services	59,650	23,910	83,560	56,103	27,457
Purchased Technical Services	24,000	136	24,136	24,136	
Miscellaneous Purchased Services	9,300	7,258	16,558	16,397	161
Supplies and Materials	9,000	55	9,055	9,045	10
Miscellaneous Expenditures	2,500	3,402	5,902	5,715	187
<b>Total undistributed expenditures - central services</b>	<b>588,694</b>	<b>63,995</b>	<b>652,689</b>	<b>624,873</b>	<b>27,816</b>
Undistributed expenditures - admin. info. tech.					
Salaries	176,871	(1,265)	175,606	175,429	177
Purchased technical services	5,000	(895)	4,105	4,075	30
Other purchased services	87,323	(5,084)	82,239	81,231	1,008
Supplies and materials	5,000	(299)	4,701	4,699	2
Other objects		800	800	800	
<b>Total undistributed expenditures - admin. info. tech.</b>	<b>274,194</b>	<b>(6,743)</b>	<b>267,451</b>	<b>266,234</b>	<b>1,217</b>
Undistributed expenditures - required maintenance for school facilities:					
Salaries	121,932		121,932	121,626	306
Cleaning, repair and maintenance services	85,204	95,278	180,482	178,275	2,207
General supplies	45,950	(10,242)	35,708	24,996	10,712
<b>Total undistributed expenditures - required maintenance for school facilities</b>	<b>253,086</b>	<b>85,036</b>	<b>338,122</b>	<b>324,897</b>	<b>13,225</b>

GLASSBORO SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - custodial services:					
Salaries	1,171,708	(22,762)	1,148,946	1,143,465	5,481
Salaries of non-instructional aides	93,959	7,401	101,360	100,705	655
Purchased professional and technical services	98,400	1,345	99,745	99,745	
Cleaning, repair and maintenance services	24,452	490	24,942	22,803	2,139
Other purchased property services	87,650	(14,788)	72,862	47,459	25,403
Insurance	89,306	1,786	91,092	89,803	1,289
Miscellaneous purchased services	500	695	1,195	1,195	
General supplies	59,000	(16,448)	42,552	42,074	478
Energy (natural gas)	333,731	(58,450)	275,281	174,765	100,516
Energy (electricity)	661,526	(82)	661,444	534,038	127,406
Energy (oil)	3,300	(1,785)	1,515	1,514	1
Energy (gasoline)	11,000	12,403	23,403	22,750	653
Other objects	1,000	3,259	4,259	4,248	11
Total undistributed expenditures - custodial services	<u>2,635,532</u>	<u>(86,936)</u>	<u>2,548,596</u>	<u>2,284,564</u>	<u>264,032</u>
Undistributed expenditures - care and upkeep of grounds:					
Salaries	180,127		180,127	161,727	18,400
Cleaning, repair and maintenance services	16,600	1,084	17,684	17,684	
General supplies	9,000	(221)	8,779	8,355	424
Total undistributed expenditures - care and upkeep of grounds	<u>205,727</u>	<u>863</u>	<u>206,590</u>	<u>187,766</u>	<u>18,824</u>
Undistributed expenditures - security:					
Purchased professional and technical services	91,000	(605)	90,395	90,000	395
Cleaning, repair and maintenance services	1,998		1,998	1,998	
General supplies		4,831	4,831		4,831
Total undistributed expenditures - security	<u>92,998</u>	<u>4,226</u>	<u>97,224</u>	<u>91,998</u>	<u>5,226</u>
Total undistributed expenditures - oper. & maint. of plant services	<u>3,187,343</u>	<u>3,189</u>	<u>3,190,532</u>	<u>2,889,225</u>	<u>301,307</u>

GLASSBORO SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - student transportation services:					
Salaries of non-instructional aides	183,604	(9,463)	174,141	174,140	1
Salaries for pupils trans. (bet. home & school) - regular	590,738	28,172	618,910	618,808	102
Salaries for pupils trans. (bet. home & school) - special	312,709	(29,186)	283,523	283,521	2
Salaries for pupils trans. (other than bet. home & school)	75,973	(30,039)	45,934	41,970	3,964
Salaries for pupils trans. (bet. hpme & school) - nonpublic school	89,839	(18,214)	71,625	70,185	1,440
Management fee - ESC & CSA trans. program	550	16	566	566	
Other purchased professional/technical services		1,890	1,890	1,890	
Cleaning, repair and maintenance services	27,400	(8,690)	18,710	15,195	3,515
Contract services (bet. home & school) vendors	17,200	(7,591)	9,609	7,078	2,531
Contract services (other than bet. home & school) vendors		617	617	616	1
Contract services (regular students) ESCs & CTSA's	26,997	186,704	213,701	213,701	
Contract services (special ed. students) ESCs & CTSA's	203,592	34,000	237,592	231,510	6,082
Contract services - aid in lieu of payments	84,800	4,854	89,654	89,328	326
Miscellaneous purchased services - transportation	44,732	800	45,532	43,126	2,406
General supplies	1,500	1,828	3,328	2,290	1,038
Transportation supplies	201,042	30,144	231,186	220,847	10,339
Other objects	5,400	(1,886)	3,514	3,514	
<b>Total undistributed expenditures - student transportation services:</b>	<b>1,866,076</b>	<b>183,956</b>	<b>2,050,032</b>	<b>2,018,285</b>	<b>31,747</b>
Unallocated benefits - employee benefits:					
Group insurance	41,000		41,000	38,792	2,208
Social security contributions	442,281	65,138	507,419	507,419	
Other retirement contributions - regular	595,843	11,610	607,453	607,452	1
Unemployment compensation		890	890	890	
Workmen's compensation	178,000	36,269	214,269	214,269	
Health benefits	5,724,040	(627,819)	5,096,221	4,886,568	209,653
Tuition reimbursement	40,000		40,000	21,656	18,344
Other employee benefits	24,000	(3,354)	20,646	2,419	18,227
<b>Total unallocated benefits - employee benefits</b>	<b>7,045,164</b>	<b>(517,266)</b>	<b>6,527,898</b>	<b>6,279,465</b>	<b>248,433</b>

GLASSBORO SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
On-behalf contributions:					
On-behalf TPAF pensions contributions (non-budgeted)				474,265	(474,265)
On-behalf TPAF OPEB (post retirement medical) contributions (non-budgeted)				953,396	(953,396)
Reimbursed TPAF social security contributions (non-budgeted)				1,071,515	(1,071,515)
Total on-behalf contributions				<u>2,499,176</u>	<u>(2,499,176)</u>
Total personal services - employee benefits	<u>7,045,164</u>	<u>(517,266)</u>	<u>6,527,898</u>	<u>8,778,641</u>	<u>(2,250,743)</u>
Total undistributed expenditures	<u>19,869,771</u>	<u>(138,533)</u>	<u>19,731,238</u>	<u>21,505,951</u>	<u>(1,774,713)</u>
Total general current expense	<u>32,830,613</u>	<u>(24,492)</u>	<u>32,806,121</u>	<u>34,396,312</u>	<u>(1,590,191)</u>
Capital outlay:					
Equipment:					
Kindergarten	7,267	302	7,569	7,569	
Preschool	5,964		5,964	5,964	
Grades 1 to 5	31,605	3,208	34,813	31,907	2,906
Grades 6 to 8	19,910	1,453	21,363	19,910	1,453
Grades 9 to 12	24,534	11,177	35,711	35,710	1
Undistributed - general administration	13,098		13,098	13,096	2
Undistributed - central services	6,720	183	6,903	6,902	1
Undistributed - admin. info. tech.	237,114	24,483	261,597	260,941	656
School buses - regular	185,138	2,118	187,256	187,255	1
School buses - special	88,011	7,300	95,311	95,301	10
Total equipment	<u>619,361</u>	<u>50,224</u>	<u>669,585</u>	<u>664,555</u>	<u>5,030</u>

GLASSBORO SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Facilities acquisition and construction services:					
Other purchased professional/technical services	4,700		4,700	4,600	100
Construction services	123,000	33,270	156,270	151,898	4,372
Other objects	57,614		57,614	57,614	
Total facilities acquisition and construction services	185,314	33,270	218,584	214,112	4,472
Assets acquired under capital leases (non-budgeted)					
Undistributed expenditures:					
Network equipment				79,073	(79,073)
School buses				125,833	(125,833)
				204,906	(204,906)
Total assets acquired under capital leases (non-budgeted)					
Total capital outlay	804,675	83,494	888,169	1,083,573	(195,404)
Transfer to charter schools	47,215	(4,721)	42,494	31,661	
Total expenditures	33,682,503	54,281	33,736,784	35,511,546	(1,785,595)
Excess (deficiency) of revenues over (under) expenditures	(728,969)		(728,969)	865,687	1,583,823
Other financing sources:					
Operating transfer in:					
Prior year payables canceled				536	536
Operating transfer out:					
Prior year receivables canceled				(259)	(259)
Capital leases (non-budgeted)				204,906	204,906
Total other financing sources				205,183	205,183
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(728,969)		(728,969)	1,070,870	1,789,006
Fund balance, July 1	2,411,062		2,411,062	2,411,062	
Fund balance, June 30	1,682,093		1,682,093	3,481,932	1,789,006

GLASSBORO SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation:					
Restricted fund balance:					
Excess surplus designated for subsequent year's expenditures				1,003,551	
Excess surplus - current year				1,605,570	
Assigned fund balance:					
Designated for subsequent year's expenditures				6,269	
Year-end encumbrances				158,637	
Unassigned fund balance				707,905	
				<u>3,481,932</u>	
Reconciliation to governmental fund statements (GAAP):					
Last state aid payment not recognized on GAAP basis				<u>(1,443,207)</u>	
Fund balance per governmental funds (GAAP)				<u><u>2,038,725</u></u>	

GLASSBORO SCHOOL DISTRICT  
Education Jobs Fund  
Budget and Actual  
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources	547,152	17,141	564,293	564,293	
Total Revenues	<u>547,152</u>	<u>17,141</u>	<u>564,293</u>	<u>564,293</u>	
EXPENDITURES:					
Instruction:					
Kindergarten - salaries of teachers	51,008	11,246	62,254	62,254	
Grades 6-8 - salaries of teachers	157,651	(61,204)	96,447	96,447	
Auditory impairments - salaries of teachers	56,674	(56,674)			
Basic skills/remedial - salaries of teachers		122,728	122,728	122,728	
Total instruction	<u>265,333</u>	<u>16,096</u>	<u>281,429</u>	<u>281,429</u>	
Support services:					
Salaries of other professional staff	130,858	2,116	132,974	132,974	
Personal services - employee benefits	150,961	(1,071)	149,890	149,890	
Total support services	<u>281,819</u>	<u>1,045</u>	<u>282,864</u>	<u>282,864</u>	
Total expenditures	<u>547,152</u>	<u>17,141</u>	<u>564,293</u>	<u>564,293</u>	

GLASSBORO SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State sources	526,122		526,122	494,168	(31,954)
Federal sources	1,737,907		1,737,907	1,453,376	(284,531)
Other sources	21,614		21,614	21,614	
<b>Total Revenues</b>	<b>2,285,643</b>		<b>2,285,643</b>	<b>1,969,158</b>	<b>(316,485)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	808,127	(2,424)	805,703	741,220	64,483
Other salaries for instruction	35,488		35,488	35,488	
Purchased professional technical services	206,368		206,368	82,130	124,238
Purchased professional - educational services	89,439	50	89,489	63,515	25,974
Other purchased services	507,693	(225)	507,468	507,468	
General supplies	49,931	(298)	49,633	42,865	6,768
Textbooks	4,888		4,888	4,090	798
Other objects	625	35	660	660	
<b>Total instruction</b>	<b>1,702,559</b>	<b>(2,862)</b>	<b>1,699,697</b>	<b>1,477,436</b>	<b>222,261</b>
Support services:					
Salaries of program directors	48,750		48,750	48,750	
Salaries of other professional staff	115,645	45	115,690	49,368	66,322
Salaries of secretaries and clerical assistants	70,419		70,419	62,814	7,605
Personal services - employee benefits	223,756	(3,715)	220,041	207,869	12,172
Purchased professional and technical services	103,112	(2,075)	101,037	95,085	5,952
Other purchased services	9,936	8,528	18,464	16,981	1,483
Travel	1,008	110	1,118	1,117	1
Supplies and materials	1,844	(31)	1,813	1,124	689
<b>Total support services</b>	<b>574,470</b>	<b>2,862</b>	<b>577,332</b>	<b>483,108</b>	<b>94,224</b>
Facilities acquisition and construction services:					
Buildings	8,614		8,614	8,614	
<b>Total facilities acquisition and construction services</b>	<b>8,614</b>		<b>8,614</b>	<b>8,614</b>	
<b>Total expenditures</b>	<b>2,285,643</b>		<b>2,285,643</b>	<b>1,969,158</b>	<b>316,485</b>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

GLASSBORO SCHOOL DISTRICT  
 Required Supplementary Information  
 Budget-to-GAAP Reconciliation  
 Note to RSI  
 For the Fiscal Year Ended June 30, 2012

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

	General Fund	Special Revenue Fund
Sources/inflows of resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	36,377,233	1,969,158
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(40,202)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,326,162	39,192
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the following year.	(1,443,207)	(30,740)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	36,260,188	1,937,408
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	35,511,546	1,969,158
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(40,202)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	35,511,546	1,928,956

## OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND**

GLASSBORO SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2012

	Total Brought Forward (Exhibit E-1a)	Title I SIA ARRA	Title I	Title I (2010-2011)	Title I ARRA	Total 2012
<b>REVENUES:</b>						
Federal sources	946,997	604	472,033	26,117	7,625	1,453,376
State sources	494,168					494,168
Other sources	21,614					21,614
<b>Total revenues</b>	<b>1,462,779</b>	<b>604</b>	<b>472,033</b>	<b>26,117</b>	<b>7,625</b>	<b>1,969,158</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of teachers	437,399	561	290,356	5,821	7,083	741,220
Other salaries for instruction	35,488					35,488
Purchased professional technical services	4,950		58,542	18,638		82,130
Purchased professional educational services	63,515					63,515
Other purchased services	507,468					507,468
General supplies	42,865					42,865
Textbooks	4,090					4,090
Other objects	660					660
<b>Total instruction</b>	<b>1,096,435</b>	<b>561</b>	<b>348,898</b>	<b>24,459</b>	<b>7,083</b>	<b>1,477,436</b>
Support services:						
Salaries of program directors	48,750					48,750
Salaries of other professional staff	46,932		1,476	960		49,368
Salaries of secretarial and clerical asst.	62,814					62,814
Personal services-employees benefits	121,845	43	84,920	519	542	207,869
Purchased professional and technical services	58,650		36,435			95,085
Other purchased services	16,731		250			16,981
Travel	1,117					1,117
Supplies and materials	891		54	179		1,124
<b>Total support services</b>	<b>357,730</b>	<b>43</b>	<b>123,135</b>	<b>1,658</b>	<b>542</b>	<b>483,108</b>
Facilities acquisition and construction services:						
Buildings	8,614					8,614
<b>Total facilities acquisition and construction services</b>	<b>8,614</b>					<b>8,614</b>
<b>Total expenditures</b>	<b>1,462,779</b>	<b>604</b>	<b>472,033</b>	<b>26,117</b>	<b>7,625</b>	<b>1,969,158</b>

GLASSBORO SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2012

	Total Brought Forward (Exhibit E-1b)	IDEA Basic	IDEA Basic (2010-2011)	Title III	Title II Part A	Title II Part A (2010-2011)	Total Carried Forward
<b>REVENUES:</b>							
Federal sources	140,706	550,541	62,796	26,936	162,293	3,725	946,997
State sources	494,168						494,168
Other sources	21,614						21,614
<b>Total revenues</b>	<b>656,488</b>	<b>550,541</b>	<b>62,796</b>	<b>26,936</b>	<b>162,293</b>	<b>3,725</b>	<b>1,462,779</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of teachers	310,193		30,277	16,543	80,386		437,399
Other salaries for instruction	35,488						35,488
Purchased professional technical services	4,950						4,950
Purchased professional educational services	63,515						63,515
Other purchased services	26,925	480,543					507,468
General supplies	36,943	142		5,780			42,865
Textbooks	4,090						4,090
Other objects	660						660
<b>Total instruction</b>	<b>482,764</b>	<b>480,685</b>	<b>30,277</b>	<b>22,323</b>	<b>80,386</b>		<b>1,096,435</b>
Support services:							
Salaries of program directors	48,750						48,750
Salaries of other professional staff	22,614		20,214	372	3,732		46,932
Salaries of secretarial and clerical asst.	15,831	39,199	7,784				62,814
Personal services-employees benefits	76,498	2,999	4,458	3,321	34,569		121,845
Purchased professional and technical services		25,050			30,000	3,600	58,650
Other purchased services	300	1,780		920	13,606	125	16,731
Travel	1,117						1,117
Supplies and materials		828	63				891
<b>Total support services</b>	<b>165,110</b>	<b>69,856</b>	<b>32,519</b>	<b>4,613</b>	<b>81,907</b>	<b>3,725</b>	<b>357,730</b>
Facilities acquisition and construction services:							
Buildings	8,614						8,614
<b>Total facilities acquisition and construction services</b>	<b>8,614</b>						<b>8,614</b>
<b>Total expenditures</b>	<b>656,488</b>	<b>550,541</b>	<b>62,796</b>	<b>26,936</b>	<b>162,293</b>	<b>3,725</b>	<b>1,462,779</b>

GLASSBORO SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2012

	Total Brought Forward (Exhibit E-1c)	Genesis	Perkins Basic Entitlement	IDEA Preschool	IDEA Basic ARRA	Nonpublic Textbook	Total Carried Forward
<b>REVENUES:</b>							
Federal sources		90,000	21,205	25,830	3,671		140,706
State sources	490,078					4,090	494,168
Other sources	21,614						21,614
<b>Total revenues</b>	<b>511,692</b>	<b>90,000</b>	<b>21,205</b>	<b>25,830</b>	<b>3,671</b>	<b>4,090</b>	<b>656,488</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of teachers	255,293	54,900					310,193
Other salaries for instruction	18,982	16,506					35,488
Purchased professional technical services			4,950				4,950
Purchased professional educational services	63,515						63,515
Other purchased services			1,095	25,830			26,925
General supplies	21,253		12,019		3,671		36,943
Textbooks						4,090	4,090
Other objects			660				660
<b>Total instruction</b>	<b>359,043</b>	<b>71,406</b>	<b>18,724</b>	<b>25,830</b>	<b>3,671</b>	<b>4,090</b>	<b>482,764</b>
Support services:							
Salaries of program directors	48,750						48,750
Salaries of other professional staff	21,626		988				22,614
Salaries of secretarial and clerical asst.	15,831						15,831
Personal services-employees benefits	57,828	18,594	76				76,498
Other purchased services			300				300
Travel			1,117				1,117
<b>Total support services</b>	<b>144,035</b>	<b>18,594</b>	<b>2,481</b>				<b>165,110</b>
Facilities acquisition and construction services:							
Buildings	8,614						8,614
<b>Total facilities acquisition and construction services</b>	<b>8,614</b>						<b>8,614</b>
<b>Total expenditures</b>	<b>511,692</b>	<b>90,000</b>	<b>21,205</b>	<b>25,830</b>	<b>3,671</b>	<b>4,090</b>	<b>656,488</b>

GLASSBORO SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2012

	Total Brought Forward (Exhibit E-1d)	Nonpublic Handicapped Services			Nonpublic Auxiliary Services		Total Carried Forward
		Corr Speech	Exam & Class	Supp Inst	Comp Ed	Transp	
<b>REVENUES:</b>							
State sources	433,545	8,688	13,041	6,314	18,597	9,893	490,078
Other sources	21,614						21,614
<b>Total revenues</b>	<b>455,159</b>	<b>8,688</b>	<b>13,041</b>	<b>6,314</b>	<b>18,597</b>	<b>9,893</b>	<b>511,692</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of teachers	255,293						255,293
Other salaries for instruction	18,982						18,982
Purchased professional educational services	6,982	8,688	13,041	6,314	18,597	9,893	63,515
General supplies	21,253						21,253
<b>Total instruction</b>	<b>302,510</b>	<b>8,688</b>	<b>13,041</b>	<b>6,314</b>	<b>18,597</b>	<b>9,893</b>	<b>359,043</b>
Support services:							
Salaries of program directors	48,750						48,750
Salaries of other professional staff	21,626						21,626
Salaries of secretarial and clerical asst.	15,831						15,831
Personal services-employees benefits	57,828						57,828
<b>Total support services</b>	<b>144,035</b>						<b>144,035</b>
Facilities acquisition and construction services:							
Buildings	8,614						8,614
<b>Total facilities acquisition and construction services</b>	<b>8,614</b>						<b>8,614</b>
<b>Total expenditures</b>	<b>455,159</b>	<b>8,688</b>	<b>13,041</b>	<b>6,314</b>	<b>18,597</b>	<b>9,893</b>	<b>511,692</b>

GLASSBORO SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2012

	Nonpublic Nursing Service	Preschool Education Aid (Exhibit E-2)	Brackett/ NFL	Housing Authority Genesis	NJSB Safety Grant	Exxon/ Mobil	Total Carried Forward
<b>REVENUES:</b>							
State sources	6,982	426,563					433,545
Other sources			10,000	1,500	8,614	1,500	21,614
Total revenues	<u>6,982</u>	<u>426,563</u>	<u>10,000</u>	<u>1,500</u>	<u>8,614</u>	<u>1,500</u>	<u>455,159</u>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of teachers		253,899		1,394			255,293
Other salaries for instruction		18,982					18,982
Purchased professional educational services	6,982						6,982
General supplies		9,753	10,000			1,500	21,253
Total instruction	<u>6,982</u>	<u>282,634</u>	<u>10,000</u>	<u>1,394</u>		<u>1,500</u>	<u>302,510</u>
Support services:							
Salaries of program directors		48,750					48,750
Salaries of other professional staff		21,626					21,626
Salaries of secretarial and clerical asst.		15,831					15,831
Personal services-employees benefits		57,722		106			57,828
Total support services		<u>143,929</u>		<u>106</u>			<u>144,035</u>
Facilities acquisition and construction services:							
Buildings					8,614		8,614
Total facilities acquisition and construction services					<u>8,614</u>		<u>8,614</u>
Total expenditures	<u>6,982</u>	<u>426,563</u>	<u>10,000</u>	<u>1,500</u>	<u>8,614</u>	<u>1,500</u>	<u>455,159</u>

GLASSBORO SCHOOL DISTRICT  
Special Revenue Fund  
Preschool Education Aid Schedules(s) of Expenditures  
Budgetary Basis  
For the Fiscal Year Ended June 30, 2012

DISTRICT-WIDE TOTAL

	Total		Variance
	Budgeted	Actual	
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of teachers	254,207	253,899	308
Other salaries for instruction	18,982	18,982	
General supplies	11,808	9,753	2,055
Total instruction	<u>284,997</u>	<u>282,634</u>	<u>2,363</u>
Support services:			
Salaries of program directors	48,750	48,750	
Salaries of other professional staff	29,395	21,626	7,769
Salaries of secretarial and clerical asst.	15,831	15,831	
Personal services - employees benefits	57,722	57,722	
Total support services	<u>151,698</u>	<u>143,929</u>	<u>7,769</u>
Total expenditures	<u><u>436,695</u></u>	<u><u>426,563</u></u>	<u><u>10,132</u></u>

CALCULATION OF BUDGET & CARRYOVER

Total revised 2011-12 Preschool Education Aid Allocation	423,168
Add: Actual Preschool Education Aid Carryover (June 30, 2011)	30,183
Total Preschool Education Aid Funds available for 2011-12 Budget	<u>453,351</u>
Less: 2011-12 Budgeted Preschool Education Aid (including prior year budgeted carryover)	(436,695)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2012	16,656
Add: Prior Year Encumbrance Canceled	112
Add: June 30, 2012 Unexpended Preschool Education Aid	10,132
2011-12 Carryover - Preschool Education Aid/Preschool Programs	<u>26,900</u>
2011-12 Preschool Education Aid Carryover Budgeted for Preschool Programs 2012-13	<u><u>16,656</u></u>

## PROPRIETARY FUNDS

GLASSBORO SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Net Assets  
For the Fiscal Year Ended June 30, 2012

	Food Service Fund	Total Enterprise Fund
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
Cash and cash equivalents	98,026	98,026
Receivables, net	30,952	30,952
Inventory	14,105	14,105
Capital assets, net	80,656	80,656
	<u>223,739</u>	<u>223,739</u>
<b>NET ASSETS</b>		
Investment in capital assets, net of related debt	32,990	32,990
Unrestricted	190,749	190,749
	<u>223,739</u>	<u>223,739</u>
	<u>223,739</u>	<u>223,739</u>

GLASSBORO SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Revenues, Expenses,  
and Changes in Fund Net Assets  
For the Fiscal Year Ended June 30, 2012

	Food Service Fund	Total Enterprise Fund
	<u>          </u>	<u>          </u>
Operating Revenues:		
Charges for Services:		
Daily sales - non-reimbursable programs	264,464	264,464
Special functions	31,088	31,088
Total operating revenue	<u>295,552</u>	<u>295,552</u>
Operating Expenses		
Cost of sales	423,468	423,468
Salaries	246,163	246,163
Employee benefits	77,162	77,162
Contracted services	37,750	37,750
Operations and maintenance	8,513	8,513
Supplies and materials	40,283	40,283
Miscellaneous expenditures	13,562	13,562
Depreciation	20,972	20,972
Total operating expenses	<u>867,873</u>	<u>867,873</u>
Operating income (loss)	<u>(572,321)</u>	<u>(572,321)</u>
Nonoperating revenues (expenses):		
Interest earned	1,237	1,237
State sources:		
State school lunch program	10,825	10,825
Federal sources:		
School breakfast program	111,621	111,621
National school lunch program	402,082	402,082
Food distribution program commodities	68,371	68,371
Total nonoperating revenues (expenses)	<u>594,136</u>	<u>594,136</u>
Change in net assets	21,815	21,815
Total net assets - beginning	<u>201,924</u>	<u>201,924</u>
Total net assets - ending	<u><u>223,739</u></u>	<u><u>223,739</u></u>

GLASSBORO SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Cash Flows  
For the Fiscal Year Ended June 30, 2012

	Food Service Fund	Total Enterprise Fund
Cash flows from operating activities:		
Receipts from customers	305,130	305,130
Payments to employees	(246,163)	(246,163)
Payments for employee benefits	(77,162)	(77,162)
Payments to suppliers	(486,710)	(486,710)
Net cash provided by (used for) operating activities	(504,905)	(504,905)
Cash flows from non-capital financing activities:		
State sources	10,913	10,913
Federal sources	513,805	513,805
Net cash provided by non-capital financing activities	524,718	524,718
Cash flows from capital financing activities:		
Purchase of capital assets	(22,898)	(22,898)
Net cash provided by capital financing activities	(22,898)	(22,898)
Cash flows from investing activities		
Interest earned	1,237	1,237
Net cash provided by investing activities	1,237	1,237
Net increase (decrease) in cash and cash equivalents	(1,848)	(1,848)
Balance - beginning of year	99,874	99,874
Balance - end of year	98,026	98,026
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(572,321)	(572,321)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	20,972	20,972
Food distribution program	68,371	68,371
(Increase) decrease in accounts receivable	8,776	8,776
(Increase) decrease in inventory	(2,647)	(2,647)
Increase (decrease) in accounts payable	(28,056)	(28,056)
Net cash provided by (used for) operating activities	(504,905)	(504,905)

GLASSBORO SCHOOL DISTRICT  
Internal Service Fund  
Combining Schedule of Net Assets  
For the Fiscal Year Ended June 30, 2012

	Workmen's Compensation Fund
<b>ASSETS</b>	
Cash and cash equivalents	1,545
<b>NET ASSETS</b>	
Unrestricted	1,545

GLASSBORO SCHOOL DISTRICT  
Internal Service Fund  
Combining Schedule of Revenues, Expenses,  
and Changes in Fund Net Assets  
For the Fiscal Year Ended June 30, 2012

	Workmen's Compensation Fund
Operating revenue:	
Workers' compensation contributions	7,000
Operating expenses:	
Claims expense	5,759
Operating income (loss)	1,241
Nonoperating revenues (expenses):	
Interest earned	14
Net income (loss)	1,255
Total net assets - beginning	290
Total net assets - ending	1,545

GLASSBORO SCHOOL DISTRICT  
Internal Service Fund  
Combining Schedule of Cash Flows  
For the Fiscal Year Ended June 30, 2012

	Workmen's Compensation Fund
Cash flows from operating activities:	
Receipts for internal service activities	7,000
Payments for claims	(5,759)
Net cash provided by (used for) operating activities	1,241
Cash flows from investing activities:	
Interest earned	14
Net cash provided by investing activities	14
Balance - beginning of year	290
Balance - end of year	1,545
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	1,241
Net cash provided by (used for) operating activities	1,241

## FIDUCIARY FUNDS

GLASSBORO SCHOOL DISTRICT  
Combining Statement of Fiduciary Net Assets  
For the Fiscal Year Ended June 30, 2012

	Unemployment Compensation Trust	Agency Funds	Total 2012
<b>ASSETS</b>			
Cash and cash equivalents	426,333	528,665	954,998
Total assets	<u>426,333</u>	<u>528,665</u>	<u>954,998</u>
<b>LIABILITIES</b>			
Payroll deductions and withholdings		191,815	191,815
Accrued salaries and wages		180,822	180,822
Due to student groups		156,028	156,028
Total liabilities		<u>528,665</u>	<u>528,665</u>
<b>NET ASSETS</b>			
Held in trust for unemployment claims	426,333		426,333
Total net assets	<u>426,333</u>		<u>426,333</u>

GLASSBORO SCHOOL DISTRICT  
Combining Statement of Changes in Fiduciary Net Assets  
For the Fiscal Year Ended June 30, 2012

	Unemployment Compensation Trust	Total 2012
<b>ADDITIONS:</b>		
Contributions	37,277	37,277
Interest earned	3,889	3,889
Total additions	<u>41,166</u>	<u>41,166</u>
<b>DEDUCTIONS:</b>		
Unemployment claims	38,861	38,861
Change in net assets	2,305	2,305
Net assets - beginning	<u>424,028</u>	<u>424,028</u>
Net assets - end	<u>426,333</u>	<u>426,333</u>

GLASSBORO SCHOOL DISTRICT  
 Student Activity Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2012</u>
ACTIVITIES:					
Dorothy L. Bullock School	12,723	15,069	18,887	1,449	10,354
J.H. Rodgers Memorial School	707	3,268	3,227	1,020	1,768
Thomas E. Bowe School	34,211	52,487	51,844	1,375	36,229
Intermediate School	21,430	64,406	63,155	958	23,639
High School	98,952	203,636	232,505	5,635	75,718
Special Services/Other	14,056	19,758	15,057	(10,437)	8,320
	<u>182,079</u>	<u>358,624</u>	<u>384,675</u>		<u>156,028</u>

GLASSBORO SCHOOL DISTRICT  
Payroll Agency Fund  
Schedule of Receipts and Disbursements  
For the Fiscal Year Ended June 30, 2012

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
<b>ASSETS</b>				
Cash and cash equivalents	333,816	23,452,854	23,414,033	372,637
Total assets	<u>333,816</u>	<u>23,452,854</u>	<u>23,414,033</u>	<u>372,637</u>
<b>LIABILITIES</b>				
Accrued salaries and wages	155,204	12,979,516	12,953,898	180,822
Payroll deductions and withholdings	178,612	10,471,787	10,458,584	191,815
Interfund payable		1,551	1,551	
Total liabilities	<u>333,816</u>	<u>23,452,854</u>	<u>23,414,033</u>	<u>372,637</u>

## **LONG-TERM DEBT**

GLASSBORO SCHOOL DISTRICT  
Schedule of Serial Bonds  
June 30, 2012

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2011	Retired	Balance June 30, 2012
			Date	Amount				
The construction of additions, replacement, repair, renovation, and rehabilitation at the Glassboro High School and rehabilitation to upgrade its support facilities; construction of an addition, various upgrades, rehabilitation, improvements and renovations at the Glassboro Intermediate School; various upgrades, rehabilitation, improvements and renovations to various classrooms and offices at the Elsmere School; renovation and upgrade of the technology infrastructure at the Bullock School; the completion of all work and improvements necessary to make the existing facilities compatible with the proposed additions, rehabilitation, improvements and renovations; upgrades to the stadium at the High School; and the completion of all work and improvements necessary to make the existing facilities compatible with the proposed additions, upgrades; acquire furniture, fixtures and equipment for said improvements and upgrades; and acquire furniture, fixtures and equipment for said additions, rehabilitation improvements and renovations.	8/15/02	7,815,000				205,000	205,000	
Refunding School Bonds, Series 2006	12/19/06	9,500,000	8/15/12	835,000	3.750%			
			8/15/13	1,050,000	3.750%			
			8/15/14	1,110,000	4.000%			
			8/15/15	1,190,000	5.000%			
			8/15/16	1,300,000	5.000%			
			8/15/17	1,755,000	4.000%			
			8/15/18	1,825,000	4.000%	9,480,000	415,000	9,065,000
Refunding School Bonds, Series 2009	9/10/09	4,095,000	5/15/13	525,000	4.000%			
			5/15/14	375,000	2.500%			
			5/15/15	360,000	4.000%			
			5/15/16	345,000	4.000%			
			5/15/17	315,000	4.000%	2,605,000	685,000	1,920,000
						<u>12,290,000</u>	<u>1,305,000</u>	<u>10,985,000</u>

GLASSBORO SCHOOL DISTRICT  
Schedule of Obligations Under Capital Leases  
For the Fiscal Year Ended June 30, 2012

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance June 30, 2011	Issued	Retired	Balance June 30, 2012
			Principal	Interest					
School buses	7/30/02	10 Years	76,640	19,661	5.28%	9,432		9,432	
School buses	7/30/02	10 Years	119,520	29,507	5.28%	14,155		14,155	
School buses	7/30/02	10 Years	123,690	30,536	5.28%	14,649		14,649	
School buses	7/30/03	10 Years	115,900	28,445	5.25%	26,745		13,029	13,716
School buses	7/30/03	10 Years	43,300	10,627	5.25%	9,992		4,868	5,124
School buses	7/30/04	10 Years	121,192	33,422	5.88%	41,426		13,028	28,398
School buses	7/1/05	10 Years	200,100	40,831	4.17%	87,106		20,461	66,645
School buses	9/13/06	10 Years	316,950	76,866	4.46%	178,823		32,056	146,767
School buses	12/19/06	10 Years	176,850	43,817	4.55%	102,879		17,753	85,126
Telephone equipment	2/28/07	5 Years	231,943	29,982	5.06%	12,986		12,986	
Computer servers	7/1/07	5 Years	46,906	5,270	5.63%	9,879		9,879	
School buses	2/21/08	10 Years	99,990	21,797	4.68%	62,453		9,256	53,197
School buses	9/12/08	10 Years	69,895	14,975	4.60%	49,825		6,194	43,631
Computers	7/1/09	4 Years	906,711	None	None	453,356		226,678	226,678
Copiers	12/28/10	4 Years	338,273	45,247	6.29%	294,071		79,641	214,430
Network equipment	9/3/11	4 Years	79,073	5,341	3.24%		79,073	17,228	61,845
School buses	9/20/11	7 Years	81,263	7,075	2.88%		81,263	12,620	68,643
School buses	1/27/12	7 Years	44,570	3,881	2.88%		44,570	6,922	37,648
						<u>1,367,777</u>	<u>204,906</u>	<u>520,835</u>	<u>1,051,848</u>

GLASSBORO SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 Debt Service Fund  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	1,464,340		1,464,340	1,464,340	
State sources:					
Debt service aid type II	267,194		267,194	267,194	
Total revenues	<u>1,731,534</u>		<u>1,731,534</u>	<u>1,731,534</u>	
EXPENDITURES:					
Regular debt service:					
Interest	493,552		493,552	493,551	1
Redemption of principal	1,305,000		1,305,000	1,305,000	
Total expenditures	<u>1,798,552</u>		<u>1,798,552</u>	<u>1,798,551</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	(67,018)		(67,018)	(67,017)	1
Fund balance, July 1	<u>67,020</u>		<u>67,020</u>	<u>67,020</u>	
Fund balance, June 30	<u><u>2</u></u>		<u><u>2</u></u>	<u><u>3</u></u>	<u><u>1</u></u>

**STATISTICAL SECTION (UNAUDITED)**

GLASSBORO SCHOOL DISTRICT  
Statistical Section

Contents	Page
<b>Financial Trends</b>	99-104
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	
	105-108
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
	109-112
<b>Debt Capacity</b>	109-112
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	113-114
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
<b>Operating Information</b>	115-119
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the district provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The District implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

GLASSBORO SCHOOL DISTRICT  
Net Assets by Component  
Last Ten Fiscal Years  
Unaudited

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
Invested in capital assets, net of related debt	9,908,389	11,397,805	11,345,488	6,228,177	6,212,121	7,185,379	8,014,551	8,126,925	9,025,089	9,878,118
Restricted	2,914,839	2,898,212	1,776,142	1,150,690	964,718	1,149,462	1,886,591	1,070,568	1,799,540	2,774,030
Unrestricted	(23,186)	(925,677)	(996,659)	(1,352,488)	(1,337,006)	(1,754,838)	(2,545,010)	(2,360,909)	(2,325,251)	(2,463,655)
Total governmental activities net assets	<u>12,800,042</u>	<u>13,370,340</u>	<u>12,124,971</u>	<u>6,026,379</u>	<u>5,839,833</u>	<u>6,580,003</u>	<u>7,356,132</u>	<u>6,836,584</u>	<u>8,499,378</u>	<u>10,188,493</u>
Business-type activities:										
Invested in capital assets, net of related debt	32,570	28,751	137,479	122,296	107,113	91,930	76,747	61,565	47,278	32,990
Unrestricted	117,518	103,666	100,472	88,035	87,720	105,278	52,104	124,326	154,646	190,749
Total governmental activities net assets	<u>150,088</u>	<u>132,417</u>	<u>237,951</u>	<u>210,331</u>	<u>194,833</u>	<u>197,208</u>	<u>128,851</u>	<u>185,891</u>	<u>201,924</u>	<u>223,739</u>
District-wide:										
Invested in capital assets, net of related debt	9,940,959	11,426,556	11,482,967	6,350,473	6,319,234	7,277,309	8,091,298	8,188,490	9,072,367	9,911,108
Restricted	2,914,839	2,898,212	1,776,142	1,150,690	964,718	1,149,462	1,886,591	1,070,568	1,800,153	2,774,030
Unrestricted	94,332	(822,011)	(896,187)	(1,264,453)	(1,249,286)	(1,649,560)	(2,492,906)	(2,236,583)	(2,171,218)	(2,272,906)
Total district-wide net assets	<u>12,950,130</u>	<u>13,502,757</u>	<u>12,362,922</u>	<u>6,236,710</u>	<u>6,034,666</u>	<u>6,777,211</u>	<u>7,484,983</u>	<u>7,022,475</u>	<u>8,701,302</u>	<u>10,412,232</u>

Source: District records.

GLASSBORO SCHOOL DISTRICT  
Changes in Net Assets  
Last Ten Fiscal Years  
Unaudited

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:										
Governmental activities:										
Instruction:										
Regular	6,628,593	6,962,768	6,877,404	7,094,790	7,236,217	7,941,161	9,528,742	9,786,955	8,859,404	8,976,002
Special education	5,728,351	5,834,802	5,822,337	5,876,739	5,958,477	6,181,766	2,725,660	2,890,714	3,212,700	3,188,639
Other special instruction	75,958	87,763	153,582	303,989	417,873	382,619	1,981,784	2,264,542	2,162,713	1,815,288
Other instruction	338,024	321,046	381,426	395,742	405,657	412,955	400,575	524,418	383,760	403,600
Support services:										
Tuition	1,494,587	1,813,056	1,908,293	2,127,473	2,405,530	2,375,920	2,208,288	1,962,359	1,900,756	1,995,833
Student & instructional related services	3,762,296	3,860,017	3,912,001	4,265,763	3,990,569	4,214,751	3,934,507	3,894,998	3,611,726	3,525,899
School administration services	1,067,817	1,286,932	1,168,320	1,170,793	1,264,389	1,199,725	1,326,955	1,392,744	1,349,197	1,278,562
General & business administrative services	1,218,965	1,208,612	1,557,927	1,583,896	1,406,119	1,387,454	1,372,823	1,476,094	1,436,766	1,512,868
Plant operations & maintenance	2,137,464	2,333,349	2,513,370	2,834,461	2,978,196	3,052,419	3,118,769	2,986,573	3,032,171	2,889,225
Pupil transportation	1,374,446	1,479,231	1,566,972	1,962,275	1,806,594	2,063,048	1,888,124	1,925,499	1,806,204	2,018,285
Employee benefits	4,162,765	4,843,802	5,333,654	5,619,361	7,077,665	7,628,471	6,935,662	7,828,318	8,221,190	8,778,641
Capital outlay	5,896	756,438	1,711,557	355,173	789,757	128,838	178,888	1,069,913	83,374	244,572
Special schools	56,618	73,667	97,583	110,885	119,928	107,851	124,330			
Transfer to charter school				18,609		1,957			30,665	31,661
Interest on long-term debt	760,266	1,115,857	816,495	784,426	600,733	687,676	644,984	528,742	531,772	493,551
Unallocated depreciation	533,077	575,982	640,201	913,832	997,395	1,018,831	1,028,800	1,027,835	975,910	1,088,023
Total governmental activities expenses	29,345,123	32,553,322	34,461,122	35,418,207	37,455,099	38,785,442	37,398,891	39,559,704	37,598,308	38,240,649
Business-type activities:										
Food service	811,517	836,826	864,934	947,715	943,211	884,958	978,790	878,870	832,884	867,873
Print shop		41,995	42,165	36,101	12,753	13,706				
Total business-type activities expenses	811,517	878,821	907,099	983,816	955,964	898,664	978,790	878,870	832,884	867,873
Total district-wide expenses	30,156,640	33,432,143	35,368,221	36,402,023	38,411,063	39,684,106	38,377,681	40,438,574	38,431,192	39,108,522
Program revenues:										
Governmental activities:										
Charges for services:										
General & business administrative services	65,000	45,000	40,000				15,000		2,300	7,000
Operating grants & contributions	4,192,646	4,251,852	4,287,305	4,195,914	4,114,756	4,335,039	2,216,128	2,418,049	2,597,744	1,937,408
Capital grants & contributions	5,070,888									
Total governmental activities program revenues	9,328,534	4,296,852	4,327,305	4,195,914	4,114,756	4,335,039	2,231,128	2,418,049	2,600,044	1,944,408
Business-type activities:										
Charges for services:										
Food service	298,008	311,123	381,701	414,653	446,138	401,047	373,647	358,789	316,140	295,552
Print shop		36,668	36,578	26,471	14,825	7,999				
Operating grants & contributions	374,519	426,718	413,216	457,330	476,781	490,303	516,359	576,980	532,698	592,899
Capital grants & contributions	29,224		113,650							
Total business-type activities revenues	701,751	774,509	945,145	898,454	937,744	899,349	890,006	935,769	848,838	888,451
Total district program revenues	10,030,285	5,071,361	5,272,450	5,094,368	5,052,500	5,234,388	3,121,134	3,353,818	3,448,882	2,832,859
Net (expense)/revenue:										
Governmental activities	(20,016,589)	(28,256,470)	(30,133,817)	(31,222,293)	(33,340,343)	(34,450,403)	(35,167,763)	(37,141,655)	(34,998,264)	(36,296,241)
Business-type activities	(109,766)	(104,312)	38,046	(85,362)	(18,220)	685	(88,784)	56,899	15,954	20,578
Total district-wide net expense	(20,126,355)	(28,360,782)	(30,095,771)	(31,307,655)	(33,358,563)	(34,449,718)	(35,256,547)	(37,084,756)	(34,982,310)	(36,275,663)

GLASSBORO SCHOOL DISTRICT  
Changes in Net Assets  
Last Ten Fiscal Years  
Unaudited

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General revenues & other changes in net assets:										
Governmental activities:										
Property taxes levied for general purposes	10,809,640	11,964,873	12,238,198	13,935,072	15,166,787	16,071,230	15,480,677	16,209,184	16,977,715	16,756,877
Taxes levied for debt service	1,226,403	1,526,842	1,381,574	1,463,125	1,416,064	1,295,868	1,458,054	1,462,916	1,498,557	1,464,340
Other governmental units		200,000	222,521	242,811	101,442	61,806	34,951	42,404	30,233	18,371
Unrestricted grants & contributions	12,724,838	13,971,920	14,689,267	14,898,749	15,916,503	16,687,506	18,114,603	18,287,464	17,597,793	18,955,677
Tuition received	71,725	85,745	127,730	306,216	280,458	368,546	361,318	178,711	230,822	351,180
Transportation fees	114,931	102,910	28,329	32,807	39,614	108,487	151,222	98,320	72,422	106,626
Investment earnings	190,758	650	70,993	117,778	123,762	80,804	20,239	19,389	3,204	35,181
Miscellaneous income	52,019	189,401	231,414	112,248	165,060	270,235	328,359	315,991	243,441	303,484
Transfers	(115,200)	(88,608)	(100,000)	(50,000)			(20,000)			
Premiums received on sale of refunding bonds		29,254			53,000					
Accrued interest on sale of refunding bonds		8,888								
Cost of issuance on sale of refunding bonds		(115,512)								
Net proceeds refunding bond issue								30,000		
Transfer to sinking fund		(102,719)								
Loss on retirement of asset		(12,976)	(1,578)		(114,289)			(8,591)	(2,370)	(6,657)
Prior year payable canceled				30,744	42,313	45,540	15,728	459	24,366	536
Prior year receivable canceled				(7,720)	(36,917)	(4,843)	(1,259)	(14,140)	(52,279)	(259)
Capital contributed by Borough						205,394				
Contracts payable canceled									37,154	
Total governmental activities	<u>25,075,114</u>	<u>27,760,668</u>	<u>28,888,448</u>	<u>31,081,830</u>	<u>33,153,797</u>	<u>35,190,573</u>	<u>35,943,892</u>	<u>36,622,107</u>	<u>36,661,058</u>	<u>37,985,356</u>
Business-type activities:										
Investment earnings	820	470	1,546	2,742	2,722	1,690	427	141	79	1,237
Transfers	115,200	88,608	100,000	50,000			20,000			
Loss on retirement of asset		(2,437)								
Prior year payable canceled				5,000						
Total business-type activities	<u>116,020</u>	<u>86,641</u>	<u>101,546</u>	<u>57,742</u>	<u>2,722</u>	<u>1,690</u>	<u>20,427</u>	<u>141</u>	<u>79</u>	<u>1,237</u>
Total district-wide	<u>25,191,134</u>	<u>27,847,309</u>	<u>28,989,994</u>	<u>31,139,572</u>	<u>33,156,519</u>	<u>35,192,263</u>	<u>35,964,319</u>	<u>36,622,248</u>	<u>36,661,137</u>	<u>37,986,593</u>
Change in net assets:										
Governmental activities	5,058,525	(495,802)	(1,245,369)	(140,463)	(186,546)	740,170	776,129	(519,548)	1,662,794	1,689,115
Business-type activities	6,254	(17,671)	139,592	(27,620)	(15,498)	2,375	(68,357)	57,040	16,033	21,815
Total district-wide	<u>5,064,779</u>	<u>(513,473)</u>	<u>(1,105,777)</u>	<u>(168,083)</u>	<u>(202,044)</u>	<u>742,545</u>	<u>707,772</u>	<u>(462,508)</u>	<u>1,678,827</u>	<u>1,710,930</u>

Source: District records.

GLASSBORO SCHOOL DISTRICT  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
Unaudited

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General fund:										
Reserved	698,872	1,299,366	1,262,313	874,789	648,664	996,598	1,848,233	1,012,555	1,732,520	2,774,027
Unreserved	808,322	262,092	199,849	20,736	146,216	29,249	(739,486)	(692,331)	(647,620)	(735,302)
Total general fund	<u>1,507,194</u>	<u>1,561,458</u>	<u>1,462,162</u>	<u>895,525</u>	<u>794,880</u>	<u>1,025,847</u>	<u>1,108,747</u>	<u>320,224</u>	<u>1,084,900</u>	<u>2,038,725</u>
All other governmental funds:										
Reserved	95,049	88,447	17,054	45,397	163,463	18,869	7,613		67,020	3
Unreserved, reported in:										
Special revenue fund	(109,715)	(98,751)	(97,062)	(102,748)	(94,802)	(114,367)	(42,925)	(48,008)	(39,192)	(30,740)
Capital projects fund	2,120,918	1,493,345	451,378	258,847	133,722	126,382	29,611	29,611		
Debt service fund	88,447	17,054	45,397	15,978	18,869	7,613	1,134	28,402		
Total all other governmental funds	<u>2,194,699</u>	<u>1,500,095</u>	<u>416,767</u>	<u>217,474</u>	<u>221,252</u>	<u>38,497</u>	<u>(4,567)</u>	<u>10,005</u>	<u>27,828</u>	<u>(30,737)</u>

Source: District records.

GLASSBORO SCHOOL DISTRICT  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years

	Fiscal Year Ending June 30									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues:</b>										
Tax levy	12,036,043	13,491,715	13,619,772	15,398,197	16,582,851	17,367,098	16,938,731	17,672,100	18,476,272	18,221,217
Other local government units - restricted		200,000	222,521	242,811	101,442	61,806	34,951	42,404	30,233	18,371
Tuition charges	71,725	85,745	127,730	306,216	280,458	368,546	361,318	178,711	230,822	351,180
Transportation fees	114,931	102,910	28,329	32,807	39,614	108,487	151,222	98,320	72,422	106,626
Interest earnings	109,526	34,892	72,310	115,048	136,137	88,178	20,193			
Miscellaneous	138,742	155,080	229,892	114,657	165,574	267,623	340,376	356,608	264,153	352,455
State sources	15,194,097	16,287,369	17,074,723	17,189,692	18,264,328	19,453,615	18,716,904	16,130,738	18,050,221	18,830,097
Federal sources	1,717,680	1,936,403	1,901,849	1,904,971	1,743,731	1,553,782	1,601,810	4,553,547	2,127,808	2,049,184
<b>Total revenue</b>	<b>29,382,744</b>	<b>32,294,114</b>	<b>33,277,126</b>	<b>35,304,399</b>	<b>37,314,135</b>	<b>39,269,135</b>	<b>38,165,505</b>	<b>39,032,428</b>	<b>39,251,931</b>	<b>39,929,130</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular instruction	6,628,593	6,797,401	6,842,525	7,051,020	7,208,298	7,826,444	9,486,667	9,786,955	8,810,736	8,918,629
Special education instruction	5,728,351	5,834,802	5,822,337	5,876,739	5,958,477	6,181,766	2,725,660	2,967,361	3,212,700	3,188,639
Other special instruction	75,958	87,763	153,582	303,989	417,873	382,619	1,981,784	2,264,542	2,162,713	1,815,288
Other instruction	338,024	321,046	381,426	395,742	405,657	412,955	400,575	524,418	383,760	403,600
<b>Support services:</b>										
Tuition	1,494,587	1,813,056	1,908,293	2,127,473	2,405,530	2,375,920	2,208,288	1,962,359	1,900,756	1,995,833
Student & instruction related services	3,741,116	3,860,017	3,912,001	4,203,444	3,960,150	4,099,478	3,888,371	3,913,014	3,604,211	3,514,360
School administrative services	1,062,126	1,128,442	1,152,566	1,161,823	1,264,389	1,199,725	1,326,955	1,392,744	1,349,197	1,278,562
Other administrative services	1,129,603	1,208,612	1,557,927	1,483,283	1,380,523	1,325,758	1,353,109	1,523,460	1,472,780	1,515,592
Plant operations & maintenance	2,137,464	2,333,349	2,513,370	2,834,461	2,978,196	3,052,419	3,118,769	2,986,573	3,032,171	2,889,225
Pupil transportation	1,374,446	1,479,231	1,566,972	1,962,275	1,806,594	2,063,048	1,888,124	1,925,499	1,806,204	2,018,285
Employee benefits	4,160,055	4,843,802	5,333,654	5,619,361	7,077,665	7,628,471	6,935,662	7,828,318	8,221,190	8,778,641
Special schools	56,618	73,667	97,583	110,885	119,928	107,851	124,330			
Transfer to charter school				18,609		1,957			30,665	31,661
Capital outlay	20,170,429	1,195,912	1,920,211	1,289,603	2,145,507	927,429	926,755	1,815,424	1,028,091	1,092,187
<b>Debt services:</b>										
Principal	860,000	915,000	1,020,000	1,055,000	1,090,000	1,135,000	1,180,000	1,280,000	1,270,000	1,305,000
Interest	760,266	1,115,857	816,495	784,426	600,733	687,676	644,984	528,742	531,772	493,551
<b>Total expenditures</b>	<b>49,717,636</b>	<b>33,007,957</b>	<b>34,998,942</b>	<b>36,278,133</b>	<b>38,819,520</b>	<b>39,408,516</b>	<b>38,190,033</b>	<b>40,699,409</b>	<b>38,816,946</b>	<b>39,239,053</b>
Excess (deficiency) of revenues over (under) expenditures	(20,334,892)	(713,843)	(1,721,816)	(973,734)	(1,505,385)	(139,381)	(24,528)	(1,666,981)	434,985	690,077
<b>Other financing sources (uses):</b>										
Capital leases (non-budgeted)	744,850	159,200	639,192	234,780	1,403,122	146,896	69,895	906,711	338,273	204,906
Transfers in	81,740	14,143	16,501	46,721	54,999	53,152	16,862	656	24,366	536
Transfers out	(196,940)	(102,751)	(116,501)	(73,697)	(49,603)	(12,455)	(22,393)	(14,337)	(52,279)	(259)
Proceed from refunding		7,623,142								
Proceeds from borrowing	7,815,000									
EDA grant	5,070,888									
Payments to escrow agent & costs		(7,620,231)								
Contracts payable canceled									37,154	
<b>Total other financing sources (uses)</b>	<b>13,515,538</b>	<b>73,503</b>	<b>539,192</b>	<b>207,804</b>	<b>1,408,518</b>	<b>187,593</b>	<b>64,364</b>	<b>893,030</b>	<b>347,514</b>	<b>205,183</b>
<b>Net change in fund balance</b>	<b>(6,819,354)</b>	<b>(640,340)</b>	<b>(1,182,624)</b>	<b>(765,930)</b>	<b>(96,867)</b>	<b>48,212</b>	<b>39,836</b>	<b>(773,951)</b>	<b>782,499</b>	<b>895,260</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>5.80%</b>	<b>6.82%</b>	<b>5.88%</b>	<b>5.55%</b>	<b>4.83%</b>	<b>4.97%</b>	<b>5.15%</b>	<b>4.88%</b>	<b>5.01%</b>	<b>4.95%</b>

Source: District records.

GLASSBORO SCHOOL DISTRICT  
 General Fund - Other Local Revenue by Source  
 Last Ten Fiscal Years  
 Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>Prior Year Refunds</u>	<u>Fees</u>	<u>Rentals</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
2003	45,748	12,723	11,565	35,804	27,195	133,035
2004	60,668	6,660	3,895	63,585	20,272	155,080
2005	58,481	13,782	11,136	77,558	70,457	231,414
2006	81,834	7,241	16,442		9,140	114,657
2007	43,317	11,118	14,769	58,333	18,654	146,191
2008	226,993	10,852	13,086		16,692	267,623
2009	294,286	9,959	17,028		19,103	340,376
2010	219,947	7,651	13,231	46,943	68,836	356,608
2011	137,436	8,475	11,766	83,534	5,378	246,589
2012	129,963	9,596	13,690	146,500	38,902	338,651

Source: District records.

GLASSBORO SCHOOL DISTRICT  
 Assessed Value and Estimated Actual Value of Taxable Property  
 Last Ten Fiscal Years  
 Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Farmland	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax Exempt Property	Public Utilities	Net Valuation Taxable	Actual (County Equalized) Value	Total Direct School Tax Rate
2003	14,810,800	465,622,400	2,249,100	102,975,100	7,952,500	26,357,600	619,967,500	195,700	6,760,389	626,532,189	668,100,544	2.019
2004	14,102,800	468,472,200	2,249,100	102,943,200	8,102,500	27,107,600	622,977,400		6,155,177	629,132,577	707,105,899	2.136
2005	19,858,200	477,275,100	2,317,800	102,392,100	8,116,200	27,107,600	637,067,000		5,366,197	642,433,197	786,752,359	2.241
2006	23,327,300	488,875,300	1,838,100	102,845,600	8,116,200	28,069,100	653,071,600		4,580,500	657,652,100	918,325,985	2.414
2007	21,787,800	503,148,100	1,838,100	103,127,300	8,641,200	27,974,100	666,516,600		4,149,418	670,666,018	1,055,886,503	2.515
2008	22,372,600	506,459,500	1,963,600	103,369,100	8,641,200	28,549,700	671,355,700		3,928,717	675,284,417	1,159,972,924	2.524
2009	22,727,000	505,855,400	1,963,600	106,027,400	8,641,200	28,758,300	673,972,900		3,619,316	677,592,216	1,220,769,864	2.539
2010	21,389,800	505,513,200	2,000,800	105,460,600	8,341,200	28,817,500	671,523,100		3,637,514	675,160,614	1,245,104,896	2.677
2011	47,616,600	883,217,800	3,198,400	181,429,800	12,319,200	57,259,700	1,185,041,500		7,816,927	1,192,858,427	1,255,462,612	1.538
2012	54,928,800	883,463,400	3,198,400	182,279,800	14,400,100	54,728,000	1,192,998,500		6,250,864	1,199,249,364	1,239,822,665	1.543

Source: Municipal Tax Assessor.

GLASSBORO SCHOOL DISTRICT  
 Direct and Overlapping Property Tax Rates  
 (Rate Per \$100 of Assessed Value)  
 Last Ten Fiscal Years  
 Unaudited

Fiscal Year Ended June 30,	Glassboro School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Borough of Glassboro	Gloucester County	
2003	1.813	0.206	2.019	1.160	0.712	3.891
2004	1.894	0.242	2.136	1.231	0.752	4.119
2005	2.014	0.227	2.241	1.291	0.841	4.373
2006	2.185	0.229	2.414	1.388	0.885	4.687
2007	2.300	0.215	2.515	1.451	0.935	4.901
2008	2.336	0.188	2.524	1.569	1.017	5.110
2009	2.320	0.219	2.539	1.643	1.063	5.245
2010	2.455	0.222	2.677	1.643	1.089	5.409
2011	1.413	0.125	1.538	0.947	0.613	3.098
2012	1.419	0.124	1.543	0.991	0.612	3.146

Source: Municipal Tax Collector.

GLASSBORO SCHOOL DISTRICT  
Principal Property Taxpayers  
Current Year and Nine Years Ago  
Unaudited

	2012			2003		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Park Crest Associates	19,000,000	1	1.58%	7,300,000	4	1.17%
Kranzco Realty Trust	17,500,000	2	1.46%	9,790,100	2	1.57%
Campus - Glassboro, LLC	17,000,000	3	1.42%			
LMX Doubletree Ctr	15,400,000	4	1.28%	10,121,500	1	1.62%
D.R. Horton Inc	9,760,800	5	0.81%			
Glassboro Plaza, LLC	8,750,000	6	0.73%			
Glassboro Properties, LLC	8,581,100	7	0.72%			
Verizon - New Jersey	6,250,864	8	0.52%			
Borough of Glassboro	5,531,300	9	0.46%			
Doubletree Group, LLC.	5,188,800	10	0.43%			
Bell Atlantic				8,368,589	3	1.34%
The Crossings Apartments				7,216,000	5	1.16%
Hollybush Affordable Housing Inc.				5,043,900	6	0.81%
Doubletree Partners, LLC				4,995,000	7	0.80%
ADM Cocoa				4,149,300	8	0.67%
Glassboro Commercial Associates				3,220,000	9	0.52%
The Doubletree Group, LLC				3,099,600	10	0.50%
	<u>59,462,864</u>		<u>4.96%</u>	<u>63,303,989</u>		<u>10.16%</u>

Source: County Assessor.

GLASSBORO SCHOOL DISTRICT  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	12,036,043	12,036,043	100.00%	
2004	13,491,715	13,491,715	100.00%	
2005	13,619,772	13,619,772	100.00%	
2006	15,398,197	15,398,197	100.00%	
2007	16,582,851	16,582,851	100.00%	
2008	17,367,098	17,367,098	100.00%	
2009	16,938,731	16,938,731	100.00%	
2010	17,672,100	17,672,100	100.00%	
2011	18,476,272	18,476,272	100.00%	
2012	18,221,217	18,221,217	100.00%	

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

GLASSBORO SCHOOL DISTRICT  
 Ratios of Outstanding Debt by Type  
 Last Ten Fiscal Years  
 Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)			
2003	21,135,000		774,989		21,909,989	3.66%	1,146
2004	20,403,000		823,756		21,226,756	3.36%	1,106
2005	19,383,000		1,321,178		20,704,178	3.12%	1,078
2006	18,328,000		1,292,460		19,620,460	2.78%	1,014
2007	17,185,000		2,145,849		19,330,849	2.59%	986
2008	16,050,000		1,690,551		17,740,551	2.22%	898
2009	14,870,000		1,142,577		16,012,577	2.02%	807
2010	13,560,000		1,507,732		15,067,732	1.96%	810
2011	12,290,000		1,367,777		13,657,777	N/A	N/A
2012	10,985,000		1,051,848		12,036,848	N/A	N/A

N/A - At the time of CAFR completion, this data was not available.

GLASSBORO SCHOOL DISTRICT  
 Ratios of General Bonded Debt Outstanding  
 Last Ten Fiscal Years  
 Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2003	21,135,000		21,135,000	3.37%	1,105
2004	20,403,000		20,403,000	3.24%	1,063
2005	19,383,000		19,383,000	3.02%	1,009
2006	18,328,000		18,328,000	2.79%	947
2007	17,185,000		17,185,000	2.56%	877
2008	16,050,000		16,050,000	2.38%	812
2009	14,870,000		14,870,000	2.20%	749
2010	13,560,000		13,560,000	2.01%	729
2011	12,290,000		12,290,000	1.03%	N/A
2012	10,985,000		10,985,000	0.92%	N/A

N/A - At the time of CAFR completion, this data was not available.

GLASSBORO SCHOOL DISTRICT  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2012  
 Unaudited

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Glassboro Borough	45,761,495	100.00%	45,761,495
Gloucester County General Obligation Debt	280,798,408	4.50%	1,239,822,665
Subtotal, overlapping debt			1,285,584,160
Glassboro District Direct Debt			10,985,000
Total direct and overlapping debt			1,296,569,160

Sources: Debt outstanding data provided by each governmental unit.

GLASSBORO SCHOOL DISTRICT  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
 Unaudited

	Equalized valuation basis
2011	1,200,163,561
2010	1,218,956,435
2009	1,228,756,427
	<u>3,647,876,423</u>
Average equalized valuation of taxable property	<u>1,215,958,808</u>
Debt limit (4% of average equalized value)	48,638,352
Total net debt applicable to limit	<u>10,985,000</u>
Legal debt margin	<u>37,653,352</u>

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	25,233,292	26,220,885	27,969,673	31,069,517	35,463,617	40,466,500	44,655,764	47,435,650	48,595,183	48,638,352
Total net debt applicable to limit	21,135,000	20,403,000	19,383,000	18,328,000	17,185,000	16,050,000	14,870,000	13,560,000	12,290,000	10,985,000
Legal debt margin	<u>4,098,292</u>	<u>5,817,885</u>	<u>8,586,673</u>	<u>12,741,517</u>	<u>18,278,617</u>	<u>24,416,500</u>	<u>29,785,764</u>	<u>33,875,650</u>	<u>36,305,183</u>	<u>37,653,352</u>
Total net debt applicable to the limit as a percentage of debt limit	83.76%	77.81%	69.30%	58.99%	48.46%	39.66%	33.30%	28.59%	25.29%	22.59%

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

GLASSBORO SCHOOL DISTRICT  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	Population	Personal Income	Per Capita Personal Income *	Unemployment Rate
2003	19,127	599,421,053	31,339	9.00%
2004	19,187	632,557,016	32,968	8.00%
2005	19,212	662,794,788	34,499	5.90%
2006	19,351	706,814,626	36,526	6.40%
2007	19,603	746,756,682	38,094	5.80%
2008	19,762	798,305,752	40,396	7.40%
2009	19,841	794,632,050	40,050	10.90%
2010	18,594	768,620,178	41,337	11.60%
2011	18,626	N/A	N/A	11.30%
2012	N/A	N/A	N/A	N/A

N/A      At the time of CAFR completion, this data was not available.  
\*      Represents information for Gloucester County.

Source:

Population information provided by the NJ Department of Labor and Workforce Development.  
Personal income has been estimated based upon the municipal population and per capita personal income presented.

Per capita personal income estimated based upon the Census published by the US Bureau of Economic Analysis.

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

GLASSBORO SCHOOL DISTRICT  
Principal Employers  
Current Year and Nine Years Ago  
Unaudited

Employer	2012			2003		
	Employees	Rank	% of Total Municipal Employment	Employees	Rank	% of Total Municipal Employment
Rowan University	1,483	1	15.67%			
Glassboro School District	440	2	4.65%			
Apg International Inc.	225	3	2.38%			
Borough of Glassboro	144	4	1.52%			Information not available
Liscio's Italian Bakery	120	5	1.27%			
Ner Data Corporation	50	6	0.53%			
WECOM Inc.	50	7	0.53%			
	<u>2,512</u>		<u>26.54%</u>			

Source: Gloucester County Department of Economic Development.

GLASSBORO SCHOOL DISTRICT  
Full-time Equivalent District Employees by Function/Program  
Last Ten Fiscal Years  
Unaudited

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction										
Regular	153	154.0	145	155.5	157	164	158	163	135	138
Special education	63	64.5	72	69	70	66	64	66	61.3	59.8
Other instruction	2	2.5	6	10.5	13	15	14	9	4.5	7.2
Support Services										
Student & instruction related services	44.5	45	43	47.5	47	43	47.5	50.5	38.2	39.2
General administration	2	2	2	2	2	2	3	3	2.1	2.1
School administrative services	19	15	16	17	16	18	18	18	17.5	17.0
Other administrative services	4	3.5	3	3	3	3	3	3	3	3
Central services	8.5	8.5	9	9	9	9	7	7	7	7
Administrative information technology			2	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Plant operations & maintenance	36.5	38.5	36.5	38.5	38.5	38.5	38.5	41.0	44.3	38.6
Pupil transportation	29	32.5	32.5	32.5	32.5	39.0	40.0	43.0	28	30
Other support services	5	5	2	2	2	2	1	1	1	1
<b>Total</b>	<b>366.5</b>	<b>371</b>	<b>369</b>	<b>389</b>	<b>392.5</b>	<b>402.0</b>	<b>396.5</b>	<b>407.0</b>	<b>344.4</b>	<b>345.8</b>

Source: District Personnel Records.

GLASSBORO SCHOOL DISTRICT  
 Operating Statistics  
 Last Ten Fiscal Years  
 Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle	High				
2003	2,385	27,926,981	11,709	5.99%	188	14	12	12	2,468	2,319	-1.16%	94%
2004	2,352	29,781,188	12,662	8.14%	195	14	12	12	2,430	2,296	-1.54%	94%
2005	2,369	31,242,236	13,188	4.15%	198	12	12	12	2,324	2,197	-4.36%	95%
2006	2,405	33,149,104	13,783	4.52%	204	12	12	12	2,347	2,212	0.99%	94%
2007	2,372	34,983,280	14,748	7.00%	206	12	10	11	2,375	2,216	1.19%	93%
2008	2,334	36,658,411	15,706	6.49%	207	21	19	21	2,248	2,135	-5.35%	95%
2009	2,298	35,438,294	15,421	4.56%	199	22	22	20	2,215	2,097	-6.74%	95%
2010	2,215	37,075,243	16,738	8.54%	198	13	11	17	2,115	2,000	-4.51%	95%
2011	2,234	35,987,083	16,109	-3.76%	182	18	26	18	2,217	2,085	4.82%	94%
2012	2,212	36,348,315	16,432	2.01%	183	18	12	10	2,222	2,121	0.23%	95%

Source: Enrollment based on annual October district count.

GLASSBORO SCHOOL DISTRICT  
School Building Information  
Last Ten Fiscal Years  
Unaudited

District Building	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>Elementary</u>										
J. Harvey Rogers (1959)										
Square feet	39,192	39,192	39,192	39,192	39,192	39,192	39,192	39,192	39,192	39,192
Capacity (students)	289	289	289	289	289	289	289	289	289	289
Enrollment	264	324	291	296	343	341	341	299	338	335
Dorothy Bullock (1993)										
Square feet	87,700	87,700	87,700	87,700	87,700	87,700	87,700	87,700	87,700	87,700
Capacity (students)	580	580	580	580	580	580	580	580	580	580
Enrollment	529	514	536	544	521	510	510	481	480	479
Thomas E. Bowe (1972)										
Square feet	75,514	75,514	75,514	75,514	75,514	75,514	75,514	75,514	75,514	75,514
Capacity (students)	571	571	571	571	571	571	571	571	571	571
Enrollment	518	477	492	700	522	523	523	490	470	459
<u>Middle</u>										
Intermediate (1934)										
Square feet	60,671	60,671	60,671	60,671	60,671	60,671	60,671	60,671	60,671	60,671
Capacity (students)	466	466	466	466	466	466	466	466	466	466
Enrollment	387	366	332	339	327	314	314	346	341	315
<u>High</u>										
Glassboro High (1966)										
Square feet	108,000	113,915	113,915	113,915	113,915	113,915	113,915	113,915	113,915	113,915
Capacity (students)	673	765	765	765	765	765	765	765	765	765
Enrollment	687	671	718	726	659	646	646	599	614	624

Number of Schools at June 30, 2012

Elementary = 3

Middle = 1

High = 1

Source: District Office.

GLASSBORO SCHOOL DISTRICT  
General Fund  
Schedule of Required Maintenance Expenditures by School Facility  
Last Ten Fiscal Years Ending June 30,  
Unaudited

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

* School Facilities	Gross Square Footage	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total
Administration		2,156	91,665	24,759	39,001	40,411	26,774	25,069	25,743	26,936	25,583	332,941
Maintenance		3,531										3,531
Elsmere		2,056	1,500	1,994	1,080	1,500	1,500	2,581	3,591	4,791	1,915	26,483
High School	113,915	141,170	69,745	82,302	91,914	84,786	59,154	54,168	72,096	70,906	100,072	1,009,146
Intermediate	60,671	33,791	31,218	53,479	59,047	47,775	39,017	43,561	40,878	44,128	67,500	500,159
Bowe	75,514	37,639	41,551	41,347	38,311	34,857	19,122	22,846	23,169	25,876	23,325	389,507
Bullock	87,700	50,448	59,061	67,838	64,054	61,322	40,341	36,408	39,850	44,110	73,998	599,743
Rodgers	39,192	33,261	30,071	40,686	42,032	37,602	22,298	21,967	22,540	20,114	32,504	328,386
Total School Facilities		<u>304,052</u>	<u>324,811</u>	<u>312,405</u>	<u>335,439</u>	<u>308,253</u>	<u>208,206</u>	<u>206,600</u>	<u>227,869</u>	<u>236,861</u>	<u>324,897</u>	<u>3,189,898</u>

\* School facilities as defined under EFCFA.  
(NJAC 6A:26-1.2 and NJAC 6:24-1.3)

Source: District records.

GLASSBORO SCHOOL DISTRICT  
Insurance Schedule  
June 30, 2012  
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (Utica National Insurance Group)		
Property - Blanket Buildings & Grounds	85,209,514	1,000
Commercial General Liability	3,000,000	
Commercial Inland Marine - Data Processing	2,005,000	250
Commercial Crime (Western Surety Company)		
Employee Theft	100,000	
Commercial Automobile Liability (Utica National Insurance Group)	1,000,000	
Workers Compensation (Educational Risk Consortium)	2,000,000	
Commercial Umbrella Liability (Utica National Insurance Group)	10,000,000	
Student Accident Coverage (AIG Life Insurance)	1,000,000	
Surety Bonds		
Treasurer (Western Surety Company)	251,000	
Business Administrator/Board Secretary (Selective Insurance)	50,000	

Source: District records.

**SINGLE AUDIT SECTION**

# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
102 W. High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028  
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA  
Wendy G. Fama, CPA  
Denise R. Nevico, CPA  
Deanna L. Roller, CPA, RMA

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

Honorable President and Members of the  
Board of Education  
Glassboro School District  
560 Joseph Bowe Boulevard  
Glassboro, New Jersey 08028

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 Glassboro School District, in the County of Gloucester, State of New Jersey, as of and for the year ended June 30, 2012, which collectively comprise the Glassboro School District's basic financial statements and have issued our report thereon dated October 15, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

### **Internal Control over Financial Reporting**

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

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

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

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

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Licensed Public School Accountant #542

October 15, 2012

# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
102 W. High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028  
(856) 881-1600 • Fax (856) 881-6860

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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 LETTER 04-04**

Honorable President and Members of the  
Board of Education  
Glassboro School District  
560 Joseph Bowe Boulevard  
Glassboro, New Jersey 08028

### **Compliance**

We have audited the Board of Education of the Glassboro School District's, in the County of Gloucester, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Glassboro School District's major federal and state programs for the year ended June 30, 2012. Glassboro School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Glassboro School District's management. Our responsibility is to express an opinion on the Glassboro School District's compliance based on our audit.

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

In our opinion, the Glassboro School District, in the County of Gloucester, State of New Jersey, 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 year ended June 30, 2012.

#### **Internal Control over Compliance**

Management of the Glassboro School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Glassboro School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program 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's 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 District's internal control over compliance.

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

Our consideration of the 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 Glassboro School District Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Licensed Public School Accountant #542

October 15, 2012

GLASSBORO SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
for the Fiscal Year ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2011	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2012			Cumulative Total Expenditures
				From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Education															
General Fund:															
Medical Assistance Program	93.778	N/A	64,533	7/1/11	6/30/12			53,129	(64,533)			(11,404)			64,533
Medical Assistance Program	93.778	N/A	74,224	7/1/10	6/30/11	(11,547)		11,547							74,224
Education Jobs Fund	84.410A	ARRA	564,293	8/1/10	9/30/12			371,909	(564,293)			(192,384)			564,293
Total General Fund						(11,547)		436,585	(628,826)			(203,788)			703,050
U.S. Department of Education															
Passed-through State Department of Education															
Special Revenue Fund:															
Title I, Part A	84.010	NCLB173012	595,304	9/1/11	8/31/12			320,587	(472,033)			(151,446)			472,033
Title I, Part A	84.010	NCLB173011	626,767	9/1/10	8/31/11	(277,092)		303,209	(26,117)						570,871
Title I, SIA	84.010	NCLB173011	5,636	9/1/10	8/31/11	(5,636)		5,636							5,636
Title I, ARRA	84.389	ARRA173012	7,625	9/1/11	8/31/12			7,625	(7,625)						7,625
Title I, ARRA	84.389	ARRA173011	210,182	9/1/10	8/31/11	(84,396)		84,396							202,557
Title I SIA, ARRA	84.389	ARRA173012	649	9/1/11	8/31/12			604	(604)						604
Title I SIA, ARRA	84.389	ARRA173011	7,090	9/1/10	8/31/11	(3,370)		3,370							6,442
IDEA Part B, Basic Regular	84.027	FT173012	683,484	9/1/11	8/31/12			486,993	(550,541)			(63,548)			550,541
IDEA Part B, Basic Regular	84.027	FT173011	650,283	9/1/10	8/31/11	(20,581)		83,377	(62,796)						585,702
IDEA Part B, ARRA	84.391	ARRA173012	3,671	9/1/11	8/31/12			3,671	(3,671)						3,671
IDEA Part B, ARRA	84.391	ARRA173011	282,478	9/1/10	8/31/11	(68,756)		68,756							278,807
IDEA Part B, Preschool	84.173	FT173012	26,463	9/1/11	8/31/12			23,247	(25,830)			(2,583)			25,830
IDEA Part B, Preschool	84.173	FT173010	24,636	9/1/09	8/31/10	(2,704)						(2,704)			23,935
IDEA Part B, Preschool ARRA	84.392	ARRA173011	20,789	9/1/10	8/31/11	(6,765)		6,765							20,294
Title II Part A	84.367	NCLB173012	189,860	9/1/11	8/31/12			104,975	(162,293)			(57,318)			162,293
Title II Part A	84.367	NCLB173011	186,713	9/1/10	8/31/11	(67,795)		71,520	(3,725)						158,704
Title II Part D - Technology	84.318	NCLB173011	1,971	9/1/10	8/31/11	(1,273)		1,273							1,971
Title III	84.365	NCLB173012	26,936	9/1/11	8/31/12			22,046	(26,936)			(4,890)			26,936
Title III	84.365	NCLB173011	21,976	9/1/10	8/31/11	(9,130)		9,130							16,754
Title IV	84.186	NCLB173010	9,069	9/1/09	8/31/10	11									8,611
Perkins Basic Entitlement	84.048	12-100-034-5060-027	21,278	7/1/11	6/30/12			16,593	(21,205)			(4,612)		11	21,205
Perkins Basic Entitlement	84.048	11-100-034-5060-027	22,097	7/1/10	6/30/11	(8,092)		8,092							21,931
U.S. Department of Housing and Urban Development															
Passed-through County of Gloucester															
Special Revenue Fund:															
Genesis	14.218	N/A	90,000	9/1/11	8/31/12			43,204	(90,000)			(46,796)			90,000
Genesis	14.218	N/A	100,000	9/1/10	8/31/11	(38,931)		38,931							100,000
Total Special Revenue Fund						(594,510)		1,714,000	(1,453,376)			(333,897)		11	3,362,953
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Food Distribution Program	10.550	N/A	68,371	7/1/11	6/30/12			68,371	(65,605)				2,766		65,605
Food Distribution Program	10.550	N/A	56,609	7/1/10	6/30/11	2,576			(2,576)						56,609
School Breakfast Program	10.553	N/A	111,621	7/1/11	6/30/12			104,901	(111,621)			(6,720)			111,621
School Breakfast Program	10.553	N/A	84,916	7/1/10	6/30/11	(5,653)		5,653							84,916
National School Lunch Program	10.555	N/A	402,082	7/1/11	6/30/12			381,496	(402,082)			(20,586)			402,082
National School Lunch Program	10.555	N/A	380,737	7/1/10	6/30/11	(21,755)		21,755							380,737
Total Enterprise Fund						(24,832)		582,176	(581,884)			(27,306)	2,766		1,101,570
Total Federal Financial Awards						(630,889)		2,732,761	(2,664,086)			(564,991)	2,766	11	5,167,573

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

GLASSBORO SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year ended June 30, 2012

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2011					Adjustments/ Repayment of Prior Years' Balances	Balance June 30, 2012			MEMO			
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures		Accounts Receivable	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures		
<b>State Department of Education</b>																	
<b>General Fund:</b>																	
Extraordinary Aid	12-100-034-5120-473	125,164	7/1/11	6/30/12						(125,164)		(125,164)			125,164		
Extraordinary Aid	11-100-034-5120-473	109,335	7/1/10	6/30/11	(109,335)				109,335						109,335		
Special Education Categorical Aid	12-495-034-5120-089	1,076,260	7/1/11	6/30/12					1,076,260	(1,076,260)				78,180	1,076,260		
Equalization Aid	12-495-034-5120-078	14,232,631	7/1/11	6/30/12					14,232,631	(14,232,631)				1,178,724	14,232,631		
Security Aid	12-495-034-5120-084	183,605	7/1/11	6/30/12					183,605	(183,605)				183,605	183,605		
School Choice Aid	12-495-034-5120-068	37,140	7/1/11	6/30/12					37,140	(37,140)				2,698	37,140		
Reimbursement of Nonpublic Transportation	N/A	22,726	7/1/11	6/30/12						(22,726)		(22,726)			22,726		
Reimbursement of Nonpublic Transportation	N/A	25,669	7/1/10	6/30/11	(25,669)				25,669						25,669		
On-behalf T.P.A.F. Pension Contribution	12-495-034-5095-006	474,265	7/1/11	6/30/12					474,265	(474,265)					474,265		
On-behalf T.P.A.F. Postretirement Contribution	12-495-034-5095-001	953,396	7/1/11	6/30/12					953,396	(953,396)					953,396		
Reimbursed T.P.A.F. Social Security Aid	12-495-034-5095-002	1,071,515	7/1/11	6/30/12					1,071,515	(1,071,515)					1,071,515		
<b>Total General Fund</b>					<b>(135,004)</b>				<b>18,163,816</b>	<b>(18,176,702)</b>		<b>(147,890)</b>		<b>1,443,207</b>	<b>18,311,706</b>		
<b>Special Revenue Fund:</b>																	
Preschool Education Aid	12-495-034-5120-086	423,168	7/1/11	6/30/12			13,527	423,168	(426,563)			10,132		30,740	426,563		
Preschool Education Aid	11-495-034-5120-086	450,508	7/1/10	6/30/11	16,656						112 a	16,768			433,852		
Preschool Education Aid	10-495-034-5120-086	454,814	7/1/09	6/30/10	13,527		(13,527)								441,287		
<b>N.J. Nonpublic Aid:</b>																	
Textbook Aid	12-100-034-5120-064	4,888	7/1/11	6/30/12				4,888	(4,090)				798		4,090		
Textbook Aid	11-100-034-5120-064	5,513	7/1/10	6/30/11			821			(821)					4,692		
<b>Auxiliary Services:</b>																	
Compensatory Education	12-100-034-5120-067	38,040	7/1/11	6/30/12				38,040	(18,597)				19,443		18,597		
Compensatory Education	11-100-034-5120-067	41,026	7/1/10	6/30/11			10,884				(10,884)				3,042		
Transportation	12-100-034-5120-067	9,893	7/1/11	6/30/12				9,893	(9,893)						9,893		
<b>Handicapped Services:</b>																	
Corrective Speech	12-100-034-5120-066	10,268	7/1/11	6/30/12				10,268	(8,688)				1,580		8,688		
Corrective Speech	11-100-034-5120-066	11,657	7/1/10	6/30/11			705			(705)					10,952		
Examination and Classification	12-100-034-5120-066	13,041	7/1/11	6/30/12				13,041	(13,041)						13,041		
Examination and Classification	11-100-034-5120-066	14,672	7/1/10	6/30/11			320			(320)					14,352		
Supplementary Instruction	12-100-034-5120-066	6,314	7/1/11	6/30/12				6,314	(6,314)						6,314		
Supplementary Instruction	11-100-034-5120-066	8,338	7/1/10	6/30/11			2,085			(2,085)					6,253		
Nursing Services Aid	12-100-034-5120-070	6,982	7/1/11	6/30/12				6,982	(6,982)						6,982		
Nursing Services Aid	11-100-034-5120-070	6,533	7/1/10	6/30/11			67			(67)					6,466		
<b>Total Special Revenue Fund</b>					<b>30,183</b>		<b>14,882</b>		<b>512,594</b>	<b>(494,168)</b>		<b>(14,770)</b>		<b>26,900</b>	<b>21,821</b>	<b>30,740</b>	<b>1,415,064</b>
<b>Debt Services Fund:</b>																	
Debt Service Aid Type II	12-100-034-5120-125	267,194	7/1/11	6/30/12				267,194	(267,194)							267,194	
<b>Total Debt Service Fund</b>								<b>267,194</b>	<b>(267,194)</b>							<b>267,194</b>	

a = payable canceled

GLASSBORO SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year ended June 30, 2012

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2011			Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance June 30, 2012			MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover (Walkover) Amount				Accounts Receivable	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program (State Share)	12-100-010-3350-023	10,825	7/1/11	6/30/12			10,265	(10,825)		(560)					10,825
National School Lunch Program (State Share)	11-100-010-3350-023	10,436	7/1/10	6/30/11	(648)		648								10,436
Total Enterprise Fund					(648)		10,913	(10,825)		(560)					21,261
Total State Financial Assistance					(105,469)	14,882	18,954,517	(18,948,889)	(14,770)	(148,450)	26,900	21,821	1,473,947		20,015,225

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

GLASSBORO SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2012

**NOTE 1: GENERAL**

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

**NOTE 2: BASIS OF ACCOUNTING**

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

**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 GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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

GLASSBORO SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2012

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$117,045 for the general fund and \$31,750 for the special revenue 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 follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General fund	628,826	18,059,657	18,688,483
Special revenue fund	1,420,358	503,246	1,923,604
Debt service fund		267,194	267,194
Food service fund	582,074	10,825	592,899
Total awards & financial assistance	<u>2,631,258</u>	<u>18,840,922</u>	<u>21,472,180</u>

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

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

**NOTE 5: ADJUSTMENTS**

The amounts reported as adjustments on Schedule B are the result of the liquidation of encumbrances charged as budgetary basis expenditures in the prior fiscal year.

**NOTE 6: OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2012. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

GLASSBORO SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

2) Significant deficiencies identified?        yes   X   none reported

Noncompliance material to basic financial statements noted?        yes   X   no

**Federal Awards**

Internal Control over major programs:

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

2) Significant deficiencies identified?        yes   X   none reported

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.410A	Education Jobs Fund
10.550	Food Distribution Program
10.553	School Breakfast Program
10.555	National School Lunch Program

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

Auditee qualified as low-risk auditee?   X   yes        no

GLASSBORO SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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

**State Awards**

Dollar threshold used to distinguish between type A and type B programs: \$568,467

Auditee qualified as low-risk auditee?  X  yes   no

Internal Control over major programs:

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

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

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

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
495-034-5120-089	Special Education Categorical Aid
495-034-5120-078	Equalization Aid
495-034-5120-084	Security Aid
495-034-5120-068	School Choice Aid
100-034-5120-125	Debt Service Aid Type II

GLASSBORO SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

***Section II – Financial Statement Findings***

No matters were reported.

***Section III – Federal Awards and State Financial Assistance Findings and  
Questioned Costs***

**FEDERAL AWARDS**

No matters were reported.

**STATE AWARDS**

No matters were reported.

GLASSBORO SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR-YEAR FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

No matters were reported.