

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

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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013**

**Comprehensive Annual
Financial Report**

of the

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

Glen Ridge, New Jersey

For the Fiscal Year Ended June 30, 2013

Prepared by

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

Finance Department

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
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INTRODUCTORY SECTION



Glen Ridge Public Schools
BOARD OF EDUCATION

November 22, 2013

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

Dear Board Members:

The comprehensive annual financial report of the Borough of Glen Ridge School District (the "District") for the fiscal year ended June 30, 2013, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These services are provided for regular, vocational and special education youngsters. The District completed the 2012-2013 fiscal year with an average daily enrollment of 1,963 students, which is eighteen students above the previous year's average daily enrollment.

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

During the 2012-2013 school year, curriculum revisions were completed in Social Studies and will be implemented in the 2013-2014 school year. In addition, new courses in Gifted & Talented and Seventh and Eighth Grade Cycle Classes will be implemented in the 2013-2014 school year. Teachers were provided training and the community was provided an orientation of the curriculum revisions.

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

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

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

4) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and/or assignments of fund balance at June 30, 2013.

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

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

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

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

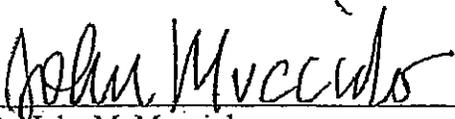
8) OTHER INFORMATION:

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

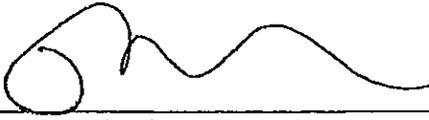
The Honorable President and Members of
the Board of Education
Borough of Glen Ridge School District
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November 22, 2013

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

Respectfully submitted,

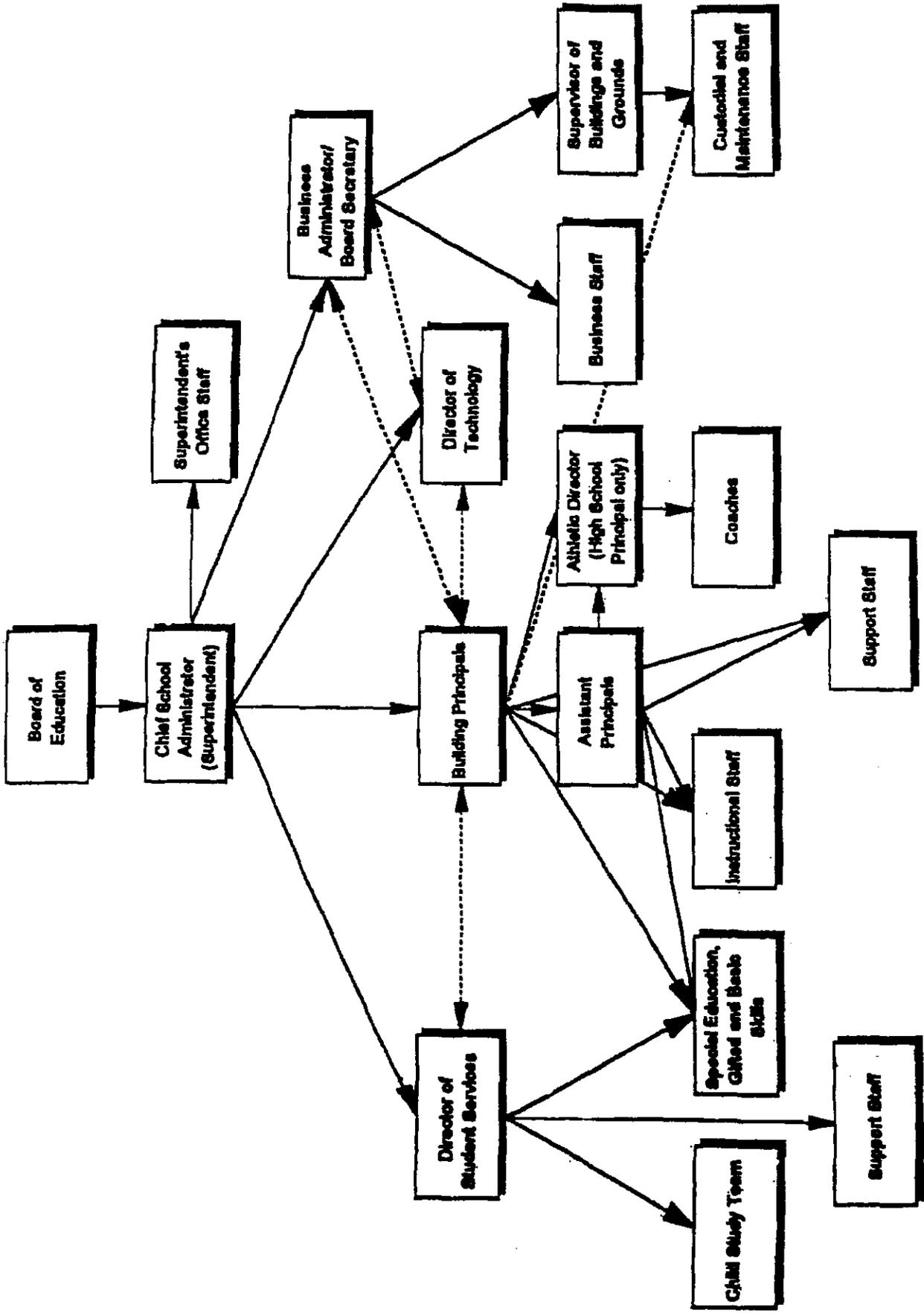


Dr. John M. Mucciolo
Superintendent of Schools



Peter R. Caprio
Board Secretary/Business Administrator

GLEN RIDGE BOARD OF EDUCATION ORGANIZATIONAL CHART



**BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2013**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mrs. Elisabeth Ginsburg, President	2013
Mr. Timothy Keppel, 1st Vice President	2015
Mr. Michael de Leeuw, 2nd Vice President	2013
Mr. David Campbell	2015
Ms. Karen Eisen	2014
Ms. Alexandra Hilberth	2015
Mr. Jeffrey Kobernick	2013
Mr. Paul Romano	2014
Mr. Joseph Moran	2014

Other OfficialsTitle

Dr. John M. Mucciolo	Superintendent of Schools
Peter R. Caprio	School Business Administrator/Board Secretary
John Calavano	Treasurer of School Monies

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
Consultants and Advisors

Architects

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

Audit Firm

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

Attorney

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

Official Depository

Wells Fargo Bank NA
Bloomfield Avenue
Glen Ridge, NJ 07028

FINANCIAL SECTION



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

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Borough of Glen Ridge School District (the "District") in the County of Essex, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Borough of Glen Ridge School District, in the County of Essex, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

The Honorable President and Members
of the Board of Education
Borough of Glen Ridge School District
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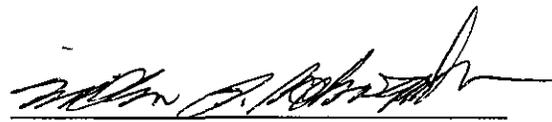
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2013 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
November 22, 2013

NISIVOCCIA LLP



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

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

This section of Borough of Glen Ridge School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2013. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's net position status increased by \$207,228 on a district-wide basis.
- Overall revenue was \$31.67 million.
- Enrollment in the District has been increasing for each of the last several years but cost per pupil remains relatively stable.
- The District had a net reduction its outstanding long-term debt of 9.07 percent.

Overview of the Financial Statements

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

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

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

Figure A-1

Organization of the Borough of Glen Ridge School District's Financial Report

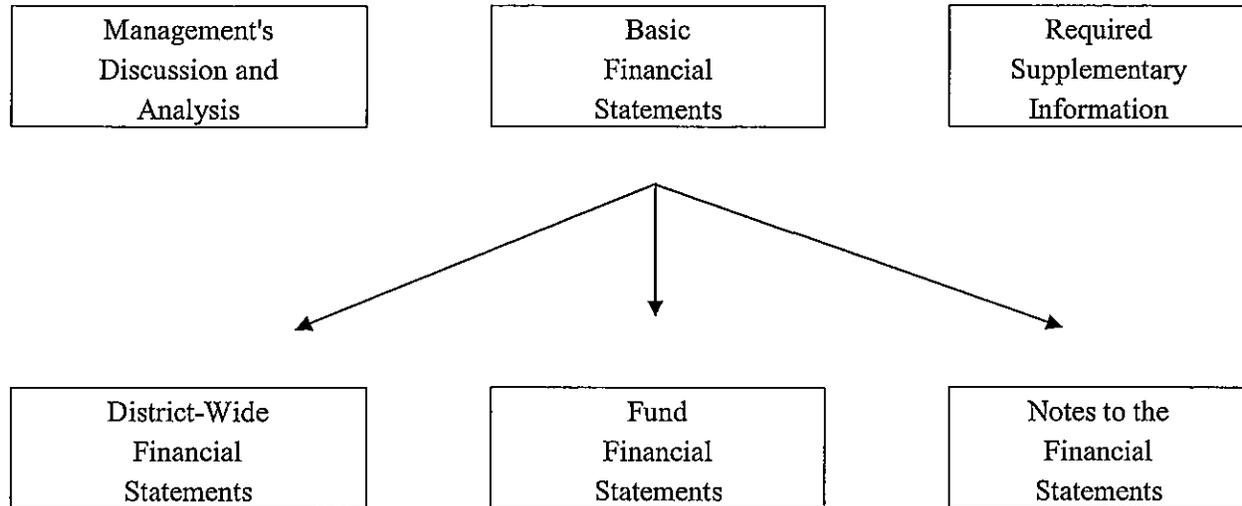


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

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

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

Fund Financial Statements

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

Notes to Financial Statements

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

Financial Analysis of the District as a Whole

Net Position. The District's combined net position increased by 1.80%. Net position from governmental activities increased \$232,050 and net position from business-type activities decreased by \$24,822. Net Investment in capital assets increased \$356,771, restricted net position decreased \$129,398, and unrestricted net position decreased \$20,145.

Figure A-3
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2012/2013	2011/2012	2012/2013	2011/2012	2012/2013	2011/2012	2012/2013
Current and							
Other Assets	\$ 4,775,265	\$ 4,902,659	\$ 148,216	\$ 153,999	\$ 4,923,481	\$ 5,056,658	-2.63%
Capital Assets, Net	12,475,289	12,700,104	22,490	22,029	12,497,779	12,722,133	-1.76%
Total Assets	<u>17,250,554</u>	<u>17,602,763</u>	<u>170,706</u>	<u>176,028</u>	<u>17,421,260</u>	<u>17,778,791</u>	-2.01%
Long-Term Debt							
Outstanding	5,326,263	5,857,428			5,326,263	5,857,428	-9.07%
Other Liabilities	368,004	421,098	23,700	4,200	391,704	425,298	-7.90%
Total Liabilities	<u>5,694,267</u>	<u>6,278,526</u>	<u>23,700</u>	<u>4,200</u>	<u>5,717,967</u>	<u>6,282,726</u>	-8.99%
Net Position:							
Net Investment in							
Capital Assets	7,383,893	7,027,583	22,490	22,029	7,406,383	7,049,612	5.06%
Restricted	4,017,874	4,147,272			4,017,874	4,147,272	-3.12%
Unrestricted	<u>154,520</u>	<u>149,382</u>	<u>124,516</u>	<u>149,799</u>	<u>279,036</u>	<u>299,181</u>	-6.73%
Total Net Position	<u>\$ 11,556,287</u>	<u>\$ 11,324,237</u>	<u>\$ 147,006</u>	<u>\$ 171,828</u>	<u>\$ 11,703,293</u>	<u>\$ 11,496,065</u>	1.80%

Changes in Net Position. The District's combined net position were \$11,703,293 on June 30, 2013, \$207,228 or 1.80% more than the prior year (See Figure A-3). Net investment in capital assets increased \$356,771 due to the \$267,129 of capital asset additions, the payment of \$490,000 in bond principal, and the retirement of \$91,125 of capital lease principal, offset by \$490,588 in depreciation, and \$895 in capital deletions, net of depreciation. Restricted net position decreased by \$129,398 due to year-end encumbrances increased by \$839,745 and \$15,743 of bond premiums amortized, offset by decreases in excess surplus of \$881,148, capital reserve decreased by \$70,000, as well as \$14,233 in bond issuance costs amortized, and a decrease of \$19,505 in deferred interest amortized. Unrestricted net position decreased by \$20,145 (See Figure A-3).

Figure A-4
Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2012/2013	2011/2012	2012/2013	2011/2012	2012/2013	2011/2012	2012/2013
Revenue:							
Program Revenue:							
Charges for Services	\$ 591,448	\$ 558,027	\$ 598,552	\$ 597,902	\$ 1,190,000	\$ 1,155,929	2.95%
Grants and Contributions:							
Operating	3,945,854	3,290,092			3,945,854	3,290,092	19.93%
General Revenue:							
Property Taxes	26,344,109	26,030,506			26,344,109	26,030,506	1.20%
Federal and State Aid Not Restricted		41,527				41,527	-100.00%
Other	189,148	331,606			189,148	331,606	-42.96%
Total Revenue	<u>31,070,559</u>	<u>30,251,758</u>	<u>598,552</u>	<u>597,902</u>	<u>31,669,111</u>	<u>30,849,660</u>	2.66%
Expenses:							
Instruction	18,896,334	18,007,542			18,896,334	18,007,542	4.94%
Pupil and Instruction Services	4,853,832	3,819,878			4,853,832	3,819,878	27.07%
Administrative and Business	3,740,212	3,801,971			3,740,212	3,801,971	-1.62%
Maintenance and Operations	2,565,377	2,463,284			2,565,377	2,463,284	4.14%
Transportation	581,905	502,488			581,905	502,488	15.80%
Other	200,849	211,424	623,374	579,978	824,223	791,402	4.15%
Total Expenses	<u>30,838,509</u>	<u>28,806,587</u>	<u>623,374</u>	<u>579,978</u>	<u>31,461,883</u>	<u>29,386,565</u>	7.06%
Increase/(Decrease) in Net Position	<u>\$ 232,050</u>	<u>\$ 1,445,171</u>	<u>\$ (24,822)</u>	<u>\$ 17,924</u>	<u>\$ 207,228</u>	<u>\$ 1,463,095</u>	-85.84%

Revenue Sources. The District's total revenue for the 2012/2013 school year was \$31,669,111 (See Figure A-4). Property taxes and state formula aid accounted for most of the District's revenue, with local taxes accounting for \$26,344,109 of the total, or 83.19 percent (See Figure A-5). Another 12.45 percent came from state and federal aid for specific programs and contributions, 3.76 percent came from charges for services and the remainder from other miscellaneous sources. It is important to note that of the categorical grants amount of \$3,945,854, \$1,770,519 is included in funds that are not paid to the District, but are included in funding for pension and post-retirement medical contributions that the State of New Jersey is paying on behalf of the District. The Borough of Glen Ridge School District primarily conducts its operations from the revenue it receives from its local taxpayers.

Figure A-5
Sources of Revenue for Fiscal Year 2013

Sources of Income:	<u>Amount</u>	<u>Percentage</u>
State Formula Aid	\$ 656,320	2.06%
Property Taxes	26,344,109	83.19%
Federal and State Categorical Grants	3,289,534	10.39%
Charges for Services	1,190,000	3.76%
Other	189,148	0.60%
	<u>\$ 31,669,111</u>	<u>100.00%</u>

The total cost of all programs and services was \$31,461,883. The District's expenses are predominantly related to instructing, caring for (pupil and instruction services) and transporting students (77.35 percent) (See Figure A-6). The District's administrative and business activities accounted for 11.89 percent of total costs. It is important to note that depreciation of \$490,588 is included in expenses for the year.

Figure A-6
Expenses for Fiscal Year

Expense Category:	<u>Amount</u>	<u>Percentage</u>
Instruction	\$ 18,896,334	60.07%
Pupil and Instruction Services	4,853,832	15.43%
Administrative and Business	3,740,212	11.89%
Maintenance and Operations	2,565,377	8.15%
Transportation	581,905	1.85%
Other	824,223	2.61%
	<u>\$ 31,461,883</u>	<u>100.00%</u>

Governmental Activities

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

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

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

Figure A-7
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2012/2013	2011/2012	2012/2013	2011/2012
Instruction	\$ 18,896,334	\$ 18,007,542	\$14,725,351	\$14,456,085
Pupil and Instruction Services	4,853,832	3,819,878	4,720,281	3,714,792
Administrative and Business	3,740,212	3,801,971	3,514,926	3,618,921
Maintenance and Operations	2,565,377	2,463,284	2,565,377	2,463,284
Transportation	581,905	502,488	574,423	493,962
Other	200,849	211,424	200,849	211,424
	<u>\$ 30,838,509</u>	<u>\$ 28,806,587</u>	<u>\$ 26,301,207</u>	<u>\$ 24,958,468</u>

- The cost of all governmental activities this year was \$30.84 million.
- The federal and state governments subsidized certain programs with grants and contributions (\$3.95 million).
- Most of the District's costs, however, were financed by District taxpayers (\$26.34 million).
- The remainder of governmental activities funding came from private contributions, tuition, investment earnings, charges for services and miscellaneous revenue.

Business-Type Activities

Net position from the District's business-type activities decreased by \$24,822. This is comprised of a decrease in food service of \$29,074, due to increase in costs and an increase in after school and summer programs of \$4,252. (Refer to Figure A-4)

Financial Analysis of the District's Funds

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

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

General Fund Budgetary Highlights

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

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

Capital Asset and Debt Administration

Figure A-8
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2011/2012
	2012/2013	2011/2012	2012/2013	2011/2012	2012/2013	2011/2012	
Sites (Land)	\$ 736,853	\$ 736,853			\$ 736,853	\$ 736,853	0.00%
Construction in Progress	753,183	555,446			753,183	555,446	35.60%
Site Improvements	137,040	156,182			137,040	156,182	-12.26%
Buildings and Building Improvements	9,846,891	10,150,680			9,846,891	10,150,680	-2.99%
Machinery and Equipment	1,001,322	1,100,943	\$ 22,490	\$ 22,029	1,023,812	1,122,972	-8.83%
Total Capital Assets (Net of Depreciation)	\$ 12,475,289	\$ 12,700,104	\$ 22,490	\$ 22,029	\$ 12,497,779	\$ 12,722,133	-1.76%

Long-term Debt

At year-end, the District had \$4,889,449 in net general obligation bonds – a reduction of \$470,495 from last year – as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 7 to the basic financial statements.)

Figure A-9
Outstanding Long-Term Debt

	Total School District		Total Percentage Change 2012/2013
	2012/2013	2011/2012	
General Obligation Bonds, Net (Financed with Property Taxes)	\$ 4,889,449	\$ 5,359,944	-8.78%
Other Long-term Debt	436,814	497,484	-12.20%
	\$ 5,326,263	\$ 5,857,428	-9.07%

- The District continued to pay down its debt, retiring \$490,000 of outstanding bonds.
- The District's other long term liabilities consist of compensated absences payable and capital leases payable.

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

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

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

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Exhibit A-1

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 4,375,986	\$ 105,313	\$ 4,481,299
Internal Balances	21,818	(21,818)	
Receivables from Other Governments	189,851		189,851
Receivables - Other	60,847	37,493	98,340
Inventory		5,410	5,410
Unamortized Bond Issuance Costs, Net	125,776		125,776
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	987		987
Capital Assets, Net:			
Sites (Land)	736,853		736,853
Construction-in-Progress	753,183		753,183
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	10,985,253	22,490	11,007,743
Total Assets	<u>17,250,554</u>	<u>148,888</u>	<u>17,399,442</u>
LIABILITIES			
Accrued Interest Payable	73,807		73,807
Accounts Payable-Vendors	120,140		120,140
Deposits Payable		1,882	1,882
Unearned Revenue	32,375		32,375
Unamortized Bond Premium	141,682		141,682
Noncurrent Liabilities:			
Due Within One Year	517,332		517,332
Due Beyond One Year	4,808,931		4,808,931
Total Liabilities	<u>5,694,267</u>	<u>1,882</u>	<u>5,696,149</u>
NET POSITION			
Net Investment in Capital Assets	7,383,893	22,490	7,406,383
Restricted for:			
Capital Projects	(146,351)		(146,351)
Other Purposes	4,164,225		4,164,225
Unrestricted	154,520	124,516	279,036
Total Net Position	<u>\$ 11,556,287</u>	<u>\$ 147,006</u>	<u>\$ 11,703,293</u>

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 13,757,682	\$ 591,448	\$ 1,818,357		\$ (11,347,877)		\$ (11,347,877)
Special Education	3,638,143		1,581,223		(2,056,920)		(2,056,920)
Other Special Instruction	481,996		65,945		(416,051)		(416,051)
School Sponsored Other Instruction	1,018,513		114,010		(904,503)		(904,503)
Support Services:							
Tuition	1,257,636				(1,257,636)		(1,257,636)
Student & Instruction Related Services	3,596,196		133,551		(3,462,645)		(3,462,645)
General Administrative Services	701,273				(701,273)		(701,273)
School Administrative Services	2,147,754		225,286		(1,922,468)		(1,922,468)
Central Services	527,167				(527,167)		(527,167)
Administration Information Technology	364,018				(364,018)		(364,018)
Plant Operations and Maintenance	2,565,377				(2,565,377)		(2,565,377)
Pupil Transportation	581,905		7,482		(574,423)		(574,423)
Interest on Long-Term Debt	200,849				(200,849)		(200,849)
Total Governmental Activities	30,838,509	591,448	3,945,854	\$ -0-	(26,301,207)	\$ -0-	(26,301,207)

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities:							
Food Service	\$ 373,264	\$ 344,190				\$ (29,074)	\$ (29,074)
After School and Summer Programs	250,110	254,362				4,252	4,252
Total Business-Type Activities	<u>623,374</u>	<u>598,552</u>				<u>(24,822)</u>	<u>(24,822)</u>
Total Primary Government	<u>\$ 31,461,883</u>	<u>\$ 1,190,000</u>	<u>\$ 3,945,854</u>	<u>\$ -0-</u>	<u>\$ (26,301,207)</u>	<u>\$ (24,822)</u>	<u>(26,326,029)</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					25,667,172		25,667,172
Taxes Levied for Debt Service					676,937		676,937
Miscellaneous Income					189,148		189,148
Total General Revenues					<u>26,533,257</u>		<u>26,533,257</u>
Change in Net Position					232,050	(24,822)	207,228
Net Position - Beginning					<u>11,324,237</u>	<u>171,828</u>	<u>11,496,065</u>
Net Position - Ending					<u>\$ 11,556,287</u>	<u>\$ 147,006</u>	<u>\$ 11,703,293</u>

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

FUND FINANCIAL STATEMENTS

Exhibit B-1

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 4,353,075	\$ 22,911		\$ 4,375,986
Interfund Receivable	169,156			169,156
Receivable from State Government	186,190			186,190
Receivable from Federal Government		\$ 3,661		3,661
Other Receivables	53,547	7,300		60,847
Restricted Cash and Cash Equivalents	987			987
Total Assets	<u>\$ 4,762,955</u>	<u>\$ 33,872</u>	<u>\$ -0-</u>	<u>\$ 4,796,827</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund Payable			\$ 147,338	\$ 147,338
Accounts Payable-Vendors	\$ 102,393	17,747		120,140
Unearned Revenue	16,250	16,125		32,375
Total Liabilities	<u>118,643</u>	<u>33,872</u>	<u>147,338</u>	<u>299,853</u>
Fund Balances:				
Restricted:				
Excess Surplus	1,198,323			1,198,323
Excess Surplus - Designated for Subsequent Year's Expenditures	1,761,863			1,761,863
Capital Reserve Account	987			987
Assigned:				
Year-End Encumbrances	1,044,394			1,044,394
Designated for Subsequent Year's Expenditures	70,549			70,549
Unassigned / (Deficit)	568,196		(147,338)	420,858
Total Fund Balances/ (Deficit)	<u>4,644,312</u>		<u>(147,338)</u>	<u>4,496,974</u>
Total Liabilities and Fund Balances	<u>\$ 4,762,955</u>	<u>\$ 33,872</u>	<u>\$ -0-</u>	

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

Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds. The cost of the assets is \$20,148,410 and the accumulated depreciation is \$7,673,112.	12,475,289
Long-Term Liabilities, Including Bonds Payable, are not due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds (see Note 7).	(5,326,263)
Accrued Interest on Long-Term Liabilities, Including Bonds Payable, is not due and Payable in the Current Period and Therefore is not Reported as a Liability in the Funds.	(73,807)
Bond Premiums are Reported as expenditures in the Funds. These costs total \$220,544 and the accumulated amortization is \$94,768.	125,776
Bond Premiums are reported as revenue in the Governmental Funds. The Premium is \$204,654 and the Amortization is \$62,972.	(141,682)
Net Position of Governmental Activities	<u>\$ 11,556,287</u>

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 25,667,172			\$ 676,937	\$ 26,344,109
Tuition from Individuals	591,448				591,448
Miscellaneous	189,148	\$ 12,069			201,217
Total - Local Sources	26,447,768	12,069		676,937	27,136,774
State Sources	3,560,427				3,560,427
Federal Sources		373,358			373,358
Total Revenues	30,008,195	385,427		676,937	31,070,559
EXPENDITURES					
Current:					
Regular Instruction	9,814,350	26,803			9,841,153
Special Education Instruction	2,248,465	358,624			2,607,089
Other Special Instruction	338,316				338,316
School-Sponsored Other Instruction	770,109				770,109
Support Services and Undistributed Costs:					
Tuition	1,257,636				1,257,636
Student & Instruction Related Services	2,782,245				2,782,245
General Administrative Services	673,822				673,822
School Administrative Services	1,562,614				1,562,614
Central Services	436,950				436,950
Administration Information Technology	309,827				309,827
Plant Operations and Maintenance	2,201,074				2,201,074
Pupil Transportation	517,870				517,870
Unallocated Benefits	6,887,184				6,887,184

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
EXPENDITURES					
Debt Service:					
Principal				\$ 490,000	\$ 490,000
Interest and Other Charges				186,938	186,938
Capital Outlay	\$ 287,626				287,626
Total Expenditures	<u>30,088,088</u>	<u>\$ 385,427</u>		<u>676,938</u>	<u>31,150,453</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(79,893)</u>	<u>-0-</u>		<u>(1)</u>	<u>(79,894)</u>
Net Change in Fund Balances	(79,893)			(1)	(79,894)
Fund Balance/(Deficit)—July 1	<u>4,724,205</u>		<u>\$ (147,338)</u>	<u>1</u>	<u>4,576,868</u>
Fund Balance/(Deficit)—June 30	<u>\$ 4,644,312</u>	<u>\$ -0-</u>	<u>\$ (147,338)</u>	<u>\$ -0-</u>	<u>\$ 4,496,974</u>

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Total Net Change in Fund Balances - Governmental Funds (from B-2)		\$ (79,894)
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation differs from capital outlays in the period.		
	Depreciation expense	\$ (488,196)
	Capital outlays	263,381
		(224,815)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+).		
		(30,455)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).		
		4,084
The governmental funds report the effect of issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. (-)		
		(14,233)
Also, the governmental funds report the effect of deferred interest costs relative to an advance refunding when debt is first issued whereas these amounts are deferred and amortized in the statement of activities.		
		(19,505)
Finally, the governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
		15,743
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+)		
		91,125
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+)		
		490,000
Change in Net Position of Governmental Activities (Exhibit A-2)		\$ 232,050

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	<u>Business-Type Activities - Enterprise Funds</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 105,313
Other Accounts Receivable	37,493
Inventory	<u>5,410</u>
Total Current Assets	<u>148,216</u>
Non-Current Assets:	
Capital Assets	101,368
Less: Accumulated Depreciation	<u>(78,878)</u>
Total Non-Current Assets	<u>22,490</u>
Total Assets	<u>170,706</u>
 LIABILITIES:	
Current Liabilities:	
Interfund Payable	21,818
Deposits Payable	<u>1,882</u>
Total Current Liabilities	<u>23,700</u>
Total Liabilities	<u>23,700</u>
 NET POSITION:	
Net Investment in Capital Assets	22,490
Unrestricted	<u>124,516</u>
Total Net Position	<u>\$ 147,006</u>

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Business-Type Activities - Enterprise Funds</u>
Operating Revenue:	
Charges for Services:	
Daily Sales - Non-Reimbursable Programs	\$ 331,814
Special Events	12,376
Program Fees	<u>254,362</u>
Total Operating Revenue	<u>598,552</u>
Operating Expenses:	
Cost of Sales	135,180
Salaries	353,712
Payroll Taxes	27,059
Employee Benefits	26,674
Purchased Professional Services	20,000
Supplies and Materials	57,462
Depreciation Expense	<u>2,392</u>
Total Operating Expenses	<u>622,479</u>
Change in Net Position before Adjustment of Capital Assets	(23,927)
Disposal of Capital Assets, net of depreciation	<u>(895)</u>
Change in Net Position	(24,822)
Net Position - Beginning of Year	<u>171,828</u>
Net Position - End of Year	<u>\$ 147,006</u>

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Business-Type Activities - Enterprise Funds</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 579,863
Payments to Employees	(189,470)
Payments to Food Service Vendor	(372,404)
Payments to Suppliers	(22,455)
Payments to Other Vendors	(41,168)
	(45,634)
Net Cash Used for Operating Activities	(45,634)
Cash Flows from Noncapital Financing Activities:	
Intefund Payable	21,818
	21,818
Net Cash Provided by Noncapital Financing Activities	21,818
Cash Flows from Capital and Related Financing Activities:	
Purchases of Capital Assets	(3,748)
	(3,748)
Net Cash Used for Capital and Related Financing Activities	(3,748)
Net Decrease in Cash and Cash Equivalents	(27,564)
Cash and Cash Equivalents, July 1	132,877
	132,877
Cash and Cash Equivalents, June 30	\$ 105,313
	105,313
Reconciliation of Operating Income to	
Net Cash Used for Operating Activities:	
Operating (Loss)	\$ (24,822)
Adjustment to Reconcile Operating Income to	
Net Cash Used for Operating Activities:	
Depreciation	2,392
Changes in Assets and Liabilities:	
(Increase) in Accounts Receivable	(16,371)
(Increase) in Inventory	(5,410)
(Decrease) in Accounts Payable	(2,318)
	(23,789)
Net Cash Used for Operating Activities	\$ (46,529)
	(46,529)

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

Exhibit B-7

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2013

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
ASSETS:			
Cash and Cash Equivalents	\$ 189,730	\$ 77,475	\$ 284
Total Assets	<u>189,730</u>	<u>77,475</u>	<u>284</u>
LIABILITIES:			
Payroll Deductions and Withholdings Due to Student Groups	33,927 <u>155,803</u>	_____	_____
Total Liabilities	<u>189,730</u>	_____	_____
NET POSITION:			
Held in Trust for Unemployment Claims	_____	77,475	_____
Held in Trust for Flexible Spending Claims	_____	_____	<u>284</u>
Total Net Position	<u>\$ -0-</u>	<u>\$ 77,475</u>	<u>\$ 284</u>

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

Exhibit B-8

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
ADDITIONS:		
Contributions:		
Plan Member	\$ 18,304	\$ 2,000
District	20,000	
	<u>38,304</u>	<u>2,000</u>
Total Contributions		
	<u>38,304</u>	<u>2,000</u>
Total Additions		
	<u>38,304</u>	<u>2,000</u>
DEDUCTIONS:		
Quarterly Contribution Reports and Claims	65,842	
Flexible Spending Claims		1,961
	<u>65,842</u>	<u>1,961</u>
Total Deductions		
	<u>65,842</u>	<u>1,961</u>
Change in Net Position	(27,538)	39
Net Position - Beginning of the Year	<u>105,013</u>	<u>245</u>
Net Position - End of the Year	<u>\$ 77,475</u>	<u>\$ 284</u>

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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

B. Basis of Presentation: (Cont'd)

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

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

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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

B. Basis of Presentation: (Cont'd)

The District reports the following proprietary fund:

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

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budget for the fiscal year ended June 30, 2013 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 30,023,405	\$ 385,427
Difference - Budget to GAAP:		
Current Year State Aid Payments Recognized for GAAP Statements, Not Recognized for Budgetary Purposes	(64,151)	
Current Year State Aid Payments Recognized for Budgetary Purposes, Not Recognized for GAAP Statements	<u>48,941</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 30,008,195</u>	<u>\$ 385,427</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	<u>\$ 30,088,088</u>	<u>\$ 385,427</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 30,088,088</u>	<u>\$ 385,427</u>
		<u>Capital Projects Fund Fund Balance</u>
Amount per Summary Schedule of Revenue, Expenditures, and Charges in Fund Balance (Budgetary Basis) (per Exhibit F-1)		\$ 74,840
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Revenue/Receivable not Recognized on GAAP Basis		<u>(222,178)</u>
Deficit Amount per Summary Schedule of Revenue, Expenditures, and Charges in Fund Balance - Governmental Funds (GAAP Basis) (per Exhibit B-2)		<u>\$ (147,338)</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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

E. Cash and Cash Equivalents and Investments:

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

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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

H. Encumbrances: (Cont'd)

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2013.

K. Capital Assets:

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

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

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

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Continued)

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

L. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond issuance costs, as well as applicable bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, governmental fund types recognize bond discounts, as well as bond issuance costs, as expenditures in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year; therefore, there are no accrued salaries and wages as of June 30, 2013.

N. Compensated Absences:

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

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

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

O. Unearned Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the \$4,644,312 General Fund fund balance at June 30, 2013, \$1,044,394 is assigned for encumbrances; \$987 is restricted in the capital reserve account; \$1,198,323 is restricted as current year excess surplus and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2015; \$1,761,863 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2014; \$70,549 is assigned fund balance and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2014 and unassigned fund balance is \$568,196, which is \$64,151 less than the calculated maximum unassigned fund balance due to the final two State Aid payments that are not recognized on GAAP basis until the fiscal year ending June 30, 2014

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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

P. Fund Balance Appropriated: (Cont'd)

Capital Projects Fund: The deficit fund balance of \$147,338 in the Capital Projects Fund at June 30, 2013 is unassigned. This deficit is due to the difference in the recognition of the SDA grant receivable of \$222,178. The Budgetary basis of accounting recognizes the grant revenue when the grant is awarded whereas the GAAP basis recognizes the SDA grant revenue when grant expenditures are submitted for reimbursement.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school Districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus as defined on the previous page.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$64,151 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, Districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school Districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school District cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

Q. Deficit Fund Balance/Net Position:

The District has a deficit fund balance of \$147,338 in the Capital Projects Fund as of June 30, 2013 as reported in the fund statements (modified accrual basis) due to the School Development Authority grant receivable in the amount of \$222,178 which is not recognized on a GAAP basis until these grant funds are expended and reported for reimbursement. The Food Service Enterprise Fund has a deficit in unrestricted net position of \$8,634 due to an operating loss of \$29,074 during the fiscal year ended June 30, 2013.

The deficit in the Capital Projects Fund does not mean that the District is facing financial difficulties and is a permitted practice by generally accepted accounting principles.

R. Net Position:

The District implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, during the current fiscal year. This statement defines net position as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. This Statement provides guidance for reporting net position within a framework that includes deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District did not have any deferred inflows or outflows of resources at June 30, 2013.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Continued)

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

R. Net Position: (Cont'd)

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

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

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

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

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 position is available.

S. Fund Balance Restrictions, Commitments and Assignments:

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

Fund balance restrictions have been established for excess surplus, and a capital reserve.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District did not have committed resources at June 30, 2013.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2013.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Continued)

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

T. Revenue - Exchange and Nonexchange Transactions:

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

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

U. Operating Revenue and Expenses:

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

V. Management Estimates:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Continued)

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

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

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

Deposits:

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

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

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

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

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

Investments:

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

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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

Investments: (Cont'd)

- (c) the maturity of the agreement is not more than 30 days;
- (d) the underlying securities are purchased through a public depository as defined in statute; and
- (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2013, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	<u>Restricted Cash and Cash Equivalents</u> Capital Reserve Account	<u>Total</u>
Checking and Savings Accounts	\$ 5,343,247	\$ 987	\$ 5,344,234
New Jersey Cash Management Fund	102,851		102,851
	<u>\$ 5,446,098</u>	<u>\$ 987</u>	<u>\$ 5,447,085</u>

During the period ended June 30, 2013, the District did not hold any investments.

The carrying amount of the Board's cash and cash equivalents at June 30, 2013, was \$5,447,085 and the bank balance was \$5,595,270. The \$102,851 in the New Jersey Cash Management Fund is uninsured and unregistered.

NOTE 4. CAPITAL RESERVE ACCOUNT

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

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The activity of the capital reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012	\$ 70,987
Less:	
Budgeted Withdrawal for Capital Outlay	(70,000)
Ending Balance, June 30, 2013	<u>\$ 987</u>

The June 30, 2013 LRFPA balance of local support costs of uncompleted capital projects exceeds the June 30, 2013 capital reserve account balance. The withdrawal from the capital reserve was for use in DOE approved facilities projects, consistent with the District's LRFPA.

NOTE 5: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2013, the District transferred a total net amount of \$55,209 to the capital outlay accounts. \$923,559 of the total amount transferred was to equipment and did not require approval from the County Superintendent. The District obtained County Superintendent approval of the remaining \$868,350 transferred from facilities acquisition and construction.

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2013 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 736,853			\$ 736,853
Construction in Progress	555,446	\$ 197,737		753,183
Total Capital Assets Not Being Depreciated	1,292,299	197,737		1,490,036
Capital Assets Being Depreciated:				
Site Improvements	379,626		\$ (2,295)	377,331
Buildings and Building Improvements	16,238,449			16,238,449
Machinery and Equipment	1,976,950	65,644		2,042,594
Total Capital Assets Being Depreciated	18,595,025	65,644	(2,295)	18,658,374
Governmental Activities Capital Assets	19,887,324	263,381	(2,295)	20,148,410
Less Accumulated Depreciation for:				
Site Improvements	(223,444)	(19,142)	2,295	(240,291)
Buildings and Building Improvements	(6,087,769)	(303,789)		(6,391,558)
Machinery and Equipment	(876,007)	(165,265)		(1,041,272)
	(7,187,220)	(488,196)	2,295	(7,673,121)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 12,700,104	\$ (224,815)	\$ -0-	\$ 12,475,289
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 106,560	\$ 3,748	\$ (8,940)	\$ 101,368
Less Accumulated Depreciation	(84,531)	(2,392)	8,045	(78,878)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 22,029	\$ 1,356	\$ (895)	\$ 22,490

Increases totaling \$263,381 represent current year capitalized expenditures in the General Fund.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 45,287
Special Education	49,397
Student and Instruction Related Services	136,572
General Administrative Services	67,039
School Administrative Services	51,052
Plant Operations and Maintenance	92,213
Pupil Transportation	46,636
	<u>\$ 488,196</u>

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2013, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/2012</u>	<u>Accrued</u>	<u>Retired/ Amortized</u>	<u>Balance</u> <u>6/30/2013</u>
Serial Bonds Payable	\$ 5,555,000		\$ 490,000	\$ 5,065,000
Less: Deferred Amount on Refunding	<u>(195,056)</u>		<u>(19,505)</u>	<u>(175,551)</u>
Net Serial Bonds Payable	5,359,944		470,495	4,889,449
Capital Leases Payable	117,521		91,125	26,396
Compensated Absences Payable	<u>379,963</u>	<u>\$ 37,842</u>	<u>7,387</u>	<u>410,418</u>
	<u>\$ 5,857,428</u>	<u>\$ 37,842</u>	<u>\$ 569,007</u>	<u>\$ 5,326,263</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds. The current portion of bonds at June 30, 2013 is \$500,000 and the long-term portion is \$4,565,000. The Debt Service Fund will be used to liquidate bonds payable.

The District had bonds outstanding as of June 30, 2013 as follows:

<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
02/01/2022	2.00%-4.50%	<u>\$ 5,065,000</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Continued)

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

A. Bonds Payable: (Cont'd)

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

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 500,000	\$ 177,138	\$ 677,138
2015	510,000	162,137	672,137
2016	525,000	146,838	671,838
2017	540,000	131,088	671,088
2018	565,000	106,787	671,787
Thereafter:			
2019-2022	<u>2,425,000</u>	<u>241,450</u>	<u>2,666,450</u>
	<u>\$ 5,065,000</u>	<u>\$ 965,438</u>	<u>\$ 6,030,438</u>

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

As a result of the advance refunding, the District reduced its total debt service requirements by \$367,254, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$309,054. Interest in the amount of \$253,571 was deferred upon issuance and \$175,551 is deferred at June 30, 2013.

B. Bonds Authorized But Not Issued:

As of June 30, 2013, the Board had no bonds authorized but not issued.

C. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The long-term liability balance of compensated absences is \$410,418. There is no current portion of compensated absences payable.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2013, no liability existed for compensated absences in the Enterprise Funds.

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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

D. Capital Leases Payable:

The District is leasing photocopiers. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2013.

<u>Year Ending June 30,</u>	<u>Amount</u>
2014	\$ 18,446
2015	9,224
Total Minimum Lease Payments	<u>27,670</u>
Less: Amount Representing Interest	<u>(1,274)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 26,396</u>

The current portion of Capital Leases payable at June 30, 2013 is \$17,332 and the long-term portion is \$9,064. Capital leases will be liquidated by the General Fund.

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP). The TPAF and the PERS are sponsored and administered by the State of New Jersey. The TPAF is considered a cost-sharing, multiple employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other non-contribution employers. The PERS is also considered a cost-sharing, multiple-employer plan. Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. As a general rule, all full-time employees are eligible to join the TPAF or the PERS. However, if an employee is ineligible to enroll in the TPAF or the PERS, the employee may be eligible to enroll in the DCRP.

Employees who are members of TPAF or PERS and retire at a specified age according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of creditable service. Vesting occurs after 8 to 10 years of service. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

amended by State of New Jersey regulation. Effective July 1, 2012, the employee contributions for PERS and TPAF increased from 6.5% to 6.64% of employees' annual compensation, as defined. Subsequent increases are being phased in over 7 years effective each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in the PERS and TPAF. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined.

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits, and post-retirement medical premiums. Under current statute, the District is a noncontributing employer of the TPAF. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

District Contributions to PERS amounted to \$290,740, \$333,148 and \$323,277 for the fiscal years ended June 30, 2013, 2012 and 2011, respectively.

District and employee contributions to DCRP amounted to \$59,731, \$40,793 and \$4,136 for the fiscal years ended June 30, 2013, 2012 and 2011, respectively.

During the fiscal years ended June 30, 2013, 2012 and 2011 the State of New Jersey contributed \$830,938, \$414,056 and \$0-, respectively, to the TPAF for pension benefits on-behalf of the District.

NOTE 9. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2012, there were 97,661 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

The State's on-behalf Post-Retirement Medical Contributions to TPAF for the District amounted to \$939,581, \$832,361, and \$918,649 for 2013, 2012, and 2011, respectively.

NOTE 10. RISK MANAGEMENT

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance

The Borough of Glen Ridge School District is a member of the Morris Essex Insurance Group (the "Group") and the School Alliance Insurance Fund (the "Fund"). The Group provides worker's compensation coverage for its members and the Fund provides general liability, property and automobile coverage for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Group and Fund are risk-sharing public entity risk pools that are insured and self-administered groups of school boards established for the purpose of providing low-cost insurance for their respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Group and Fund are elected.

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

The June 30, 2013 financial information for the Group and the Fund was not available as of the date of this audit report. Selected, summarized financial information for the Group and the Fund as of June 30, 2012 is as follows:

	<u>Morris-Essex Insurance Group</u>	<u>School Alliance Insurance Fund</u>
Total Assets	\$ 7,699,437	\$ 36,551,011
Net Position	\$ 3,847,069	\$ 12,224,220
Total Revenue	\$ 2,845,571	\$ 28,022,109
Total Expenses	\$ 1,533,757	\$ 28,300,068
Change in Net Position	\$ 1,311,814	\$ (277,959)
Member Dividends	\$ 513,951	\$ -0-

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

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey

Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012-2013	\$ 20,000	-0-	\$ 18,304	\$ 65,842	\$ 77,475
2011-2012	20,000	-0-	24,469	64,046	105,013
2010-2011	65,000	-0-	30,116	145,386	124,590

NOTE 11. ECONOMIC DEPENDENCY

The Board of Education receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Board of Education's programs and activities.

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2013 there were interfund receivables and payables as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 169,156	
Capital Projects Fund		147,338
Proprietary Fund-Food Service		21,818
	<u>\$ 169,156</u>	<u>\$ 169,156</u>

The interfund receivable in the General Fund of \$21,818 due from the Food Service Fund is for the deficit in the Food Service Fund cash balance due to increased costs. The interfund receivable in the General Fund of \$147,338 due from the Capital Projects Fund is for the deficit in the Capital Projects Fund cash balance caused by SDA grants receivable not being recognized on a GAAP basis in the Capital Projects Fund.

NOTE 13. DEFERRED COMPENSATION

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 13. DEFERRED COMPENSATION (Cont'd)

The plan administrators are as follows:

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

NOTE 14. TAX CALENDAR

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

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

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation

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

Grant Programs

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 15. COMMITMENTS AND CONTINGENCIES (Cont'd)

Encumbrances

At June 30, 2013, there were encumbrances as detailed below in the governmental funds:

General Fund	Total Governmental Funds
\$ 1,044,394	\$ 1,044,394

NOTE 16. ACCOUNTS PAYABLE

The following accounts payable existed on the various balance sheets as of June 30, 2013:

	Governmental Activities		
	General Fund	Special Revenue Fund	Total Governmental Funds
Vendors	\$ 102,393	\$ 17,747	\$ 120,140
	\$ 102,393	\$ 17,747	\$ 120,140

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 25,667,172		\$ 25,667,172	\$ 25,667,172	
Tuition from Individuals	564,416		564,416	591,448	\$ 27,032
Miscellaneous	104,000		104,000	189,148	85,148
Total - Local Sources	26,335,588		26,335,588	26,447,768	112,180
State Sources:					
Extraordinary Special Education Costs Aid				78,487	78,487
Categorical Special Education Aid	671,228		671,228	671,228	
Categorical Security Aid	27,442		27,442	27,442	
Categorical Transportation Aid	21,801		21,801	21,801	
Nonpublic School Transportation Costs				7,482	7,482
TPAF Pension Contribution (On-Behalf - Non-Budgeted)				830,938	830,938
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				939,581	939,581
TPAF Social Security (Reimbursed - Non-Budgeted)				998,678	998,678
Total State Sources	720,471		720,471	3,575,637	2,855,166
TOTAL REVENUES	27,056,059		27,056,059	30,023,405	2,967,346
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	223,899	\$ (50,000)	173,899	171,969	1,930
Kindergarten - Salaries of Teachers	431,631	57,615	489,246	489,242	4
Grades 1-5 - Salaries of Teachers	2,952,853	(232,385)	2,720,468	2,720,420	48
Grades 6-8 - Salaries of Teachers	1,813,361	131,425	1,944,786	1,933,202	11,584
Grades 9-12 - Salaries of Teachers	3,341,786	(75,210)	3,266,576	3,266,528	48
Regular Programs - Home Instruction:					
Salaries of Teachers	9,500	(1,045)	8,455	6,300	2,155
Purchased Professional - Educational Services	14,000	1,045	15,045	15,043	2

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	\$ 522,037	\$ 30,455	\$ 552,492	\$ 528,311	\$ 24,181
General Supplies	535,204	(52,789)	482,415	431,590	50,825
Textbooks	273,073	(8,000)	265,073	250,536	14,537
Other Objects	7,694		7,694	1,209	6,485
Total Regular Programs - Instruction	<u>10,125,038</u>	<u>(198,889)</u>	<u>9,926,149</u>	<u>9,814,350</u>	<u>111,799</u>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	189,124	(42,290)	146,834	95,647	51,187
Other Salaries for Instruction	106,804	61,835	168,639	168,637	2
General Supplies	8,200		8,200	4,539	3,661
Textbooks	1,000		1,000		1,000
Total Learning and/or Language Disabilities	<u>305,128</u>	<u>19,545</u>	<u>324,673</u>	<u>268,823</u>	<u>55,850</u>
Resource Room/Resource Center:					
Salaries of Teachers	1,531,816	20,000	1,551,816	1,547,079	4,737
Other Salaries for Instruction	317,258	(28,870)	288,388	288,387	1
General Supplies	12,300		12,300	10,322	1,978
Textbooks	1,000		1,000		1,000
Total Resource Room/Resource Center	<u>1,862,374</u>	<u>(8,870)</u>	<u>1,853,504</u>	<u>1,845,788</u>	<u>7,716</u>
Preschool Disabilities - Part-time:					
Salaries of Teachers	66,509		66,509	65,154	1,355
Other Salaries for Instruction	58,071	10,030	68,101	68,100	1
General Supplies	601	(1)	600	600	
Total Preschool Disabilities - Part-time	<u>125,181</u>	<u>10,029</u>	<u>135,210</u>	<u>133,854</u>	<u>1,356</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Total Special Education Instruction	\$ 2,292,683	\$ 20,704	\$ 2,313,387	\$ 2,248,465	\$ 64,922
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	301,281	34,265	335,546	335,546	
General Supplies	2,400		2,400	1,675	725
Total Basic Skills/Remedial - Instruction	303,681	34,265	337,946	337,221	725
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	173,000	10,995	183,995	179,871	4,124
Purchased Services (300-500 series)	3,000		3,000	3,000	
Supplies and Materials	51,054	(14,250)	36,804	34,298	2,506
Total School-Sponsored Cocurricular Activities - Instruction	227,054	(3,255)	223,799	217,169	6,630
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	399,930	320	400,250	400,245	5
Purchased Services (300-500 series)	43,600	(3,000)	40,600	27,547	13,053
Supplies and Materials	48,050		48,050	40,048	8,002
Transfer to Cover Deficit (Agency Funds)	99,934		99,934	85,100	14,834
Total School-Sponsored Cocurricular Athletics - Instruction	591,514	(2,680)	588,834	552,940	35,894
Community Service Programs:					
Supplies and Materials	2,500		2,500	1,095	1,405
Total Community Service Programs	2,500		2,500	1,095	1,405
Total Instruction	13,542,470	(149,855)	13,392,615	13,171,240	221,375

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	\$ 50,263	\$ 91,195	\$ 141,458	\$ 140,469	\$ 989
Tuition to County Vocational Schools - Special	28,500	(10,490)	18,010	15,015	2,995
Tuition to Private Schools for the Disabled - Within the State	<u>716,581</u>	<u>514,505</u>	<u>1,231,086</u>	<u>1,102,152</u>	<u>128,934</u>
Total Undistributed Expenditures - Instruction:	<u>795,344</u>	<u>595,210</u>	<u>1,390,554</u>	<u>1,257,636</u>	<u>132,918</u>
Health Services:					
Salaries	290,074	(825)	289,249	285,359	3,890
Purchased Professional and Technical Services	19,000	4,425	23,425	23,423	2
Supplies and Materials	<u>5,486</u>	<u>(600)</u>	<u>4,886</u>	<u>3,355</u>	<u>1,531</u>
Total Health Services	<u>314,560</u>	<u>3,000</u>	<u>317,560</u>	<u>312,137</u>	<u>5,423</u>
Speech, OT, PT and Related Services:					
Salaries	221,425	3,805	225,230	225,229	1
Supplies and Materials	<u>1,100</u>	<u>(160)</u>	<u>940</u>	<u>469</u>	<u>471</u>
Total Speech, OT, PT and Related Services	<u>222,525</u>	<u>3,645</u>	<u>226,170</u>	<u>225,698</u>	<u>472</u>
Other Support Services - Students - Extraordinary Services:					
Salaries	43,457	(22,015)	21,442	21,404	38
Purchased Professional - Educational Services	<u>525,162</u>	<u>(20,500)</u>	<u>504,662</u>	<u>456,238</u>	<u>48,424</u>
Total Other Support Services - Students - Extraordinary Services	<u>568,619</u>	<u>(42,515)</u>	<u>526,104</u>	<u>477,642</u>	<u>48,462</u>
Guidance:					
Salaries of Other Professional Staff	408,329	(5,500)	402,829	402,770	59
Salaries of Secretarial and Clerical Assistants	109,374	(6,200)	103,174	103,087	87
Supplies and Materials	<u>11,250</u>	<u>1,995</u>	<u>13,245</u>	<u>7,150</u>	<u>6,095</u>
Total Guidance	<u>528,953</u>	<u>(9,705)</u>	<u>519,248</u>	<u>513,007</u>	<u>6,241</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Child Study Team:					
Salaries of Other Professional Staff	\$ 648,138	\$ 10,415	\$ 658,553	\$ 658,550	\$ 3
Salaries of Secretarial and Clerical Assistants	60,429		60,429	59,429	1,000
Miscellaneous Purchased Services	2,090	(100)	1,990	1,640	350
Supplies and Materials	12,850	5,315	18,165	17,646	519
Total Child Study Team	723,507	15,630	739,137	737,265	1,872
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	33,150	2,225	35,375	35,275	100
Other Purchased Professional and Technical Services	3,000	(2,225)	775		775
Supplies and Materials	1,200		1,200	255	945
Total Improvement of Instructional Services	37,350		37,350	35,530	1,820
Educational Media Services/School Library:					
Salaries	413,082	19,835	432,917	432,913	4
Supplies and Materials	34,649	(1,120)	33,529	30,185	3,344
Total Educational Media Services/School Library	447,731	18,715	466,446	463,098	3,348
Instructional Staff Training Services:					
Other Purchased Services (400-500 series)	26,456	1,040	27,496	17,868	9,628
Total Instructional Staff Training Services	26,456	1,040	27,496	17,868	9,628
Support Services - General Administration:					
Salaries	296,136	2,480	298,616	298,533	83
Legal Services	65,000		65,000	58,082	6,918
Audit Fees	59,000		59,000	56,200	2,800
Architectural/Engineering Services	1,500		1,500		1,500
Other Purchased Professional Services	19,500	7,900	27,400	17,543	9,857
Communications/Telephone	178,760	10	178,770	165,287	13,483

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - General Administration: (Cont'd)					
BOE Other Purchased Services	\$ 4,000	\$ 7,990	\$ 11,990	\$ 627	\$ 11,363
Miscellaneous Purchased Services (400-500 Series)	35,100	(8,000)	27,100	23,528	3,572
General Supplies	14,320		14,320	5,807	8,513
Miscellaneous Expenditures	57,700	(7,880)	49,820	35,353	14,467
BOE Membership Dues and Fees	16,700	(20)	16,680	12,862	3,818
Total Support Services - General Administration	<u>747,716</u>	<u>2,480</u>	<u>750,196</u>	<u>673,822</u>	<u>76,374</u>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	1,142,095	4,255	1,146,350	1,146,324	26
Salaries of Secretarial and Clerical Assistants	236,352	2,265	238,617	231,653	6,964
Other Purchased Services (400-500 series)	189,205	(17,720)	171,485	127,611	43,874
Supplies and Materials	36,188	(3,890)	32,298	28,251	4,047
Other Objects	23,149	14,915	38,064	28,775	9,289
Total Support Services - School Administration	<u>1,626,989</u>	<u>(175)</u>	<u>1,626,814</u>	<u>1,562,614</u>	<u>64,200</u>
Central Services:					
Salaries	386,672	5,010	391,682	389,424	2,258
Purchased Technical Services	26,800	2,890	29,690	26,887	2,803
Miscellaneous Purchased Services	15,645	(4,000)	11,645	3,812	7,833
Supplies and Materials	21,000	(8,000)	13,000	8,571	4,429
Miscellaneous Expenditures	2,000	7,615	9,615	8,256	1,359
Total Central Services	<u>452,117</u>	<u>3,515</u>	<u>455,632</u>	<u>436,950</u>	<u>18,682</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Administration Information Technology:					
Salaries	\$ 151,001		\$ 151,001	\$ 150,936	\$ 65
Purchased Technical Services	176,330		176,330	158,058	18,272
Supplies and Materials	1,000	\$ (800)	200	33	167
Other Objects	3,000	800	3,800	800	3,000
Total Administration Information Technology	331,331		331,331	309,827	21,504
Required Maintenance of School Facilities:					
Salaries	195,677	(6,000)	189,677	182,856	6,821
Cleaning, Repair and Maintenance Services	394,501	39,500	434,001	376,853	57,148
General Supplies	65,231	12,500	77,731	63,790	13,941
Total Required Maintenance of School Facilities	655,409	46,000	701,409	623,499	77,910
Custodial Services:					
Salaries	784,710	23,115	807,825	773,983	33,842
Rental of Land and Buildings - Other Than Lease Purchase Agreements	119,000	(25,000)	94,000	93,000	1,000
Other Purchased Property Services	32,700	55	32,755	27,301	5,454
Insurance	90,000	(2,000)	88,000	86,034	1,966
Miscellaneous Purchased Services	2,200	5,300	7,500	6,314	1,186
General Supplies	122,200	(32,410)	89,790	58,983	30,807
Energy (Electricity)	372,110	(62,670)	309,440	263,116	46,324
Other Objects	500	3,910	4,410	4,402	8
Salaries of Non-Instructional Aides	8,295		8,295	6,137	2,158
Energy (Gasoline)	22,950		22,950	8,658	14,292
Energy (Natural Gas)	279,457	(75,000)	204,457	179,059	25,398
Total Custodial Services	1,834,122	(164,700)	1,669,422	1,506,987	162,435

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Care & Upkeep of Grounds:					
Salaries	\$ 42,000		\$ 42,000	\$ 40,151	\$ 1,849
Purchased Professional and Technical Services	1,950	\$ (1,950)			
Cleaning, Repair, and Maintenance Services	15,000	5,000	20,000	10,378	9,622
General Supplies	35,901	(26,201)	9,700	5,575	4,125
Other Objects	1,200	(1,050)	150		150
Total Care & Upkeep of Grounds	<u>96,051</u>	<u>(24,201)</u>	<u>71,850</u>	<u>56,104</u>	<u>15,746</u>
Security:					
Purchased Professional and Technical Services	5,190		5,190	5,121	69
Cleaning, Repair, and Maintenance Services	20,000	(5,950)	14,050	4,435	9,615
General Supplies	1,500	4,150	5,650	4,928	722
Total Security	<u>26,690</u>	<u>(1,800)</u>	<u>24,890</u>	<u>14,484</u>	<u>10,406</u>
Student Transportation Services:					
Salaries of Non-Instructional Aides	24,276		24,276	20,750	3,526
Salaries for Pupil Transportation:					
Between Home and School - Regular	32,223	(5,035)	27,188	9,977	17,211
Between Home and School - Special	43,735		43,735	42,228	1,507
Cleaning, Repair, & Maintenance Services	18,040	(900)	17,140	12,823	4,317
Contracted Services:					
Other Than Between Home and School - Vendors	87,000		87,000	79,975	7,025
Special Education Students - Joint Agreements	20,000		20,000	18,683	1,317
Special Education Students - ESC's and CSTA's	310,600	(5,000)	305,600	297,024	8,576
Aid in Lieu - Non-public Schools	60,165	(24,100)	36,065	36,008	57
Supplies and Materials	550		550		550
Transportation Supplies	1,000		1,000	402	598
Total Student Transportation Services	<u>597,589</u>	<u>(35,035)</u>	<u>562,554</u>	<u>517,870</u>	<u>44,684</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Unallocated Benefits:					
Social Security Contributions	\$ 274,525	\$ 74,645	\$ 349,170	\$ 335,713	\$ 13,457
Other Retirement Contributions - PERS	358,337	(67,590)	290,747	281,267	9,480
Other Retirement Contributions - Regular	18,000	5,350	23,350	23,319	31
Unemployment Compensation	20,000		20,000	20,000	
Workmen's Compensation	155,000	10,310	165,310	165,308	2
Health Benefits	3,526,779	(323,930)	3,202,849	3,176,866	25,983
Tuition Reimbursement	35,000		35,000	27,097	7,903
Other Employee Benefits	98,251	(350)	97,901	88,417	9,484
Total Unallocated Benefits	4,485,892	(301,565)	4,184,327	4,117,987	66,340
On-Behalf Contributions:					
On-Behalf TPAF Pension Contributions (non-budgeted)				830,938	(830,938)
On-Behalf TPAF Post Retirement Medical (non-Budgeted)				939,581	(939,581)
Reimbursed TPAF Social Security Contributions (non-budgeted)				998,678	(998,678)
Total On-Behalf Contributions				2,769,197	(2,769,197)
Total Personal Services - Employee Benefits	4,485,892	(301,565)	4,184,327	6,887,184	(2,702,857)
Total Undistributed Expenses	14,518,951	109,539	14,628,490	16,629,222	(2,000,732)
TOTAL GENERAL CURRENT EXPENSE	28,061,421	(40,316)	28,021,105	29,800,462	(1,779,357)

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CAPITAL OUTLAY					
Regular Programs - Instruction:					
Grades 6-8		\$ 15,960	\$ 15,960	\$ 15,960	
Grades 9-12		12,048	12,048	12,048	
Undistributed Expenditures:					
General Administration	\$ 12,000	847,750	859,750	13,439	\$ 846,311
School Administration		23,600	23,600		23,600
Care and Upkeep of Grounds		24,201	24,201	24,201	
Total Equipment	<u>12,000</u>	<u>923,559</u>	<u>935,559</u>	<u>65,648</u>	<u>869,911</u>
Facilities Acquisition and Construction Services:					
Legal Services	10,000	(10,000)			
Architectural/Engineering Services	190,460	(190,460)			
Other Purchased Professional and Technical Services	15,000	(15,000)			
Construction Services	1,152,928	(632,890)	520,038	197,737	322,301
Other Objects	20,000	(20,000)			
Assessment for Debt Service on SDA Funding	24,241		24,241	24,241	
Total Facilities Acquisition and Construction Services	<u>1,412,629</u>	<u>(868,350)</u>	<u>544,279</u>	<u>221,978</u>	<u>322,301</u>
TOTAL CAPITAL OUTLAY	<u>1,424,629</u>	<u>55,209</u>	<u>1,479,838</u>	<u>287,626</u>	<u>1,192,212</u>
TOTAL EXPENDITURES	<u>29,486,050</u>	<u>14,893</u>	<u>29,500,943</u>	<u>30,088,088</u>	<u>(587,145)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(2,429,991)</u>	<u>(14,893)</u>	<u>(2,444,884)</u>	<u>(64,683)</u>	<u>2,380,201</u>
Fund Balance, July 1	<u>4,773,146</u>		<u>4,773,146</u>	<u>4,773,146</u>	
Fund Balance, June 30	<u>\$ 2,343,155</u>	<u>\$ (14,893)</u>	<u>\$ 2,328,262</u>	<u>\$ 4,708,463</u>	<u>\$ 2,380,201</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

Recapitulation:

Restricted:

Excess Surplus	\$ 1,198,323
Excess Surplus - Designated for Subsequent Year's Expenditures	1,761,863
Capital Reserve	987

Assigned:

Year-End Encumbrances	1,044,394
Designated for Subsequent Year's Expenditures	70,549
Unassigned	<u>632,347</u>

4,708,463

Reconciliation to Governmental Funds Statement (GAAP):

Last Two State Aid Payments not Recognized on GAAP Basis	<u>(64,151)</u>
--	-----------------

Fund Balance per Governmental Funds (GAAP)

\$ 4,644,312

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Federal Sources	\$ 362,000	\$ 11,358	\$ 373,358	\$ 373,358	
Local Sources		12,069	12,069	12,069	
Total Revenues	<u>362,000</u>	<u>23,427</u>	<u>385,427</u>	<u>385,427</u>	
EXPENDITURES:					
Instruction					
Purchased Professional - Educational Services		12,256	12,256	12,256	
Other Purchased Professional Services	345,000	(3,682)	341,318	341,318	
General Supplies		10,248	10,248	10,248	
Total Instruction	<u>345,000</u>	<u>18,822</u>	<u>363,822</u>	<u>363,822</u>	
Support Services					
Other Purchased Services	17,000	4,605	21,605	21,605	
Total Support Services	<u>17,000</u>	<u>4,605</u>	<u>21,605</u>	<u>21,605</u>	
Total Expenditures	<u>362,000</u>	<u>23,427</u>	<u>385,427</u>	<u>385,427</u>	
Excess of Revenues Over Expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Exhibit C-3

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 30,023,405	\$ 385,427
Difference - Budget to GAAP:		
Current Year State Aid Payments Recognized for Budgetary Purposes, Not Recognized for GAAP Statements	(64,151)	
Prior Year State Aid Payments Recognized for GAAP Statements, Not Recognized for Budgetary Purposes	48,941	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 30,008,195	\$ 385,427
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 30,088,088	\$ 385,427
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 30,088,088	\$ 385,427

Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2013 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

**SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)**

SPECIAL REVENUE FUND

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	No Child Left Behind	IDEA Part B		Various School Grants Prior Year
	Title II	Basic	Preschool	
REVENUE:				
Federal Sources	\$ 21,605	\$ 339,497	\$ 12,256	
Local Sources				\$ 6,871
Total Revenue	21,605	339,497	12,256	6,871
EXPENDITURES:				
Instruction:				
Purchased Professional - Educational Services			12,256	
Other Purchased Services		339,497		1,821
General Supplies				5,050
Total Instruction		339,497	12,256	6,871
Support Services:				
Other Purchased Services	21,605			
Total Support Services	21,605			
Total Expenditures	\$ 21,605	\$ 339,497	\$ 12,256	\$ 6,871

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Glen Ridge Education Foundation</u>		<u>Totals</u> <u>6/30/2013</u>
	<u>Current</u> <u>Year</u>	<u>Prior Year</u>	
REVENUE:			
Federal Sources			\$ 373,358
Local Sources	\$ 714	\$ 4,484	12,069
Total Revenue	<u>714</u>	<u>4,484</u>	<u>385,427</u>
EXPENDITURES:			
Instruction:			
Purchased Professional - Educational Services			12,256
Other Purchased Services			341,318
General Supplies	714	4,484	10,248
Total Instruction	<u>714</u>	<u>4,484</u>	<u>363,822</u>
Support Services:			
Other Purchased Services			21,605
Total Support Services			<u>21,605</u>
Total Expenditures	<u>\$ 714</u>	<u>\$ 4,484</u>	<u>\$ 385,427</u>

CAPITAL PROJECTS FUND

Exhibit F-1

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

Exhibit F-1a

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL WINDOWS AND DOOR PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 222,178		\$ 222,178	\$ 272,072
Transfer from Capital Reserve	302,457		302,457	302,457
Transfer from Capital Outlay	105,651		105,651	105,651
Total Revenue and Other Financing Sources	\$ 630,286	\$ -0-	630,286	680,180
Expenditures:				
Purchased Professional and Technical Services	73,446		73,446	79,100
Construction Services	482,000		482,000	601,080
Total Expenditures	555,446	-0-	555,446	680,180
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 74,840</u>	<u>\$ -0-</u>	<u>\$ 74,840</u>	<u>\$ -0-</u>
Additional Project Information:				
Project Number(s)	1750-050-09-1001			
Grant Date	2010			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 680,180			
Percentage Completion	81.66%			
Original Target Completion Date	December 2010			
Revised Target Completion Date	December 2011			

PROPRIETARY FUNDS

Exhibit G-1

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
PROPRIETARY FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2013

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Totals</u>
	<u>Food Service</u>	<u>After School and Summer Programs</u>	<u>Consortium</u>	
ASSETS:				
Current Assets:				
Cash and Cash Equivalents		\$ 101,068	\$ 4,245	\$ 105,313
Other Accounts Receivable	\$ 7,774	29,719		37,493
Inventory	5,410			5,410
Total Current Assets	<u>13,184</u>	<u>130,787</u>	<u>4,245</u>	<u>148,216</u>
Non-Current Assets:				
Capital Assets	101,368			101,368
Less: Accumulated Depreciation	<u>(78,878)</u>			<u>(78,878)</u>
Total Non-Current Assets	<u>22,490</u>			<u>22,490</u>
Total Assets	<u>35,674</u>	<u>130,787</u>	<u>4,245</u>	<u>170,706</u>
LIABILITIES:				
Current Liabilities:				
Deposits Payable		1,882		1,882
Interfund Payable - General Fund	21,818			21,818
Total Current Liabilities	<u>21,818</u>	<u>1,882</u>		<u>23,700</u>
Total Liabilities	<u>21,818</u>	<u>1,882</u>		<u>23,700</u>
NET POSITION:				
Net Investment In Capital Assets	22,490			22,490
Unrestricted/ (Deficit)	<u>(8,634)</u>	<u>128,905</u>	<u>4,245</u>	<u>124,516</u>
Total Net Position	<u>\$ 13,856</u>	<u>\$ 128,905</u>	<u>\$ 4,245</u>	<u>\$ 147,006</u>

Exhibit G-2

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
PROPRIETARY FUND
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Totals</u>
	<u>Food Service</u>	<u>After School and Summer Programs</u>	<u>Consortium</u>	
Operating Revenue:				
Charges for Services:				
Daily Sales - Non-Reimbursable Programs	\$ 331,814			\$ 331,814
Special Events	12,376			12,376
Program Fees		\$ 254,362		254,362
Total Operating Revenue	<u>344,190</u>	<u>254,362</u>		<u>598,552</u>
Operating Expenses:				
Cost of Sales	135,180			135,180
Salaries	164,242	189,470		353,712
Payroll Taxes	12,565	14,494		27,059
Employee Benefits		26,674		26,674
Purchased Professional Services	20,000			20,000
Supplies and Materials	37,990	19,472		57,462
Depreciation Expense	2,392			2,392
Total Operating Expenses	<u>372,369</u>	<u>250,110</u>		<u>622,479</u>
Net Income/(Loss) Before Adjustments	(28,179)	4,252		(23,927)
Disposal of Capital Assets, net of depreciation	(895)			(895)
Change in Net Position	(29,074)	4,252		(24,822)
Net Position - Beginning of Year	<u>42,930</u>	<u>124,653</u>	<u>\$ 4,245</u>	<u>171,828</u>
Net Position - End of Year	<u>\$ 13,856</u>	<u>\$ 128,905</u>	<u>\$ 4,245</u>	<u>\$ 147,006</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
PROPRIETARY FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Funds			Totals
	Food Service	After School and Summer Programs	Consortium	
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 337,472	\$ 242,391		\$ 579,863
Payments to Employees		(189,470)		(189,470)
Payments to Food Service Vendor	(371,509)			(371,509)
Payments to Suppliers	(2,983)	(19,472)		(22,455)
Payments to Other Vendors		(41,168)		(41,168)
Net Cash Used for Operating Activities	<u>(37,020)</u>	<u>(7,719)</u>		<u>(44,739)</u>
Cash Flows from Noncapital Financing Activities:				
Interfund Payable	21,818			21,818
Net Cash Provided by Noncapital Financing Activities	<u>21,818</u>			<u>21,818</u>
Cash Flows from Capital and Related Financing Activities:				
Purchases of Capital Assets	(3,748)			(3,748)
Net Cash Used for Capital and Related Financing Activities	<u>(3,748)</u>			<u>(3,748)</u>
Net Decrease in Cash and Cash Equivalents	(18,950)	(7,719)		(26,669)
Cash and Cash Equivalents, July 1	19,845	108,787	\$ 4,245	132,877
Cash and Cash Equivalents, June 30	<u>\$ 895</u>	<u>\$ 101,068</u>	<u>\$ 4,245</u>	<u>\$ 106,208</u>
Reconciliation of Operating Income to Net Cash Used for Operating Activities:				
Operating Income	\$ (28,179)	\$ 4,252		\$ (23,927)
Adjustment to Reconcile Operating Income to Net Cash Used for Operating Activities:				
Depreciation	2,392			2,392
Changes in Assets and Liabilities:				
(Increase) in Accounts Receivable	(6,718)	(9,653)		(16,371)
(Increase) in Inventory	(5,410)			(5,410)
(Decrease) in Accounts Payable		(2,318)		(2,318)
Net Cash Used for Operating Activities	<u>\$ (37,915)</u>	<u>\$ (7,719)</u>	<u>\$ -0-</u>	<u>\$ (45,634)</u>

FIDUCIARY FUNDS

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2013

	<u>Agency</u>		<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>	
	<u>Student Activity</u>	<u>Payroll</u>			<u>Total</u>
ASSETS:					
Cash and Cash Equivalents	\$ 155,803	\$ 33,927	\$ 189,730	\$ 77,475	\$ 284
Total Assets	155,803	33,927	189,730	77,475	284
LIABILITIES:					
Payroll Deductions and Withholdings Due to Student Groups	155,803	33,927	33,927		
Total Liabilities	155,803	33,927	189,730		
NET POSITION:					
Held in Trust: for Unemployment Claims			77,475		
Flexible Spending Claims					284
Total Net Position	\$ -0-	\$ -0-	\$ -0-	\$ 77,475	\$ 284

Exhibit H-2

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
FIDUCIARY FUND
STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
ADDITIONS:		
Contributions:		
Plan Member	\$ 18,304	\$ 2,000
District	20,000	
	<hr/>	<hr/>
Total Contributions	38,304	2,000
	<hr/>	<hr/>
Total Additions	38,304	2,000
	<hr/>	<hr/>
DEDUCTIONS:		
Quarterly Contribution Reports and Claims	65,842	
Flexible Spending Claims		1,961
	<hr/>	<hr/>
Total Deductions	65,842	1,961
	<hr/>	<hr/>
Change in Net Position	(27,538)	39
	<hr/>	<hr/>
Net Position - Beginning of the Year	105,013	245
	<hr/>	<hr/>
Net Position - End of the Year	<u>\$ 77,475</u>	<u>\$ 284</u>

Exhibit H-3

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
ASSETS:				
Cash and Cash Equivalents	\$ 162,885	\$ 588,237	\$ 595,319	\$ 155,803
Total Assets	<u>\$ 162,885</u>	<u>\$ 588,237</u>	<u>\$ 595,319</u>	<u>\$ 155,803</u>
LIABILITIES:				
Accounts Payable - Vendors	\$ 32,733		\$ 32,733	
Due to Student Groups	<u>130,152</u>	<u>\$ 588,237</u>	<u>562,586</u>	<u>\$ 155,803</u>
Total Liabilities	<u>\$ 162,885</u>	<u>\$ 588,237</u>	<u>\$ 595,319</u>	<u>\$ 155,803</u>

Exhibit H-4

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2013</u>
Elementary Schools:				
Forest Avenue School	\$ 4,429	\$ 6,705	\$ 6,900	\$ 4,234
Linden Avenue School	6,983	19,096	17,808	8,271
Total Elementary Schools	<u>11,412</u>	<u>25,801</u>	<u>24,708</u>	<u>12,505</u>
Junior High School:				
Ridgewood Avenue Upper Elementary School	4,323	72,072	74,138	2,257
Total Junior High School	<u>4,323</u>	<u>72,072</u>	<u>74,138</u>	<u>2,257</u>
Senior High School:				
Activity Fund	102,494	409,044	374,169	137,369
Athletic Fund	11,923	81,320	89,571	3,672
Total Senior High School	<u>114,417</u>	<u>490,364</u>	<u>463,740</u>	<u>141,041</u>
Total All Schools	<u>\$ 130,152</u>	<u>\$ 588,237</u>	<u>\$ 562,586</u>	<u>\$ 155,803</u>

Exhibit H-5

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
ASSETS:				
Cash and Cash Equivalents	\$ 25,369	\$ 19,759,610	\$ 19,751,052	\$ 33,927
Total Assets	<u>\$ 25,369</u>	<u>\$ 19,759,610</u>	<u>\$ 19,751,052</u>	<u>\$ 33,927</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 25,369	\$ 19,759,610	\$ 19,751,052	\$ 33,927
Total Liabilities	<u>\$ 25,369</u>	<u>\$ 19,759,610</u>	<u>\$ 19,751,052</u>	<u>\$ 33,927</u>

LONG-TERM DEBT

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding June 30, 2013		Interest Rate	Balance June 30, 2012	Matured	Balance June 30, 2013
			Date	Amount				
Refunding Bonds	01/07/10	\$ 6,085,000	02/01/14	\$ 500,000	3.00%			
			02/01/15	510,000	3.00%			
			02/01/16	525,000	3.00%			
			02/01/17	540,000	4.50%			
			02/01/18	565,000	2.75%			
			02/01/19	575,000	3.00%			
			02/01/20	590,000	4.00%			
			02/01/21	615,000	4.00%			
			02/01/22	645,000	4.00%			
					<u>\$ 5,555,000</u>	<u>\$ 490,000</u>	<u>\$ 5,065,000</u>	

Exhibit I-2

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

<u>Item</u>	<u>Original Issue</u>	<u>Balance July 1, 2012</u>	<u>Retired or Matured</u>	<u>Balance June 30, 2013</u>
Xerox Copiers	\$ 283,150	\$ 74,801	\$ 74,801	
Xerox Copiers	65,442	<u>42,720</u>	<u>16,324</u>	<u>\$ 26,396</u>
		<u>\$ 117,521</u>	<u>\$ 91,125</u>	<u>\$ 26,396</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<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	\$ 676,937		\$ 676,937	\$ 676,937	
Total Revenues	<u>676,937</u>		<u>676,937</u>	<u>676,937</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	186,937	1	186,938	186,938	
Redemption of Principal	490,000		490,000	490,000	
Total Regular Debt Service	<u>676,937</u>	<u>1</u>	<u>676,938</u>	<u>676,938</u>	
Total Expenditures	<u>676,937</u>	<u>1</u>	<u>676,938</u>	<u>676,938</u>	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(1)	(1)	(1)	
Fund Balance, July 1	<u>1</u>		<u>1</u>	<u>1</u>	
Fund Balance, June 30	<u>\$ 1</u>	<u>\$ (1)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

STATISTICAL SECTION

STATISTICAL SECTION
(UNAUDITED)

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

Contents

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The District implemented Statement 34 in a previous fiscal year. Schedules presenting government-wide information include information beginning in the fiscal year ended June 30, 2005.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST NINE FISCAL YEARS
(accrual basis of accounting)
UNAUDITED

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities:									
Net Investment in Capital Assets	\$ 5,147,423	\$ 5,416,244	\$ 5,479,077	\$ 5,572,690	\$ 5,142,448	\$ 6,011,082	\$ 6,575,230	\$ 7,027,583	\$ 7,383,893
Restricted	604,669	1,145,470	1,815,531	1,889,351	2,265,608	1,825,116	3,051,335	4,147,272	4,017,874
Unrestricted / (Deficit)	(104,024)	(171,057)	(83,874)	(34,584)	(49,264)	52,210	252,501	149,382	154,520
Total governmental activities net position	\$ 5,648,068	\$ 6,390,657	\$ 7,210,734	\$ 7,427,457	\$ 7,358,792	\$ 7,888,408	\$ 9,879,066	\$ 11,324,237	\$ 11,556,287
Business-type Activities:									
Net Investment in Capital Assets	\$ 25,466	\$ 29,088	\$ 28,028	\$ 28,796	\$ 30,945	\$ 29,405	\$ 25,320	\$ 22,029	\$ 22,490
Unrestricted	105,052	74,933	77,631	87,785	113,641	122,341	127,584	149,799	124,516
Total business-type activities net position	\$ 130,518	\$ 104,021	\$ 105,659	\$ 116,581	\$ 144,586	\$ 151,746	\$ 152,904	\$ 171,828	\$ 147,006
District-wide:									
Net Investment in Capital Assets	\$ 5,172,889	\$ 5,445,332	\$ 5,507,105	\$ 5,601,486	\$ 5,173,393	\$ 6,040,487	\$ 6,600,550	\$ 7,049,612	\$ 7,406,383
Restricted	604,669	1,145,470	1,815,531	1,889,351	2,265,608	1,825,116	3,051,335	4,147,272	4,017,874
Unrestricted / (Deficit)	1,028	(96,124)	(6,243)	53,201	64,377	174,551	380,085	299,181	279,036
Total District Net Position	\$ 5,778,586	\$ 6,494,678	\$ 7,316,393	\$ 7,544,038	\$ 7,503,378	\$ 8,040,154	\$ 10,031,970	\$ 11,496,065	\$ 11,703,293

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

Source: School District Financial Reports.

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

Fiscal Year Ending June 30,

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses									
Governmental Activities:									
Instruction:									
Regular	\$ 10,359,782	\$ 11,068,075	\$ 12,106,638	\$ 12,916,246	\$ 13,729,905	\$ 13,203,439	\$ 12,626,948	\$ 13,210,211	\$ 13,757,682
Special Education	1,592,603	1,766,283	2,029,694	2,253,979	2,317,859	2,761,131	2,884,656	3,381,303	3,638,143
Other Special Instruction	309,739	301,344	454,922	485,905	473,687	472,657	410,050	418,083	481,996
School Sponsored Other Instruction	683,415	707,856	825,755	895,851	1,039,444	1,096,059	899,324	997,945	1,018,513
Support Services:									
Tuition	557,722	545,733	603,765	465,624	547,777	642,026	565,261	729,571	1,257,636
Student & Instruction Related Services	2,511,419	2,479,838	2,559,979	2,789,871	2,997,101	3,110,107	3,234,169	3,090,307	3,596,196
General Administrative Services	691,044	686,913	849,990	810,744	855,088	867,867	755,488	802,334	701,273
School Administrative Services	1,432,967	1,473,242	1,722,261	1,857,277	1,860,047	1,850,831	1,801,705	2,190,587	2,147,754
Central Services	427,386	414,827	453,801	449,035	493,326	527,979	497,867	508,690	527,167
Administration Information Technology	175,958	174,743	184,057	222,705	235,262	246,275	278,101	300,360	364,018
Plant Operations and Maintenance	2,291,896	2,294,627	2,373,083	2,557,176	2,526,151	2,622,379	2,411,118	2,463,284	2,565,377
Pupil Transportation	480,193	533,598	522,088	462,156	491,533	490,377	494,636	502,488	581,905
Interest on Long-term Debt	462,952	437,816	411,789	390,253	362,957	306,952	250,503	211,424	200,849
Unallocated Depreciation	129,445	129,445	424,094	424,094					
Total Governmental Activities Expenses	22,106,521	23,014,340	25,521,916	26,980,916	27,930,137	28,198,079	27,109,826	28,806,587	30,838,509
Business-type Activities:									
Food Service	358,607	364,515	368,753	413,620	413,662	397,527	369,111	330,192	373,264
After School and Summer Programs	268,039	294,536	368,693	308,789	352,872	323,466	232,712	248,786	250,110
Total Business-type Activities Expenses	626,646	659,051	737,446	734,909	766,664	720,993	601,823	578,978	623,374

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

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses									
Total District Expenses	\$ 22,733,167	\$ 23,673,391	\$ 26,259,362	\$ 27,715,825	\$ 28,696,801	\$ 28,919,072	\$ 27,711,649	\$ 29,385,565	\$ 31,461,883
Program Revenues									
Governmental Activities:									
Charges for Services:									
Instruction (Regular)					201,191	237,365	346,301	558,027	591,448
Operating Grants and Contributions	2,524,315	2,730,078	3,471,547	3,516,682	3,206,933	3,296,372	2,521,449	3,290,092	3,945,854
Capital Grants and Contributions	32,634		203						
Total Governmental Activities Program Revenues	2,556,949	2,730,078	3,471,750	3,516,682	3,408,124	3,533,737	2,867,750	3,848,119	4,537,302
Business-type Activities:									
Charges for Services:									
Food Service	346,765	340,662	379,990	416,494	416,169	401,666	364,194	336,954	344,190
After School and Summer Programs	300,538	280,789	359,094	312,462	372,149	327,454	238,787	260,948	254,362
Operating Grants and Contributions	11,303	11,103							
Total Business-type Activities Revenues	658,606	632,554	739,084	745,831	788,318	729,120	602,981	597,902	598,552
Total District Program Revenues	3,215,555	3,362,632	4,210,834	4,262,513	4,196,442	4,262,857	3,470,731	4,446,021	5,135,854
Net (Expense)/Revenue									
Governmental Activities	(19,549,572)	(20,284,262)	(22,050,166)	(23,464,234)	(24,522,013)	(24,664,342)	(24,242,076)	(24,958,468)	(26,301,207)
Business-type Activities	31,960	(26,497)	1,638	10,922	21,654	8,127	1,158	18,924	(24,822)
Total District-wide Net (Expense)/Revenue	(19,517,612)	(20,310,759)	(22,048,528)	(23,453,312)	(24,500,359)	(24,656,215)	(24,240,918)	(24,939,544)	(26,326,029)

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

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Revenues and Other Changes in Net Position									
Governmental Activities:									
Property Taxes Levied for General Purposes, Net	\$ 17,897,898	\$ 19,531,281	\$ 21,227,705	\$ 22,076,813	\$ 23,244,935	\$ 24,146,288	\$ 24,933,275	\$ 25,163,894	\$ 25,667,172
Taxes Levied for Debt Service	921,557	958,564	949,784	940,745	926,742	726,589	877,377	866,612	676,937
Unrestricted Grants and Contributions	218,566	213,589	235,394	303,850	73,294	87,700	13,449	41,527	
Tuition Charges	74,212	176,205	180,517	189,188					
Investment Earnings	31,309	84,323	164,666	122,791	24,103	21			
Miscellaneous Income	139,866	116,644	168,175	106,199	184,274	233,360	408,633	331,606	189,148
Transfers	(71,377)	(53,755)	(55,998)	(58,629)					
Total Governmental Activities	19,212,031	21,026,851	22,870,243	23,680,957	24,453,348	25,193,958	26,232,734	26,403,639	26,533,257
Business-type Activities:									
Miscellaneous Income/(Expenses)					6,351				
Capital (Disposals)						(967)			
Total Business-type Activities					6,351	(967)			
Total District-wide	19,212,031	21,026,851	22,870,243	23,680,957	24,459,699	25,192,991	26,232,734	26,403,639	26,533,257
Change in Net Position									
Governmental Activities	(337,541)	742,589	820,077	216,723	(68,665)	529,616	1,990,658	1,445,171	232,050
Business-type Activities	31,960	(26,497)	1,638	10,922	28,005	7,160	1,158	18,924	(24,822)
Total District	\$ (305,581)	\$ 716,092	\$ 821,715	\$ 227,645	\$ (40,660)	\$ 536,776	\$ 1,991,816	\$ 1,464,095	\$ 207,228

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

Source: School District Financial Reports.

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

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund:									
Reserved	\$ 237,401	\$ 845,693	\$ 1,520,912	\$ 1,600,334	\$ 2,006,111	\$ 1,828,377			
Unreserved	412,730	360,485	394,075	457,785	498,606	447,733			
Restricted							\$ 2,923,456	\$ 3,912,321	\$ 2,961,173
Assigned							126,180	280,520	1,114,943
Unassigned							566,715	531,364	568,196
Total General Fund	\$ 650,131	\$ 1,206,178	\$ 1,914,987	\$ 2,058,119	\$ 2,504,717	\$ 2,276,110	\$ 3,616,351	\$ 4,724,205	\$ 4,644,312
All Other Governmental Funds:									
Reserved	\$ 59,024					\$ 189,410			
Unreserved/(Deficit), Reported in:									
Capital Projects Fund	206,443	\$ 207,272	\$ 207,272	\$ 207,475	\$ 189,975	(172,992)			
Debt Service Fund	17,884	13,661	7,683	5,161	736	21		\$ 1	
Debt Service - Designated for Subsequent Year's Expenditures			5,690	7,683	5,161	736			
Restricted							\$ 22		
Unassigned/(Deficit)							(147,338)	(147,338)	\$ (147,338)
Total All Other Governmental Funds/(Deficit)	\$ 283,351	\$ 220,933	\$ 220,645	\$ 220,319	\$ 195,872	\$ 17,175	\$ (147,316)	\$ (147,337)	\$ (147,338)
Total All Governmental Funds:									
Reserved	\$ 296,425	\$ 845,693	\$ 1,520,912	\$ 1,600,334	\$ 2,006,111	\$ 2,017,787			
Unreserved	637,057	581,418	614,720	678,104	694,478	275,498			
Restricted							\$ 2,923,478	\$ 3,912,322	\$ 2,961,173
Assigned							126,180	280,520	1,114,943
Unassigned							419,377	384,026	420,858
Total All Governmental Funds	\$ 933,482	\$ 1,427,111	\$ 2,135,632	\$ 2,278,438	\$ 2,700,589	\$ 2,293,285	\$ 3,469,035	\$ 4,576,868	\$ 4,496,974

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

Source: School District Financial Reports.

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

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues									
Tax Levy	\$ 18,819,455	\$ 20,489,845	\$ 22,177,489	\$ 23,017,558	\$ 24,171,677	\$ 24,872,877	\$ 25,810,652	\$ 26,030,506	\$ 26,344,109
Tuition Charges	74,212	176,205	180,517	189,188	201,191	237,365	346,301	558,027	591,448
Interest Earnings					3,630				
Miscellaneous	219,208	212,994	340,911	241,999	240,859	265,488	438,389	438,593	201,217
State Sources	2,408,418	2,603,672	3,368,907	3,460,525	2,894,309	2,753,443	2,034,345	2,792,432	3,560,427
Federal Sources	319,064	327,968	330,167	346,998	349,806	598,522	470,797	432,200	373,358
Total Revenues	21,840,357	23,810,684	26,397,991	27,256,268	27,861,472	28,727,695	29,100,484	30,251,758	31,070,559
Expenditures									
Instruction:									
Regular Instruction	7,832,117	8,095,779	8,630,094	9,226,473	9,660,384	9,716,849	9,278,286	9,592,245	9,841,153
Special Education Instruction	1,251,325	1,353,055	1,496,436	1,668,212	1,795,927	2,283,545	2,137,197	2,485,282	2,607,089
Other Special Instruction	233,213	219,750	318,548	342,047	349,730	344,923	297,890	299,575	338,316
School Sponsored Other Instruction	547,153	546,484	615,679	718,451	810,209	843,616	694,481	771,303	770,109
Support Services:									
Tuition	557,722	545,733	603,765	465,624	547,777	642,026	565,261	729,571	1,257,636
Student & Instruction Related Services	1,994,049	2,024,497	2,055,930	2,217,858	2,418,456	2,492,648	2,535,505	2,379,373	2,782,245
General Administrative Services	601,683	620,329	787,456	721,372	720,091	750,230	669,635	700,292	673,822
School Administrative Services	1,089,869	1,125,454	1,275,044	1,379,083	1,431,663	1,439,063	1,336,269	1,560,548	1,562,614
Central Services	334,841	352,000	385,816	374,261	407,504	408,503	408,738	418,146	436,950
Administration Information Technology	134,537	149,101	157,500	194,746	206,861	214,265	244,059	265,359	309,827
Plant Operations and Maintenance	2,054,364	2,091,713	2,232,920	2,342,425	2,219,198	2,255,365	2,083,797	2,143,163	2,201,074
Pupil Transportation	462,545	522,729	504,278	446,865	478,176	450,326	462,047	448,921	517,870
Unallocated Benefits	4,214,194	4,573,734	5,538,502	5,874,512	5,431,852	5,885,288	5,779,795	6,317,335	6,887,184
Capital Outlay	1,088,730	61,114	73,546	195,301	27,068	769,777	619,104	166,179	287,626
Debt Service:									
Principal	495,000	520,000	535,000	550,000	565,000	580,000	640,000	665,000	490,000
Interest and Other Charges	473,092	448,476	422,755	396,435	369,425	341,725	238,112	201,633	186,938
Total Expenditures	23,364,434	23,249,948	25,633,269	27,113,665	27,439,321	29,418,149	27,990,176	29,143,925	31,150,453
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,524,077)	560,736	764,722	142,603	422,151	(690,454)	1,110,308	1,107,833	(79,894)

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

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Other Financing Sources (Uses)									
Capital Leases (non-budgeted)						\$ 283,150	\$ 65,442		
Serial Bonds Issued						(6,085,000)			
Serial Bonds Defeased						5,917,000			
Bond Issuance Costs						119,083			
Bond Premium						(204,654)			
Deferred Interest						253,571			
State Receivable Cancelled		\$ (10,013)							
Private Contributions Receivable Cancelled		(3,339)							
Transfers In	\$ 7,971	5,689	\$ 7,683	\$ 5,161	\$ 736	598,104			
Transfers Out	(79,348)	(59,444)	(63,681)	(5,161)	(736)	(598,104)			
Total Other Financing Sources (Uses)	<u>(71,377)</u>	<u>(67,107)</u>	<u>(55,998)</u>	<u>-0-</u>	<u>-0-</u>	<u>283,150</u>	<u>\$ 65,442</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Net Change in Fund Balances	<u>\$ (1,595,454)</u>	<u>\$ 493,629</u>	<u>\$ 708,724</u>	<u>\$ 142,603</u>	<u>\$ 422,151</u>	<u>\$ (407,304)</u>	<u>\$ 1,175,750</u>	<u>\$ 1,107,833</u>	<u>\$ (79,894)</u>
Debt Service as a Percentage of Noncapital Expenditures	4.5%	4.4%	3.9%	3.6%	3.5%	3.3%	3.3%	3.1%	2.2%

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

Source: School District Financial Reports.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
UNAUDITED

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Tuition</u>	<u>Interest on</u> <u>Investments</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Transportation</u> <u>Fees</u>	<u>Rentals - Use</u> <u>of Facilities</u>	<u>Other</u>	<u>Total</u>
2004	\$ 71,005	\$ 19,745	\$ 41,781	\$ 36,865	\$ 36,865	\$ 87,411	\$ 293,672
2005	74,212	23,338	41,334	10,950	10,950	87,582	248,366
2006	176,205	78,634	31,164		3,670	81,810	371,483
2007	180,517	156,983	43,762		17,490	106,923	505,675
2008	189,188	114,798	75		24,037	84,919	413,017
2009	201,191	24,103	59,636		6,800	117,102	408,832
2010	237,365	9,540	35,171		18,903	169,746	470,725
2011	346,301	982	49,859		4,400	353,392	754,934
2012	558,026	93	44,995		11,559	274,960	889,633
2013	591,448	81	44,582		8,630	135,855	780,596

Source: Borough of Glen Ridge School District records.

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

Year Ended December 31,	Vacant Land	Residential	Commercial	Apartment	Total Assessed Value	Tax-Exempt Property	Add: Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2003	\$ 111,500	\$ 217,553,600	\$ 10,040,000	\$ 4,600,000	\$ 232,305,100	\$ 63,218,200	\$ 159,902	\$ 232,465,002	7.738	\$ 1,054,263,048
2004	130,000	218,680,800	9,966,500	4,600,000	233,377,300	63,414,400	130,181	233,507,481	8.060	1,059,816,816
2005	130,000	219,328,400	9,056,400	4,600,000	233,114,800	63,423,400	105,300	233,220,100	8.790	1,173,554,300
2006	130,000	220,175,300	8,933,300	4,670,000	233,908,600	63,417,000	85,584	233,994,184	9.480	1,293,879,116
2007	130,000	220,588,900	8,142,700	5,689,000	234,550,600	24,585,900	78,885	234,629,485	9.810	1,520,605,865
2008	* 1,339,900	1,349,284,700	66,372,700	25,705,300	1,442,702,600	91,701,200	492,991	1,443,195,591	1.675	1,582,624,839
2009	815,200	1,432,728,300	67,533,800	25,705,300	1,526,782,600	91,224,700	485,429	1,527,268,029	1.731	1,577,767,832
2010	1,106,100	1,334,332,900	61,982,300	25,705,300	1,423,126,600	90,642,200	501,732	1,423,628,332	1.813	1,555,624,133
2011	605,100	1,330,347,600	62,083,000	25,705,300	1,418,741,000	90,642,200	472,439	1,419,213,439	1.830	1,496,091,333
2012	485,100	1,322,815,600	62,299,600	24,056,700	1,409,657,000	91,236,600	503,201	1,410,160,201	1.868	1,453,453,496

* - Revaluation Year

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

b - Tax rates are per \$100.

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

Source: Municipal Tax Assessor.

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

Year Ended December 31,	<u>Borough of Glen Ridge School District Direct Rate</u>			<u>Overlapping Rates</u>		Total Direct and Overlapping Tax Rate
	<u>Basic Rate ^a</u>	<u>General Obligation Debt Service ^b</u>	<u>Total Direct</u>	<u>Borough of Glen Ridge</u>	<u>Essex County</u>	
2003	\$ 7.277	\$ 0.463	\$ 7.740	\$ 2.730	\$ 2.290	\$ 12.760
2004	7.647	0.413	8.060	2.900	2.380	13.340
2005	8.360	0.430	8.790	3.080	2.400	14.270
2006	9.037	0.444	9.480	3.160	2.410	15.050
2007	9.390	0.420	9.810	3.437	2.359	15.606
2008	* 1.608	0.067	1.675	0.588	0.423	2.686
2009	1.679	0.052	1.731	0.615	0.430	2.776
2010	1.749	0.064	1.813	0.649	0.444	2.906
2011	1.769	0.061	1.830	0.672	0.462	2.964
2012	1.820	0.048	1.868	0.707	0.475	3.050

* - Revaluation Year

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

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

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

Source: Municipal Tax Collector and School Business Administrator.

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

2013			2004		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Mountainside Hospital	\$ 79,539,296	5.64%	Parkway of Glen Ridge	\$ 3,200,000	1.38%
Tap Property Management	10,560,000	0.75%	Glen Ridge Country Club	1,886,200	0.82%
Glen Ridge Country Club	8,091,000	0.57%	Verizon	1,500,000	0.65%
Glen Ridge Manor	5,310,000	0.38%	Glen Ridge Manor	1,400,000	0.60%
Ko & Ko Investments	4,715,000	0.33%	Montclair-Glen Ridge Med Arts	1,112,800	0.48%
Domus Augusta Fam, LP	4,548,100	0.32%	First Union National Bank	1,000,000	0.43%
Preservations Partners LLC	3,918,000	0.28%	Rey Associates	737,500	0.32%
Glenmont RR Crossing C/O Cary Heller	3,215,900	0.23%	Bay Street Realty Company	575,000	0.25%
Rey Associates	3,168,300	0.22%	Domus, A. Fam, L.P	548,800	0.24%
Individual Taxpayer #2	3,155,500	0.22%	Fleet Bank	447,600	0.19%
Total	\$ 126,221,096	8.95%		\$ 12,407,900	5.36%

N/A- Information Not Available

Note- A Revaluation was effective in 2008.

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2004	\$ 17,988,200	\$ 17,988,200	100.00%	-0-
2005	18,819,455	18,819,455	100.00%	-0-
2006	20,489,845	20,489,845	100.00%	-0-
2007	22,177,489	22,177,489	100.00%	-0-
2008	23,017,558	23,017,558	100.00%	-0-
2009	24,171,677	24,171,677	100.00%	-0-
2010	24,872,877	24,872,877	100.00%	-0-
2011	25,810,652	25,810,652	100.00%	-0-
2012	26,030,506	26,030,506	100.00%	-0-
2013	26,344,109	26,344,109	100.00%	-0-

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

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

Exhibit J-10

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases			
2005	\$ 9,442,000	\$ 62,813	\$ 9,504,813	3.27%	\$ 1,352.42
2006	8,922,000	47,987	8,969,987	3.00%	1,296.24
2007	8,387,000	33,897	8,420,897	2.62%	1,239.28
2008	7,837,000	16,603	7,853,603	2.35%	1,170.96
2009	7,272,000	-0-	7,272,000	2.12%	1,093.37
2010	6,860,000	261,136	7,121,136	2.19%	1,069.72
2011	6,220,000	228,381	6,448,381	1.69%	856.59
2012	5,555,000	117,521	5,672,521	1.42%	752.42
2013	5,065,000	26,396	5,091,396	1.27%	670.45

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

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

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

Source: School District Financial Reports.

Exhibit J-11

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2005	\$ 9,442,000	\$ -0-	\$ 9,442,000	4.044%	\$ 1,343.48
2006	8,922,000	-0-	8,922,000	3.826%	1,289.31
2007	8,387,000	-0-	8,387,000	3.584%	1,234.29
2008	7,837,000	-0-	7,837,000	3.340%	1,168.48
2009	7,272,000	-0-	7,272,000	0.504%	1,093.37
2010	6,860,000	-0-	6,860,000	0.449%	1,030.49
2011	6,220,000	-0-	6,220,000	0.437%	826.25
2012	5,555,000	-0-	5,555,000	0.391%	736.84
2013	5,065,000	-0-	5,065,000	0.359%	666.97

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

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

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

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

Source: School District Financial Reports.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2012
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Borough of Glen Ridge	\$ 5,681,139	100.00%	\$ 5,681,139
Essex County General Obligation Debt	328,290,324	1.82%	<u>5,984,148</u>
Subtotal, Overlapping Debt			11,665,287
Borough of Glen Ridge School District Direct Debt			<u>5,091,396</u>
Total Direct and Overlapping Debt			<u><u>\$ 16,756,683</u></u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2013

Year Ended December 31,	Equalized Valuation Basis
2010	\$ 1,498,659,014
2011	1,460,812,397
2012	1,462,603,237
	<u>\$ 4,422,074,648</u>
Average Equalized Valuation of Taxable Property	<u>\$ 1,474,024,883</u>
Debt Limit (4% of Average Equalization Value)	58,960,995 ^a
Net Bonded School Debt	<u>5,065,000</u>
Legal Debt Margin	<u>\$ 53,895,995</u>

	Fiscal Year				
	2004	2005	2006	2007	2008
Debt Limit	\$ 36,420,676	\$ 41,734,692	\$ 46,864,064	\$ 51,559,569	\$ 56,182,966
Total Net Debt Applicable to Limit	<u>9,937,000</u>	<u>9,442,000</u>	<u>8,922,000</u>	<u>8,387,000</u>	<u>7,837,000</u>
Legal Debt Margin	<u>\$ 26,483,676</u>	<u>\$ 32,292,692</u>	<u>\$ 37,942,064</u>	<u>\$ 43,172,569</u>	<u>\$ 48,345,966</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	27.28%	22.62%	19.04%	16.27%	13.95%

	Fiscal Year				
	2009	2010	2011	2012	2013
Debt Limit	\$ 60,105,061	\$ 62,281,033	\$ 60,875,824	\$ 60,371,202	\$ 58,960,995
Total Net Debt Applicable to Limit	<u>7,272,000</u>	<u>6,860,000</u>	<u>6,220,000</u>	<u>5,555,000</u>	<u>5,065,000</u>
Legal Debt Margin	<u>\$ 52,833,061</u>	<u>\$ 55,421,033</u>	<u>\$ 54,655,824</u>	<u>\$ 54,816,202</u>	<u>\$ 53,895,995</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	12.10%	11.01%	10.22%	9.20%	8.59%

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

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

Exhibit J-14

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

Year	Population ^a	Personal Income ^b	Essex County Per Capita Personal Income ^c	Unemployment Rate ^d
2004	7,028	\$ 291,078,676	\$ 41,417	3.30%
2005	6,920	299,158,520	43,231	3.20%
2006	6,795	321,335,550	47,290	3.00%
2007	6,707	334,343,950	49,850	2.70%
2008	6,651	343,623,915	51,665	3.30%
2009	6,657	325,533,957	48,901	6.70%
2010	7,528	382,354,648	50,791	6.80%
2011	7,539	399,235,284	52,956	6.50%
2012	7,594	402,147,864	52,956 **	6.70%
2013	7,594 *	402,147,864 ***	52,956 **	N/A

N/A - Not Available

* - Latest Essex County population available (2012) was used for calculation purposes.

** - Latest Essex County per capita personal income available (2011) was used for calculation purposes.

*** - Latest personal income data available (2012) was used for calculation purposes.

Source:

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

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

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

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

Exhibit J-15

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

2012			2003		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
St. Barnabus Health Care System	23,000	6.93%			
Verizon	17,100	5.15%			
Prudential Ins. Co. of America	16,850	5.08%			
University of Medicine & Dentistry of NJ	15,500	4.67%			
Continental Airlines	11,000	3.31%			
Newark Board of Education	7,050	2.12%			
Automatic Data Processing	5,649	1.70%			
New Jersey Transit	4,000	1.21%			
Essex County	3,900	1.18%			
City of Newark	4,000	1.21%			
	<u>108,049</u>	<u>331,862</u>			

INFORMATION IS NOT AVAILABLE

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

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Instruction:									
Regular	119.8	121.4	121.4	128.0	134.2	133.2	133.1	136.3	134.7
Special Education	26.4	27.1	27.1	26.0	27.8	28.5	32.2	40.5	44.4
Other Special Instruction	12.4	12.4	12.4	8.7	9.4	9.4	6.5	6.0	6.5
Support Services:									
Student & Instruction Related Services	20.0	20.0	20.0	21.8	24.8	24.8	24.8	23.8	26.3
General Administrative Services	3.1	3.1	3.1	3.1	3.1	3.1	2.1	2.1	2.1
School Administrative Services	13.0	13.0	13.0	14.0	14.0	14.0	12.0	13.0	12.0
Central Services	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Plant Operations and Maintenance	19.4	18.2	18.2	18.2	19.2	18.2	17.2	17.2	17.7
Pupil Transportation	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Child Care	11.8	11.8	11.8	15.0	13.6	14.0	14.0	6.5	8.7
Total	<u>232.6</u>	<u>233.7</u>	<u>233.7</u>	<u>241.5</u>	<u>252.8</u>	<u>251.9</u>	<u>248.6</u>	<u>252.1</u>	<u>259.1</u>

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

Source: District Personnel Records.

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Elementary/Middle	Middle/High School	Glen Ridge				
2004	1,768	\$ 19,533,095	\$ 11,048	N/A	132.9	18.4:1	18.0:1	12.5:1	11.2:1	1,761	1,691	2.62%	96.02%
2005	1,778	21,307,612	11,984	8.47%	134.5	15.2:1	16.3:1	13.3:1	11.5:1	1,767	1,704	0.34%	96.43%
2006	1,813	22,220,358	12,256	2.27%	135	14.2:1	16.7:1	13.4:1	12.0:1	1,804	1,742	2.09%	96.56%
2007	1,823	24,601,968	13,495	10.11%	141.3	16.0:1	15.7:1	13.1:1	11.1:1	1,825	1,760	1.16%	96.44%
2008	1,878	25,971,929	13,830	2.48%	143.3	14.7:1	17.0:1	13.6:1	11.4:1	1,875	1,800	2.74%	96.00%
2009	1,903	26,477,828	13,914	0.61%	147.8	16.0:1	15.9:1	12.3:1	11.7:1	1,905	1,816	1.60%	95.33%
2010	1,909	27,726,647	14,524	4.39%	147.9	14.8:1	15.4:1	12.4:1	12.1:1	1,926	1,841	1.10%	95.59%
2011	1,945	26,492,960	13,621	-6.22%	143.2	16.5:1	17.8:1	12.8:1	12.5:1	1,931	1,834	0.26%	94.98%
2012	1,945	28,111,113	14,453	6.11%	148.5	16.3:1	16.6:1	12.6:1	12.0:1	1,945	1,867	0.73%	95.99%
2013	1,963	30,185,889	15,377	6.40%	151.4	16.3:1	14.5:1	13.3:1	11.6:1	1,955	1,870	0.51%	95.65%

N/A - Not Available

a - Operating expenditures equal total expenditures less debt service and capital outlay.

b - Teaching staff includes only full-time equivalents of certificated staff.

c - Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

Note: Enrollment based on annual October District count.

Source: Borough of Glen Ridge School District records.

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

<u>District Building</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Forest Avenue School (1928)									
Square Feet	32,093	32,093	32,093	32,093	32,093	32,093	32,093	32,093	32,093
Capacity (students)	327	327	327	327	327	327	327	327	327
Enrollment	250	254	254	248	262	258	262	260	261
Linden Avenue School (1911)									
Square Feet	31,999	31,999	31,999	31,999	31,999	31,999	31,999	31,999	31,999
Capacity (students)	333	333	333	333	333	333	333	333	333
Enrollment	285	284	284	287	292	284	274	280	268
Ridgewood Avenue School (1928)									
Square Feet	102,436	102,436	102,436	102,436	102,436	102,436	102,436	102,436	102,436
Capacity (students)	582	582	582	582	582	582	582	582	582
Enrollment	540	544	544	597	567	568	569	571	592
Glen Ridge High School (1968)									
Square Feet	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000
Capacity (students)	842	842	842	842	842	842	842	842	842
Enrollment	692	722	722	746	782	799	840	839	838
Board Office (2000)									
Square Feet	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510
Number of Schools at June 30, 2013									
Elementary (Grades Pre-K-2) = 2									
Elementary/Middle School (Grades 3-6) = 1									
Middle/High School (Grades 7-12) = 1									
Other (Board Office) = 1									

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

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

Source: Borough of Glen Ridge School District Facilities Office.

Exhibit J-19

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

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

<u>School Facilities*</u>	<u>Project # (s)</u>	<u>Fiscal Year Ended June 30,</u>				
		<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Glen Ridge High School	N/A	\$ 239,786	\$ 213,985	\$ 195,541	\$ 216,680	\$ 270,682
Forest Avenue School	N/A	127,098	109,817	146,606	109,412	105,892
Ridgewood Avenue School	N/A	194,386	252,339	246,550	303,620	337,573
Linden Avenue School	N/A	104,676	156,277	103,623	138,086	100,201
Total School Facilities		<u>665,946</u>	<u>732,418</u>	<u>692,320</u>	<u>767,798</u>	<u>814,348</u>
Board Office				6,985	6,684	11,998
Grand Total		<u>\$ 665,946</u>	<u>\$ 732,418</u>	<u>\$ 699,305</u>	<u>\$ 774,482</u>	<u>\$ 826,346</u>

<u>School Facilities*</u>	<u>Project # (s)</u>	<u>Fiscal Year Ended June 30,</u>				
		<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Glen Ridge High School	N/A	\$ 233,931	\$ 227,818	\$ 177,016	\$ 206,582	\$ 192,554
Forest Avenue School	N/A	86,473	109,220	81,474	96,010	90,171
Ridgewood Avenue School	N/A	205,930	223,396	153,659	237,079	210,828
Linden Avenue School	N/A	75,147	105,353	75,410	124,767	125,485
Total School Facilities		<u>601,481</u>	<u>665,787</u>	<u>487,559</u>	<u>664,438</u>	<u>619,038</u>
Board Office		12,856	9,452	4,403	14,215	4,461
Grand Total		<u>\$ 614,337</u>	<u>\$ 675,239</u>	<u>\$ 491,962</u>	<u>\$ 678,653</u>	<u>\$ 623,499</u>

N/A - Not Applicable.

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

Source: Glen Ridge Board of Education records.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2013
UNAUDITED

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

Source: Glen Ridge Board of Education records.

SINGLE AUDIT SECTION



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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Borough of Glen Ridge, in the County of Essex (the "District") as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 22, 2013.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Mount Arlington, New Jersey
November 22, 2013

NISIVOCCIA LLP



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



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

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

We have audited the Board of Education of the Borough of Glen Ridge's (the "District's") compliance with the types of compliance requirements described in the the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on the District's major state programs for the fiscal year ended June 30, 2013. The District's major state program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the District's major state program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey's OMB 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's OMB 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 state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion the District complied, in all material aspects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state program for the fiscal year ended June 30, 2013.

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

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on the major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJOMB 04-04, 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 District's internal control over compliance.

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

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

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

Mount Arlington, New Jersey
November 22, 2013

NISIVOCCIA LLP



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

**BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Federal Grantor/Pass Through Grantor Program or Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2012		Cash Received	Budgetary Expenditures	Paid to Grantor	Balance at June 30, 2013	
					Budgetary Accounts Receivable	Budgetary Unearned Revenue				Budgetary Accounts Receivable	Budgetary Unearned Revenue
General Fund:											
New Jersey Department of Education:											
Education Jobs Fund	84.410A	N/A	8/1/10-9/30/12	\$ 41,527	\$ (41,527)		\$ 41,527				
Total General Fund					(41,527)		41,527				
Special Revenue Fund:											
U.S. Department of Education Passed-through State Department of Education:											
No Child Left Behind Consolidated Grant:											
Title II, Part A	84.367A	NCLB175012	9/1/12-8/31/13	21,605			17,944	\$ (21,605)		\$ (3,661)	
Title II, Part A	84.367A	NCLB175011	9/1/11-8/31/12	22,373	(22,373)		22,373				
No Child Left Behind Consolidated Grant Subtotal					(22,373)		40,317	(21,605)		(3,661)	
Special Education Cluster:											
I.D.E.A. Part B, Basic	84.027	IDEA175013	9/1/12-8/31/13	339,497			339,497	(339,497)			
I.D.E.A. Part B, Basic	84.027	IDEA175012	9/1/11-8/31/12	335,000	(2,000)		2,000				
I.D.E.A. Part B, Preschool	84.173	IDEA175013	9/1/12-8/31/13	12,256			12,256	(12,256)			
I.D.E.A. Part B, Preschool	84.173	IDEA175012	9/1/11-8/31/12	12,197	(12,197)		12,197				
Special Education Cluster Subtotal					(14,197)		365,950	(351,753)			
Total U.S. Department of Education					(36,570)		406,267	(373,358)		(3,661)	
Total Special Revenue Fund					(36,570)		406,267	(373,358)		(3,661)	
Total Federal Awards					\$ (78,097)	\$ -0-	\$ 447,794	\$(373,358)	\$ -0-	\$ (3,661)	\$ -0-

N/A- Not Applicable/Available

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

**BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2012		Cash Received	Budgetary Expenditures	Cancellation of Prior Year's Receivables	Balance at June 30, 2013		MEMO	
				Budgetary Accounts Receivable	Budgetary Unearned Revenue				GAAP Accounts Receivable	Budgetary Accounts Receivable	Cumulative Total Expenditures	
<u>New Jersey Department of Education:</u>												
<u>General Fund:</u>												
Extraordinary Special Education Costs Aid	12-100-034-5120-473	7/1/11-6/30/12	60,903	\$ (60,903)		\$ 60,903					\$	60,903
Categorical Special Education Aid	12-495-034-5120-089	7/1/11-6/30/12	536,094	(48,941)		48,941						536,094
Nonpublic School Transportation Costs	12-495-034-5120-014	7/1/11-6/30/12	8,526	(8,526)		8,526						8,526
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	7/1/11-6/30/12	989,433	(49,400)		49,400						989,433
Extraordinary Special Education Costs Aid	13-100-034-5120-473	7/1/12-6/30/13	78,487				\$ (78,487)		\$ (78,487)	\$ (78,487)		78,487
Categorical Special Education Aid	13-495-034-5120-089	7/1/12-6/30/13	720,471			656,320	(720,471)			(64,151)		720,471
Nonpublic School Transportation Costs	13-495-034-5120-014	7/1/12-6/30/13	7,482				(7,482)		(7,482)	(7,482)		7,482
Reimbursed TPAF Social Security Contributions	13-495-034-5095-002	7/1/12-6/30/13	998,678			898,457	(998,678)		(100,221)	(100,221)		998,678
Total General Fund State Aid				(167,770)		1,722,547	(1,805,118)		(186,190)	(250,341)		3,400,074
<u>Schools Development Authority:</u>												
<u>Capital Projects Fund:</u>												
School Development Authority Financing Act:												
High School Windows	1750-050-09-1001	7/1/09-6/30/13	222,178	(222,178)							(222,178)	
Total Capital Projects Fund				(222,178)							(222,178)	
Total State Awards				\$ (389,948)	\$ -0-	\$ 1,722,547	\$ (1,805,118)	\$ -0-	\$ (186,190)	\$ (472,519)		\$ 3,400,074

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Borough of Glen Ridge School District under programs of the federal and state governments for the fiscal year ended June 30, 2013. The information in these schedules is presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States and Local Governments and Non-Profit Organizations* and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(15,210) for the general fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Additionally, the schedule of expenditures of state awards does not include on-behalf TPAF Pension Contributions and Post Retirement Contributions revenue of \$830,938 and \$939,581 respectively. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 3,560,427	\$ 3,560,427
Special Revenue Fund	\$ 373,358		373,358
Total Financial Assistance	<u>\$ 373,358</u>	<u>\$3,560,427</u>	<u>\$ 3,933,785</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Continued)

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2013.

NOTE 6. NJ SCHOOL DEVELOPMENT AUTHORITY (SDA) GRANT

The District has an active grant awarded in the amount of \$222,178 from the School Development Authority (SDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2013, \$0- been drawn down and the District has a \$222,178 receivable on the budgetary basis. The District realizes grants receivable on the GAAP basis as they are expended and submitted for reimbursement.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Summary of Auditors' Results:

- The Independent Auditor's Report expresses an unmodified report was issued on the District's financial statements.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- The audit did not disclose any material weaknesses or significant deficiencies in the internal controls of the District's major state program.
- An unmodified report was issued on the District's compliance for its major state program.
- The audit did not disclose any audit findings which are required to be reported in accordance with Federal OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.
- The District was not subject to the single audit provisions of Federal OMB Circular A-133 for fiscal year end June 30, 2013 as federal grant expenditures were less than the single audit threshold of \$500,000 identified in the Circular.
- The District's state program tested as a major state program for the current fiscal year consisted of the following:

<u>State:</u>	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
Categorical Special Education Aid	13-495-034-5120-089	7/1/12-6/30/13	720,471	\$ 720,471

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

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

- The audit did not disclose any finding or questioned costs for state awards as defined in section 510(a) of the federal circular and NJ OMB 04-04.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

Status of Prior Year Findings:

The District had no prior year audit findings.