

GLEN ROCK PUBLIC SCHOOLS
Glen Rock, New Jersey

*COMPREHENSIVE ANNUAL
FINANCIAL REPORT*

*FOR THE FISCAL YEAR ENDED
JUNE 30, 2015*



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Glen Rock Public Schools

Glen Rock, New Jersey

For The Fiscal Year Ended June 30, 2015

Prepared by

Business Office

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INTRODUCTORY SECTION

GLEN ROCK PUBLIC SCHOOLS

Michael Rinderknecht
School Business Administrator/
Board Secretary



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Glen Rock, NJ 07452-2398
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Fax (201) 389-5019

December 17, 2015

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

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and required supplementary information, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, as amended, and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations"; and New Jersey OMB Circular Letter 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", and are not a required part of the basic financial statements. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, are included in the single audit section of this report.

GLEN ROCK IS AN EQUAL OPPORTUNITY EMPLOYER

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

The school district provides a full range of educational services to grade levels K through 12 for the students residing in the Borough of Glen Rock. These include regular as well as special education for special needs students. The District completed the 2014-2015 fiscal year with an enrollment of 2,440 resident students, which is 14 more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-15	2,440	.57%
2013-14	2,426	1.04%
2012-13	2,401	(0%)
2011-12	2,401	(1%)
2010-11	2,439	(2.00%)
2009-10	2,482	(3.50%)
2008-09	2,570	3.00%
2007-08	2,516	.01%
2006-07	2,511	1.00%
2005-06	2,498	3.00%

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

3. MAJOR INITIATIVES: The Glen Rock Public School system is comprised of six schools serving a population of approximately 2,440 resident students in grades Pre-K to 12. The original Ridgewood-Grove School, which still stands as part of a private residence, has been replaced by four elementary schools - Richard E. Byrd, Central, Clara E. Coleman and Alexander Hamilton - plus Glen Rock Middle School and Glen Rock High School.

During the 2015-16 school year the district implemented a Full Day Kindergarten, revamped the Basic Skills program and updated specific curricula during summer months. The Office of Curriculum and Instruction oversees the development of all curriculum and instructional programs. Partnerships for dual enrollment, where high school students can earn college credit, exist with Bergen Community College, Syracuse University, and Fairleigh Dickinson University, and Seton Hall University: Project Acceleration. An elementary/middle level Gifted and Talented Program provides eligible students with acceleration and enrichment learning opportunities. Academics are balanced with a nationally recognized arts program, as well as highly competitive athletic programs and a broad spectrum of extracurricular activities.

Plans are underway for a one to one technology initiative for the 2016- 2017 school year; teachers are engaging in robust professional development aimed at readiness for a high school one to one laptop initiative.

Central Office initiatives include the implementation of the AESOP system to track employee attendance and the ALIO system is in use to assist budget management. A robust GR Professional Development Academy will continue to develop training programs aimed at the development of a highly skilled office workforce.

Facility initiatives include infrastructure upgrades and enhancements to ready our aging facilities for greater use of technology. Renovations of the existing softball field located at Coleman School are nearing completion for this school year. Newly installed stadium field lights have expanded the use of and provided greatly scheduling flexibility for our middle and high school athletic programs.

Glen Rock continues to distinguish itself as a premier educational institution in Bergen County, the state, and the nation.

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

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

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

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

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

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

7. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Notes 1 and 2. The District has adopted a cash management plan which requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where funds are secured in accordance with the Act.

8. RISK MANAGEMENT: The Board carries various forms of insurance including, but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

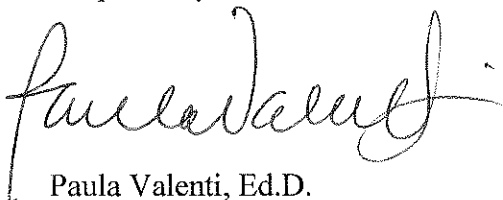
9. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP was appointed by Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act as amended, the Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA), USOMB Circular A-133, New Jersey and OMB Circular Letter 15-08. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

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

Respectfully submitted,



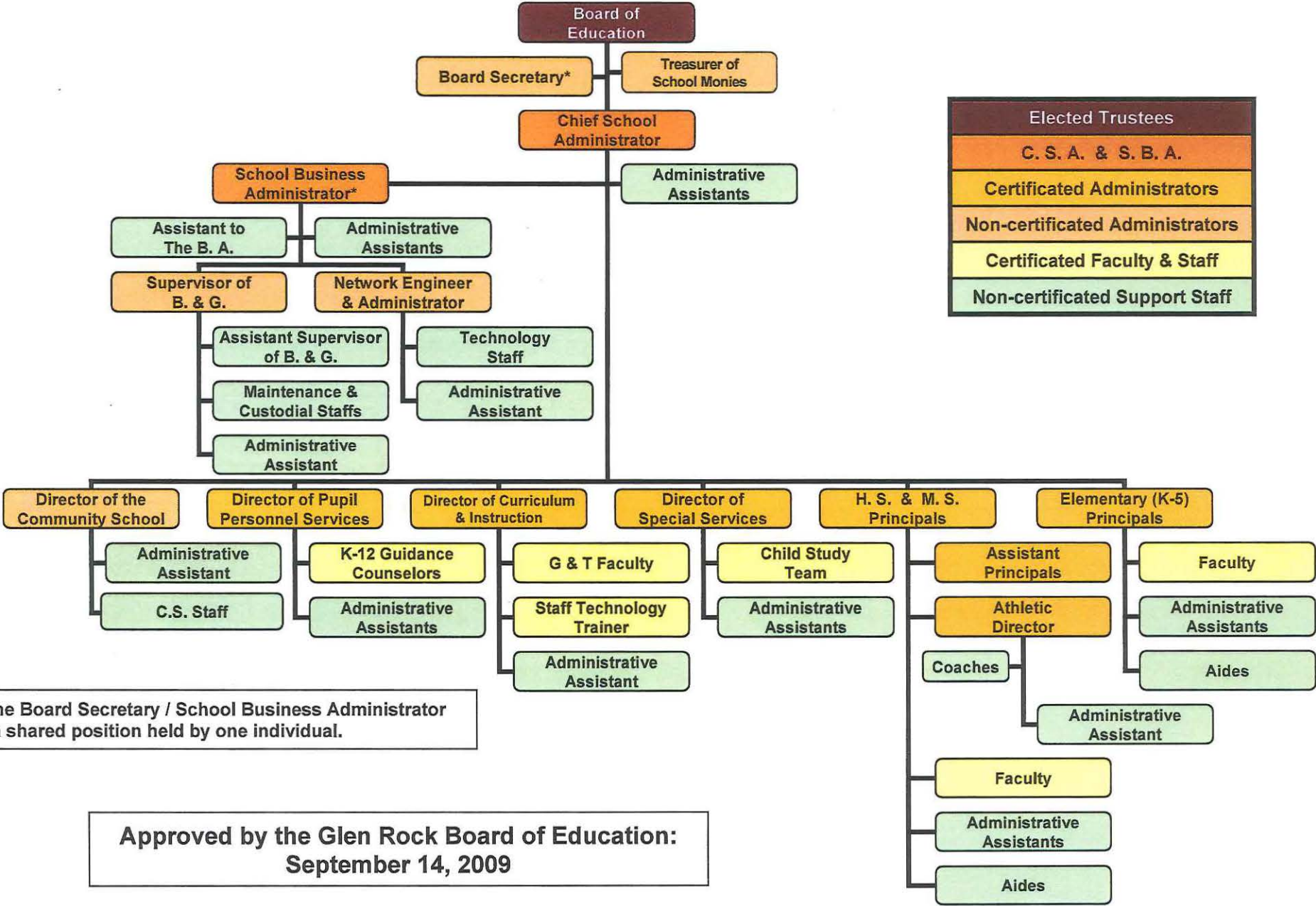
Paula Valenti, Ed.D.
Chief School Administrator



Michael Rinderknecht
School Business Administrator/
Board Secretary

GLEN ROCK PUBLIC SCHOOLS DISTRICT ORGANIZATIONAL CHART

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



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

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

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

**Roster of Officials
2015**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Ms. Rona McNabola, President	2017
Mr. Sanjiv Ohri, Vice President	2016
Ms. Randi Blumberg	2017
Mr. Gene Calderon	2015
Ms. Elizabeth Carr	2015
Mr. Carlo Cella, III	2016
Mr. Sheldon Hirschberg	2016
Ms. Robin Rubinstein, Vice President	2017
Ms. Barbara Steuert	2015

Other Officials

Paula Valenti, Ed.D. Superintendent of Schools

Michael Rinderknecht, Business Administrator/Board Secretary

Kelly Ippolito, Treasurer of School Monies

GLEN ROCK PUBLIC SCHOOLS

Consultants & Advisors

June 30, 2015

District Auditor

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

Attorney

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

Official Depositories

Bank of America
208 Harristown Road
Glen Rock, NJ 07452

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLosi, CPA
KATHLEEN WANG, CPA
ROBERT AMPONSAH, CPA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Glen Rock Public Schools
Glen Rock, 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 Glen Rock Public Schools, as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education'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.

Auditor's 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 the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 entity'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 entity'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.

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 Glen Rock Public Schools as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2015, the Glen Rock Public Schools adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Glen Rock Public Schools' basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Glen Rock Public Schools.

The combining fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 combining fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

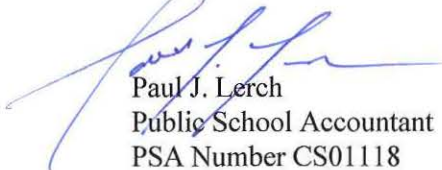
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 17, 2015 on our consideration of the Glen Rock Public Schools' 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 Glen Rock Public Schools' internal control over financial reporting and compliance.



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



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
December 17, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

This discussion and analysis of the Glen Rock Public School's financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2015. The intent of this is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and the notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2015 are as follows:

- District-Wide - Overall revenues were \$56,611,286. General revenues accounted for \$44,106,566 or 78 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$12,504,720 or 22 percent of total revenues of \$56,611,286.
- District-Wide - The School District had \$56,985,210 in expenses; only \$12,504,720 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$44,106,566 were adequate to provide for these programs.
- Fund Financials - As of the close of the current fiscal year, the Glen Rock Public School's governmental funds reported combined ending fund balances of \$5,653,074, a decrease of \$475,945 in comparison with the prior year.
- Fund Financials - At the end of June 30, 2015, unassigned fund balance for the General Fund was \$604,866, an increase of \$16,218 in comparison with the prior year.

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

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

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

	District-Wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Fund Net Position and Statement of Cash Flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset, deferred outflows/inflows of resources and liability information	All assets, deferred outflows/inflows of resources 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, deferred outflow/inflows of resources and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

District-wide Statements

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

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

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

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

District-wide Statements (Continued)

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

Governmental funds. The District's basic services are included in the governmental funds, which generally focus on near-term inflows and outflows of spendable resources and the balances of spendable resources at year-end. Consequently, the governmental fund statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide a reconciliation at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances to facilitate this comparison between governmental funds and governmental activities.

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

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

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

Fund Financial Statements (Continued)

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

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

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

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

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

Table A-2 provides a summary of the school district's net position for fiscal years 2015 and 2014. For 2015 and 2014 net position were \$7,241,213 and \$7,627,921, respectively.

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

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

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

Table A-2
Statement of Net Position
As of June 30, 2015 and 2014

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u> Restated	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u> Restated
Current and Other Assets	\$ 6,251,849	\$ 6,821,606	\$ 980,410	\$ 1,212,345	\$ 7,232,259	\$ 8,033,951
Capital Assets	<u>53,734,235</u>	<u>54,592,349</u>	<u>21,776</u>	<u>12,780</u>	<u>53,756,011</u>	<u>54,605,129</u>
Total Assets	<u>59,986,084</u>	<u>61,413,955</u>	<u>1,002,186</u>	<u>1,225,125</u>	<u>60,988,270</u>	<u>62,639,080</u>
Deferred Amounts on Net Pension Liability	<u>280,064</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>280,064</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>60,266,148</u>	<u>61,413,955</u>	<u>1,002,186</u>	<u>1,225,125</u>	<u>61,268,334</u>	<u>62,639,080</u>
Current Liabilities	1,135,041	1,243,842	449,808	433,631	1,584,849	1,677,473
Non-Current Liabilities	<u>51,795,337</u>	<u>53,333,686</u>	<u>-</u>	<u>-</u>	<u>51,795,337</u>	<u>53,333,686</u>
Total Liabilities	<u>52,930,378</u>	<u>54,577,528</u>	<u>449,808</u>	<u>433,631</u>	<u>53,380,186</u>	<u>55,011,159</u>
Deferred Amounts on Net Pension Liability	<u>647,235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>647,235</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>53,577,613</u>	<u>54,577,528</u>	<u>449,808</u>	<u>433,631</u>	<u>54,027,421</u>	<u>55,011,159</u>
Net Position:						
Net Investment in Capital Assets	12,097,377	11,869,829	21,776	12,780	12,119,153	11,882,609
Restricted	2,110,708	2,327,742			2,110,708	2,327,742
Unrestricted	<u>(7,519,250)</u>	<u>(7,361,144)</u>	<u>530,602</u>	<u>778,714</u>	<u>(6,988,648)</u>	<u>(6,582,430)</u>
Total Net Position	<u>\$ 6,688,835</u>	<u>\$ 6,836,427</u>	<u>\$ 552,378</u>	<u>\$ 791,494</u>	<u>\$ 7,241,213</u>	<u>\$ 7,627,921</u>

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

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

Governmental activities. Governmental activities decreased the District's net position by \$147,592. Key elements of this increase are as follows:

**Table A-3
Changes in Net Position
For the Fiscal Years Ended June 30, 2015 and 2014**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program Revenues						
Charges for Services	\$ 32,088	\$ 35,668	\$ 2,117,574	\$ 1,957,838	\$ 2,149,662	\$ 1,993,506
Operating Grants and Contributions	10,351,346	6,169,032			10,351,346	6,169,032
Capital Grants and Contributions	3,712	25,000			3,712	25,000
General Revenues						
Property Taxes	43,033,701	42,675,286			43,033,701	42,675,286
Other	1,072,773	383,120	92	45	1,072,865	383,165
Total Revenues	<u>54,493,620</u>	<u>49,288,106</u>	<u>2,117,666</u>	<u>1,957,883</u>	<u>56,611,286</u>	<u>51,245,989</u>
Expenses						
Instruction						
Regular	22,802,265	19,560,882			22,802,265	19,560,882
Special Education	7,081,367	6,359,075			7,081,367	6,359,075
Other Instruction	711,206	603,338			711,206	603,338
School Sponsored Activities and Ath.	1,223,345	1,092,729			1,223,345	1,092,729
Support Services						
Student and Instruction Related Serv.	7,770,425	7,124,795			7,770,425	7,124,795
Educational Media/School Library	1,130,931	945,838			1,130,931	945,838
General Administrative Services	1,156,223	1,034,115			1,156,223	1,034,115
School Administrative Services	4,003,034	3,485,098			4,003,034	3,485,098
Plant Operations and Maintenance	4,813,339	4,907,607			4,813,339	4,907,607
Pupil Transportation	894,179	905,266			894,179	905,266
Central Services	1,451,301	1,479,608			1,451,301	1,479,608
Food Service			486,218	512,705	486,218	512,705
Community School			1,557,780	1,346,609	1,557,780	1,346,609
Interest on Long-Term Debt	1,903,597	1,942,558	-	-	1,903,597	1,942,558
Total Expenses	<u>54,941,212</u>	<u>49,440,909</u>	<u>2,043,998</u>	<u>1,859,314</u>	<u>56,985,210</u>	<u>51,300,223</u>
Change in Net Position	(447,592)	(152,803)	73,668	98,569	(373,924)	(54,234)
Transfers	300,000		(300,000)		-	
Loss of Disposal of Assets			(12,784)		(12,784)	
Net Position, Beginning of Year	6,836,427	16,227,710	791,494	692,925	7,627,921	16,920,635
Prior Period Adjustment	-	(9,238,480)	-	-	-	(9,238,480)
Net Position, End of Year	<u>\$ 6,688,835</u>	<u>\$ 6,836,427</u>	<u>\$ 552,378</u>	<u>\$ 791,494</u>	<u>\$ 7,241,213</u>	<u>\$ 7,627,921</u>

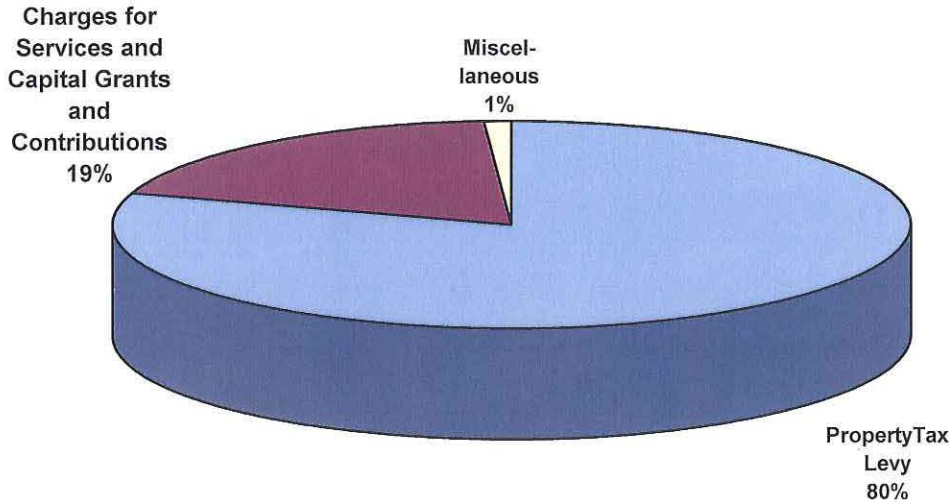
**GLEN ROCK PUBLIC SCHOOLS
GLEN ROCK, NEW JERSEY**

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

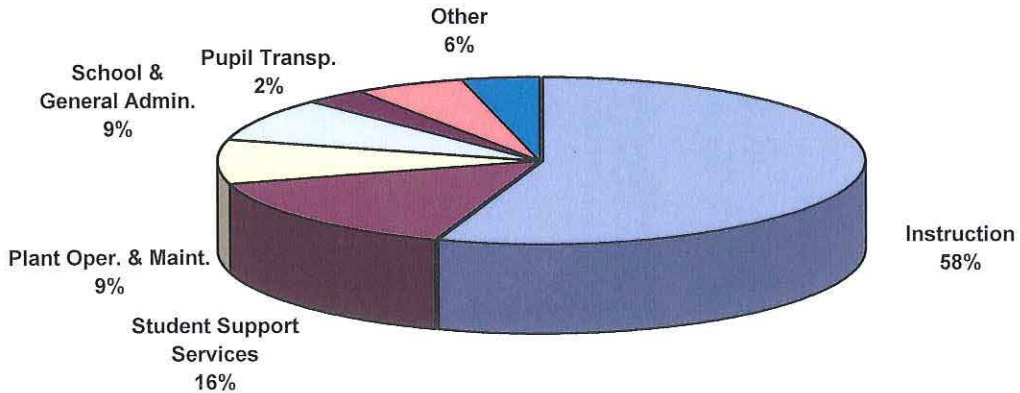
Governmental activities. The District's total governmental activities revenues and transfers were \$54,793,620. The local share of the revenues, that included property taxes, interest, unrestricted state aid, miscellaneous revenue and transfers, amounted to \$44,406,474 or 81% of total revenues. Funding from state, federal sources charges for services and capital grants and contributions amounted to \$10,387,146 or 19%. (See Table A-3)

The District's total governmental expenses were \$54,941,212 which are predominantly related to instruction and support services. Instruction totaled \$31,818,183 (58%), student support services totaled \$21,219,432 (39%) and interest on long-term debt total \$1,903,597 (3%) of total expenses. (See Table A-3.)

Revenues by Source- Governmental Activities
For Fiscal Year 2015



Expenses by Type- Governmental Activities
For Fiscal Year 2015



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

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

**Table A-4
Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2015 and 2014**

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Governmental Activities				
Instruction				
Regular	\$ 22,802,265	\$ 19,560,882	\$ 18,164,170	\$ 17,611,383
Special Education	7,081,367	6,359,075	4,302,642	4,143,070
Other Instruction	711,206	603,338	484,371	467,113
School Sponsored Activities and Athletics	1,223,345	1,092,729	998,731	998,935
Student and Instruction Related Svcs.	7,770,425	7,124,795	6,555,989	6,539,805
Educational Media/School Library	1,130,931	945,838	899,290	852,213
General Administrative Services	1,156,223	1,034,115	999,258	975,548
School Administrative Services	4,003,034	3,485,098	3,146,408	3,126,278
Plant Operations and Maintenance	4,813,339	4,907,607	4,777,991	4,873,713
Pupil Transportation	894,179	905,266	870,318	880,694
Central Services	1,451,301	1,479,608	1,451,301	1,479,608
Interest on Long-Term Debt	<u>1,903,597</u>	<u>1,942,558</u>	<u>1,903,597</u>	<u>1,262,849</u>
Total Governmental Activities	<u>\$ 54,941,212</u>	<u>\$ 49,440,909</u>	<u>\$ 44,554,066</u>	<u>\$ 43,211,209</u>

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2015 was \$2,043,998. These costs were funded by charges for services (Detailed on Table A-3). The operations resulted in an increase in net position before transfers and loss on disposal of assets of \$73,668.

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

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

Business-Type Activities (Continued)

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

Food Service Program

- Food service expenditures exceeded revenues by \$31,350.
- Charges for services represent 100% percent of revenue.
- Revenues include lunches and ala carte meals paid for by the students and District staff.

Community School – Before and After Child Care

- Community School revenues exceeded expenses by \$105,018.
- Charges for services represent 100 percent of revenue.
- Revenues include tuition for Community School classes and child care programs.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

As the District completed the 2014-2015 year, its governmental funds reported a combined fund balance of \$5,653,074. In 2013-2014 the fund balance was \$6,129,019.

The District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$50,232,671 and expenditures were \$51,008,616.

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

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

The District's Funds (Continued)

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the governmental fund revenues for the fiscal years ended June 30, 2015 and 2014.

	Fiscal Year Ended <u>June 30, 2015</u>	Fiscal Year Ended <u>June 30, 2014</u>	Amount of Increase <u>(Decrease)</u>	Percent Increase <u>(Decrease)</u>
Local Sources	\$ 43,420,884	\$ 43,096,955	\$ 323,929	0.75%
State Sources	6,244,849	5,619,280	625,569	11.13%
Federal Sources	<u>566,938</u>	<u>546,871</u>	<u>20,067</u>	3.67%
 Total Revenues	 <u>\$ 50,232,671</u>	 <u>\$ 49,263,106</u>	 <u>\$ 969,565</u>	 2.0%

The following schedule represents a summary of general fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal year ended June 30, 2015 and 2014.

	Fiscal Year Ended <u>June 30, 2015</u>	Fiscal Year Ended <u>June 30, 2014</u>	Amount of Increase <u>(Decrease)</u>	Percent Increase <u>(Decrease)</u>
Instruction	\$ 27,041,331	\$ 25,907,682	\$ 1,133,649	4.38%
Support Services and Undistributed	19,117,222	18,975,325	141,897	0.75%
Capital Outlay	1,636,477	1,793,363	(156,886)	-8.75%
Debt Service				
Principal	1,295,000	1,371,812	(76,812)	-5.60%
Interest	<u>1,918,586</u>	<u>1,973,287</u>	<u>(54,701)</u>	-2.77%
 Total Expenditures	 <u>\$ 51,008,616</u>	 <u>\$ 50,021,469</u>	 <u>\$ 987,147</u>	 2.0%

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

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

General Fund Budgetary Highlights

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

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

Capital Assets. The Glen Rock Public School's investment in capital assets for its governmental and business type activities as of June 30, 2015 amounts to \$53,756,011 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and building improvements, and machinery and equipment.

**Table A-5
Capital Assets
(net of accumulated depreciation) at June 30, 2015 and 2014**

	Total	
	2015	2014
Land	\$ 12,022	\$ 12,022
Construction In Progress	1,415,693	49,836
Land Improvements	3,687,419	3,687,419
Buildings and Building Improvements	64,137,132	63,927,794
Machinery and Equipment	3,880,248	3,866,576
 Total	 73,132,514	 71,543,647
 Less: Accumulated Depreciation	 19,376,503	 16,938,518
 Total	 \$ 53,756,011	 \$ 54,605,129

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

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

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

Debt Administration. As of June 30, 2015 the school district had long-term debt and outstanding long-term liabilities in the amount of \$51,795,337 as stated in Table A-6.

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

	<u>2015</u>	<u>2014</u> Restated
Serial Bonds	\$ 41,712,000	\$ 43,007,000
Net Pension Liability	8,915,916	9,238,480
Compensated Absences Payable	<u>1,167,421</u>	<u>1,088,206</u>
 Total	 <u>\$ 51,795,337</u>	 <u>\$ 53,333,686</u>

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

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

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

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

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

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

FOR THE FUTURE

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

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

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

**GLEN ROCK PUBLIC SCHOOLS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 4,556,309	\$ 2,363,952	\$ 6,920,261
Receivables, net	309,519		309,519
Internal Balances	1,386,021	(1,386,021)	-
Inventory		2,479	2,479
Capital Assets, net			
Not Being Depreciated	1,427,715		1,427,715
Being Depreciated	<u>52,306,520</u>	<u>21,776</u>	<u>52,328,296</u>
Total Assets	<u>59,986,084</u>	<u>1,002,186</u>	<u>60,988,270</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>280,364</u>	<u>-</u>	<u>280,364</u>
Total Assets and Deferred Outflows of Resources	<u>60,266,448</u>	<u>1,002,186</u>	<u>61,268,634</u>
LIABILITIES			
Accounts Payable	559,382	10,256	569,638
Unearned Revenue	17,397	439,552	456,949
Accrued Interest Payable	536,266		536,266
Payable to Other Governments	21,996		21,996
Noncurrent Liabilities			
Due Within One Year	1,968,530		1,968,530
Due Beyond One Year	<u>49,826,807</u>	<u>-</u>	<u>49,826,807</u>
Total Liabilities	<u>52,930,378</u>	<u>449,808</u>	<u>53,380,186</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>647,235</u>	<u>-</u>	<u>647,235</u>
Total Liabilities and Deferred Inflows of Resources	<u>53,577,613</u>	<u>449,808</u>	<u>54,027,421</u>
NET POSITION			
Net Investment in Capital Assets	12,097,377	21,776	12,119,153
Restricted for			
Capital Projects	2,106,421		2,106,421
Debt Service	4,287		4,287
Unrestricted	<u>(7,519,250)</u>	<u>530,602</u>	<u>(6,988,648)</u>
Total Net Position	<u>\$ 6,688,835</u>	<u>\$ 552,378</u>	<u>\$ 7,241,213</u>

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

GLEN ROCK PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue 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	\$ 22,802,265	\$ 32,088	\$ 4,602,295	\$ 3,712	\$ (18,164,170)		\$ (18,164,170)
Special Education	7,081,367		2,778,725		(4,302,642)		(4,302,642)
Other Instruction	711,206		226,835		(484,371)		(484,371)
School Sponsored Activities and Athletics	1,223,345		224,614		(998,731)		(998,731)
Support Services							
Student and Instruction Related Services	7,770,425		1,214,436		(6,555,989)		(6,555,989)
Educational Media/School Library	1,130,931		231,641		(899,290)		(899,290)
General Administrative Services	1,156,223		156,965		(999,258)		(999,258)
School Administrative Services	4,003,034		856,626		(3,146,408)		(3,146,408)
Central Services	1,451,301		-		(1,451,301)		(1,451,301)
Plant Operations and Maintenance	4,813,339		35,348		(4,777,991)		(4,777,991)
Pupil Transportation	894,179		23,861		(870,318)		(870,318)
Interest on Long-Term Debt	1,903,597	-	-	-	(1,903,597)	-	(1,903,597)
Total Governmental Activities	54,941,212	32,088	10,351,346	3,712	(44,554,066)	-	(44,554,066)
Business-Type Activities							
Food Service	486,218	454,868				\$ (31,350)	(31,350)
Community School	1,557,780	1,662,706	-	-	-	104,926	104,926
Total Business-Type Activities	2,043,998	2,117,574	-	-	-	73,576	73,576
Total Primary Government	\$ 56,985,210	\$ 2,149,662	\$ 10,351,346	\$ 3,712	(44,554,066)	73,576	(44,480,490)
General Revenues							
Taxes:							
Property Taxes, Levied for General Purposes, Net					40,521,909		40,521,909
Taxes Levied for Debt Service					2,511,792		2,511,792
State Aid Restricted for Debt Service					682,918		682,918
Unrestricted State Aid					43,210		43,210
Transfers					300,000	(300,000)	-
Miscellaneous Income					346,645	92	346,737
Loss on Disposal of Assets					-	(12,784)	(12,784)
Total General Revenues and Transfers					44,406,474	(312,692)	44,093,782
Change in Net Position					(147,592)	(239,116)	(386,708)
Net Position, Beginning of Year (Restated)					6,836,427	791,494	7,627,921
Net Position, End of Year					\$ 6,688,835	\$ 552,378	\$ 7,241,213

FUND FINANCIAL STATEMENTS

**GLEN ROCK PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 3,476,873		\$ 1,076,788	\$ 2,648	\$ 4,556,309
Receivables from Other Governments	63,929	\$ 239,075			303,004
Receivables- Other		6,515			6,515
Due from Other Funds	1,581,237	-	-	1,639	1,582,876
	<u>1,581,237</u>	<u>-</u>	<u>-</u>	<u>1,639</u>	<u>1,582,876</u>
Total Assets	<u>\$ 5,122,039</u>	<u>\$ 245,590</u>	<u>\$ 1,076,788</u>	<u>\$ 4,287</u>	<u>\$ 6,448,704</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 94,290	\$ 10,981	\$ 454,111		\$ 559,382
Due to Other Funds		195,216	1,639		196,855
Payable to State Government		21,996			21,996
Payable to Federal Government					-
Unearned Revenue	-	17,397	-	-	17,397
	<u>-</u>	<u>17,397</u>	<u>-</u>	<u>-</u>	<u>17,397</u>
Total Liabilities	<u>94,290</u>	<u>245,590</u>	<u>455,750</u>	<u>-</u>	<u>795,630</u>
Fund Balances					
Restricted:					
Excess Surplus- Designated for Subsequent Year's Expenditures	1,027,911				1,027,911
Excess Surplus	1,065,485				1,065,485
Capital Reserve	147,725				147,725
Capital Reserve- Designated for Subsequent Year's Expenditures	1,412,800				1,412,800
Emergency Reserve	406,000				406,000
Capital Projects			621,038		621,038
Debt Service				\$ 4,287	4,287
Assigned:					
Year-End Encumbrances	362,962				362,962
Unassigned:					
General Fund	604,866	-	-	-	604,866
	<u>604,866</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>604,866</u>
Total Fund Balances	<u>5,027,749</u>	<u>-</u>	<u>621,038</u>	<u>4,287</u>	<u>5,653,074</u>
Total Liabilities and Fund Balances	<u>\$ 5,122,039</u>	<u>\$ 245,590</u>	<u>\$ 1,076,788</u>	<u>\$ 4,287</u>	<u>\$ 6,448,704</u>

GLEN ROCK PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2015

Total Government Fund Balances \$ 5,653,074

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 \$72,987,184 and the accumulated depreciation is \$19,252,949 53,734,235

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred outflows of resources or deferred inflows of resources on the statement of net position and deferred over future years.

Deferred Outflows of Resources	\$ 280,364	
Deferred Inflows of Resources	<u>(647,235)</u>	(366,871)

The District has financed capital assets through the issuance of serial bonds, loans and long term-lease obligations. The interest accrual at year end is: (536,266)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

Bonds Payable	\$ (41,712,000)	
Net Pension Liability	(8,915,916)	
Compensated Absences	<u>(1,167,421)</u>	(51,795,337)

Net Position of Governmental Activities (Exhibit A-1) \$ 6,688,835

GLEN ROCK PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 40,521,909			\$ 2,511,792	\$ 43,033,701
Miscellaneous	377,094	\$ 8,450	\$ 1,639	-	387,183
Total - Local Sources	40,899,003	8,450	1,639	2,511,792	43,420,884
State Sources	5,375,413	186,518		682,918	6,244,849
Federal Sources	-	566,938	-	-	566,938
Total Revenues	46,274,416	761,906	1,639	3,194,710	50,232,671
EXPENDITURES					
Current					
Regular Instruction	19,034,180	8,450			19,042,630
Special Education Instruction	5,854,830	503,628			6,358,458
Other Instruction	508,886	91,837			600,723
School Sponsored Activities and Athletics	1,039,520				1,039,520
Support Services					
Student and Instructional Related Services	6,748,507	154,279			6,902,786
Educational Media/School Library	941,358				941,358
General Administrative Services	1,027,762				1,027,762
School Administrative Services	3,301,966				3,301,966
Plant Operations and Maintenance	4,700,478				4,700,478
Pupil Transportation	889,166				889,166
Central Services	1,353,706				1,353,706
Debt Service					
Principal				1,295,000	1,295,000
Interest and Other Charges	15,896			1,902,690	1,918,586
Capital Outlay	57,570	3,712	1,575,195	-	1,636,477
Total Expenditures	45,473,825	761,906	1,575,195	3,197,690	51,008,616
Excess (Deficiency) of Revenues Over/(Under) Expenditures	800,591	-	(1,573,556)	(2,980)	(775,945)
OTHER FINANCING SOURCES (USES)					
Transfers In	300,000		1,961,589	1,639	2,263,228
Transfers Out	(1,961,589)	-	(1,639)	-	(1,963,228)
Total Other Financing Sources and Uses	(1,661,589)	-	1,959,950	1,639	300,000
Net Change in Fund Balances	(860,998)	-	386,394	(1,341)	(475,945)
Fund Balance, Beginning of Year	5,888,747	-	234,644	5,628	6,129,019
Fund Balance, End of Year	\$ 5,027,749	\$ -	\$ 621,038	\$ 4,287	\$ 5,653,074

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

GLEN ROCK PUBLIC SCHOOLS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Total net change in fund balances - governmental funds (Exhibit B-2) **\$ (475,945)**

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

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

Capital Outlay	\$ 1,636,477	
Depreciation Expense	<u>(2,494,591)</u>	
		(858,114)

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

Increase Compensated Absences, Net	(79,215)	
Increase in Net Pension Expense	<u>(44,307)</u>	
		(123,522)

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

Reduction on Long-Term Debt		1,295,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

The details are as follows:

Decrease in Accrued Interest		<u>14,989</u>
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Change in net position of governmental activities (Exhibit A-2) **\$ (147,592)**

**GLEN ROCK PUBLIC SCHOOLS
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2015**

ASSETS	Food Service	Community School	Business-Type Activities Enterprise Fund Totals
Current Assets:			
Cash and Cash Equivalents	\$ 15,722	\$ 2,348,230	\$ 2,363,952
Inventory	<u>2,479</u>	<u>-</u>	<u>2,479</u>
Total Current Assets	<u>18,201</u>	<u>2,348,230</u>	<u>2,366,431</u>
Non-Current Assets			
Equipment	145,330		145,330
Less: Accumulated Depreciation	<u>(123,554)</u>	<u>-</u>	<u>(123,554)</u>
Total Non-Current Assets	<u>21,776</u>	<u>-</u>	<u>21,776</u>
Total Assets	<u>39,977</u>	<u>2,348,230</u>	<u>2,388,207</u>
LIABILITIES			
Current Liabilities			
Due to Other Funds		1,386,021	1,386,021
Accounts Payable	10,256		10,256
Unearned Revenue	<u>-</u>	<u>439,552</u>	<u>439,552</u>
Total Current Liabilities	<u>10,256</u>	<u>1,825,573</u>	<u>1,835,829</u>
NET POSITION			
Investment in Capital Assets	21,776		21,776
Unrestricted	<u>7,945</u>	<u>522,657</u>	<u>530,602</u>
Total Net Position	<u>\$ 29,721</u>	<u>\$ 522,657</u>	<u>\$ 552,378</u>

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

**GLEN ROCK PUBLIC SCHOOLS
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Food Service</u>	<u>Community School</u>	Business-Type Activities Enterprise Fund Totals
OPERATING REVENUES			
Tuition/Fees		\$ 1,662,706	\$ 1,662,706
Daily Sales	\$ 454,868	-	454,868
Total Operating Revenues	<u>454,868</u>	<u>1,662,706</u>	<u>2,117,574</u>
OPERATING EXPENSES			
Salaries, Benefits and Payroll Taxes	225,708	1,062,875	1,288,583
Cost of Sales	190,277		190,277
Trips		138,866	138,866
Purchased Services	42,311	296,322	338,633
Equipment Rental		5,072	5,072
Supplies and Materials	27,922	54,580	82,502
Travel		65	65
Depreciation Expense	-	-	-
Total Operating Expenses	<u>486,218</u>	<u>1,557,780</u>	<u>2,043,998</u>
Operating Income/(Loss)	<u>(31,350)</u>	<u>104,926</u>	<u>73,576</u>
NONOPERATING REVENUES			
Interest and Investment Revenue	-	92	92
Total Non Operating Revenues	-	92	92
Change in Net Position Before Transfers	<u>(31,350)</u>	<u>105,018</u>	<u>73,668</u>
Transfers	-	(300,000)	(300,000)
Loss of Disposal of Assets	(12,784)	-	(12,784)
Net Position, Beginning of Year	<u>73,855</u>	<u>717,639</u>	<u>791,494</u>
Net Position, End of Year	<u>\$ 29,721</u>	<u>\$ 522,657</u>	<u>\$ 552,378</u>

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

**GLEN ROCK PUBLIC SCHOOLS
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Food Service</u>	<u>Community School</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 454,868	\$ 1,711,793	\$ 2,166,661
Payments for Employees	(225,708)	(1,058,599)	(1,284,307)
Payments to Suppliers	<u>(284,259)</u>	<u>(363,079)</u>	<u>(647,338)</u>
Net Cash Provided By (Used For) Operating Activities	<u>(55,099)</u>	<u>290,115</u>	<u>235,016</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES			
Payments to Other Funds	<u>-</u>	<u>(300,000)</u>	<u>(300,000)</u>
Net Cash Used for Non Capital Financing Activities	<u>-</u>	<u>(300,000)</u>	<u>(300,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Acquisition of Capital Assets	<u>(21,780)</u>	<u>-</u>	<u>(21,780)</u>
Net Cash Provided By (Used For) Financing Activities	<u>(21,780)</u>	<u>-</u>	<u>(21,780)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	<u>-</u>	<u>92</u>	<u>92</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(76,879)	(9,793)	(86,672)
Cash and Cash Equivalents, Beginning of Year	<u>92,601</u>	<u>2,358,023</u>	<u>2,450,624</u>
Cash and Cash Equivalents, End of Year	<u>\$ 15,722</u>	<u>\$ 2,348,230</u>	<u>\$ 2,363,952</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating Income/(Loss)	\$ (31,350)	\$ 104,926	\$ 73,576
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used For) Operating Activities			
Changes in Assets and Liabilities			
(Increase) Decrease in Inventories	438		438
Increase (Decrease) in Interfund Payable		144,827	144,827
Increase (Decrease) in Unearned Revenue		49,087	49,087
Increase (Decrease) in Accounts Payable	<u>(24,187)</u>	<u>(8,725)</u>	<u>(32,912)</u>
Total Adjustments	<u>(23,749)</u>	<u>185,189</u>	<u>161,440</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ (55,099)</u>	<u>\$ 290,115</u>	<u>\$ 235,016</u>

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

**GLEN ROCK PUBLIC SCHOOLS
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2015**

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Trust Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 654,402	\$ 128,912	\$ 450,164
Due From Other Funds	<u>78,344</u>	<u>-</u>	<u>-</u>
Total Assets	<u>732,746</u>	<u>128,912</u>	<u>\$ 450,164</u>
LIABILITIES			
Payroll Deductions and Withholdings			\$ 22,932
Intergovernmental Payable	47		
Due to Flex Spending			37,803
Due to Other Funds			78,344
Due to Student Groups	<u>-</u>	<u>-</u>	<u>311,085</u>
Total Liabilities	<u>47</u>	<u>-</u>	<u>\$ 450,164</u>
NET POSITION			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 732,699</u>	<u>\$ 128,912</u>	

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

**GLEN ROCK PUBLIC SCHOOLS
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Trust Funds</u>
ADDITIONS		
Contributions		
Employee	\$ 35,100	
Investment Earnings		
Interest	-	\$ 118
	<u>35,100</u>	<u>118</u>
Total Additions		
	<u>35,100</u>	<u>118</u>
DEDUCTIONS		
Scholarship Awards		3,500
Transfer to Student Activity Funds		285
Unemployment Compensation Claims	24,764	-
	<u>24,764</u>	<u>3,785</u>
Total Deductions		
	<u>24,764</u>	<u>3,785</u>
Change in Net Position	10,336	(3,667)
Net Position, Beginning of Year	<u>722,363</u>	<u>132,579</u>
Net Position, End of Year	<u>\$ 732,699</u>	<u>\$ 128,912</u>

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS**

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

During fiscal year 2015, the District adopted the following GASB statements:

- GASB 68, *Accounting and Financial Reporting for Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.
- GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, should be applied simultaneously with the provisions of Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 72, *Fair Value Measurement and Application*, will be effective beginning with the fiscal year ending June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective beginning with the fiscal year ending June 30, 2016. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the District’s enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

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

The *community school fund* accounts for the activities of the District's adult evening school, before and after care program, TOTS, and Kindergarten plus program.

Additionally, the government reports the following fund types:

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. *Cash Equivalents and Investments*

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

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

2. *Receivables*

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

3. *Inventories*

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

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased.

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

4. *Capital Assets*

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

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

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings and Building Improvements	20-50
Machinery and Heavy Equipment	5-10

5. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has one item which arise only under the accrual basis of accounting that qualify for reporting in this category. The item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

5. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under accrual basis of accounting, that qualifies for reporting in this category. The item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

6. Compensated Absences

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

7. Pensions

In the district-wide financial statements, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

8. Long-Term Obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. 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 debt service expenditures.

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

9. *Net Position/Fund Balance*

District-Wide Statements

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

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

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2014 audited excess surplus that was appropriated in the 2015/2016 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2015 audited excess surplus that is required to be appropriated in the 2016/2017 original budget certified for taxes.

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2015/2016 District budget certified for taxes.

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

9. *Net Position/Fund Balance (Continued)*

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

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

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

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

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

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

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2013-2014 and 2014-2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. *Proprietary Funds, Operating and Non-Operating Revenues and Expenses*

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On January 23, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2014/2015. Also, during 2014/2015 the Board increased the original budget by \$888,213. The increase was funded by grant awards and the reappropriation of prior year general fund encumbrances.

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

B. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014		\$ 2,322,114
Increased by:		
Deposits Approved by Board Resolution	\$ 845,125	
Deposits Approved in District's Budget	<u>354,875</u>	
		<u>1,200,000</u>
		3,522,114
Withdrawals		
Approved in the District's Budget		<u>1,961,589</u>
Balance, June 30, 2015		<u>\$ 1,560,525</u>

The District's 2015/16 budget includes a withdrawal from the capital reserve account of \$1,412,800.

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Emergency Reserve

An emergency reserve account was established by the District. The accumulation of funds will be used to finance unanticipated General Fund current expenditures required for a thorough and efficient education in subsequent fiscal years.

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency reserve 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. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of \$1,000,000.

The activity of the emergency reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014	<u>\$ 406,000</u>
Balance, June 30, 2015	<u>\$ 406,000</u>

D. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2015 is \$2,093,396. Of this amount, \$1,027,911 was designated and appropriated in the 2015/2016 original budget certified for taxes and the remaining amount of \$1,065,485 will be appropriated in the 2016/2017 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2015, the book value of the Board's deposits were \$8,153,739 and bank and brokerage firm balances of the Board's deposits amounted to \$9,715,340. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 9,329,514
Uninsured and Collateralized	<u>385,826</u>
	<u>\$ 9,715,340</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2015 the Board's bank balance of \$385,826 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized	
Collateral held by pledging financial institution's trust department not in the Board's name	<u>\$ 385,826</u>

Investments

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

As of June 30, 2015, the Board had no outstanding investments.

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2015 for the district’s individual major funds in the aggregate are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Receivables:			
Accounts		\$ 6,515	\$ 6,515
Intergovernmental	\$ 63,929	239,075	\$ 303,004
Net Total Receivables	<u>\$ 63,929</u>	<u>\$ 245,590</u>	<u>\$ 309,519</u>

C. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered grant draw downs	\$ 17,397
Total Unearned Revenue for Governmental Funds	<u>\$ 17,397</u>

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	<u>Balance</u> <u>July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2015</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 12,022			\$ 12,022
Construction in Progress	<u>49,836</u>	<u>\$ 1,365,857</u>	<u>-</u>	<u>1,415,693</u>
Total capital assets, not being depreciated	<u>61,858</u>	<u>1,365,857</u>	<u>-</u>	<u>1,427,715</u>
Capital assets, being depreciated:				
Land Improvements	3,687,419	-		3,687,419
Buildings and Building Improvements	63,927,794	209,338		64,137,132
Machinery and Equipment	<u>3,673,636</u>	<u>61,282</u>	<u>-</u>	<u>3,734,918</u>
Total capital assets being depreciated	<u>71,288,849</u>	<u>270,620</u>	<u>-</u>	<u>71,559,469</u>
Less accumulated depreciation for:				
Land Improvements	(714,728)	(18,626)		(733,354)
Buildings and Building Improvements	(13,084,555)	(2,344,413)		(15,428,968)
Machinery and Equipment	<u>(2,959,075)</u>	<u>(131,552)</u>	<u>-</u>	<u>(3,090,627)</u>
Total accumulated depreciation	<u>(16,758,358)</u>	<u>(2,494,591)</u>	<u>-</u>	<u>(19,252,949)</u>
Total capital assets, being depreciated, net	<u>54,530,491</u>	<u>(2,223,971)</u>	<u>-</u>	<u>52,306,520</u>
Governmental activities capital assets, net	<u>\$54,592,349</u>	<u>\$ (858,114)</u>	<u>\$ -</u>	<u>\$53,734,235</u>

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	<u>Balance</u> <u>July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2015</u>
Business-type activities:				
Capital assets, being depreciated:				
Machinery and Equipment	\$ 192,940	\$ 21,780	\$ 69,390	\$ 145,330
Less accumulated depreciation for:				
Machinery and Equipment	<u>(180,160)</u>	-	<u>56,606</u>	<u>(123,554)</u>
Business-type activities capital assets, net	<u>\$ 12,780</u>	<u>\$ 21,780</u>	<u>\$ 12,784</u>	<u>\$ 21,776</u>

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

Governmental activities:	
Instruction	
Regular	\$ 1,291,631
Special	248,357
Other Instruction	37,957
School-Sponsored Activities and Athletics	<u>63,153</u>
Total Instruction	<u>1,641,098</u>
Support Services	
Student and Instructional Related Services	298,079
Educational Media School Library	65,126
School Administrative Services	240,853
General Administrative Services	44,133
Central Services	92,990
Operations and Maintenance of Plant	107,536
Transportation	<u>4,776</u>
Total Support Services	<u>853,493</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,494,591</u>
Business-Type Activities	
Food Service Fund	<u>\$ -</u>

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2015, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue	\$ 195,216
Debt Service Fund	Capital Projects	1,639
General Fund	Community School	1,386,021
Unemployment	Payroll Agency	<u>78,344</u>
 Total		 <u>\$ 1,661,220</u>

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

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

Interfund transfers

	<u>Transfer In:</u>			<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	
Transfer Out:				
General Fund		\$ 1,961,589		\$ 1,961,589
Capital Projects Fund			\$ 1,639	1,639
Community School Fund	<u>\$ 300,000</u>	<u>-</u>	<u>-</u>	<u>300,000</u>
 Total Transfers Out	 <u>\$ 300,000</u>	 <u>\$ 1,961,589</u>	 <u>\$ 1,639</u>	 <u>\$ 2,263,228</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2015 are comprised of the following issues:

\$3,469,000, 2002 Improvement Bonds, due in annual installments of \$284,000 to \$290,000 through April 2018, interest at 3.75% to 4.00%	\$ 864,000
\$45,343,000, 2008 Improvement Bonds, due in annual installments of \$1,060,000 to \$3,163,000 through September 2033, interest at 4.25% to 4.75%	<u>40,848,000</u>
	<u>\$ 41,712,000</u>

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

Governmental Activities:

Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2016	\$ 1,350,000	\$ 1,848,296	\$ 3,198,296
2017	1,415,000	1,790,989	3,205,989
2018	1,484,000	1,729,984	3,213,984
2019	1,670,000	1,657,636	3,327,636
2020	1,740,000	1,585,174	3,325,174
2021-2025	9,915,000	6,718,983	16,633,983
2026-2030	12,265,000	4,263,445	16,528,445
2031-2034	<u>11,873,000</u>	<u>3,157,855</u>	<u>15,030,855</u>
Total	<u>\$ 41,712,000</u>	<u>\$ 22,752,362</u>	<u>\$ 64,464,362</u>

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2015 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 97,989,183
Less: Net Debt	<u>41,712,355</u>
Remaining Borrowing Power	<u>\$ 56,276,828</u>

G. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2015, was as follows:

	Balance, July 1, 2014 (Restated)	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, 2015	Due Within One Year
Governmental activities:					
Bonds Payable	\$ 43,007,000		\$ 1,295,000	\$ 41,712,000	\$ 1,350,000
Net Pension Liability	9,238,480		322,564	8,915,916	468,530
Compensated Absences	<u>1,088,206</u>	<u>\$ 243,194</u>	<u>163,979</u>	<u>1,167,421</u>	<u>150,000</u>
Governmental Activity Long-Term Liabilities	<u>\$ 53,333,686</u>	<u>\$ 243,194</u>	<u>\$ 1,781,543</u>	<u>\$ 51,795,337</u>	<u>\$ 1,968,530</u>

Compensated absences and net pension liability are generally liquidated by the General Fund.

NOTE 4 OTHER INFORMATION

A. Risk Management

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

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

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

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

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

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

Year Ended <u>June 30,</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2015	\$ 35,100	\$ 24,764	\$ 732,699
2014	34,437	75,759	722,363
2013	33,537	88,027	763,685

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2015, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2015, the District had no estimated arbitrage earnings due to the IRS.

D. Employee Retirement Systems and Pension Plans

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

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

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

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

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds (Continued)

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

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

Basis of Accounting

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

Investment Valuation

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

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at www.state.nj.us/treasury/doinvest.

Funding Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 62.8 percent with an unfunded actuarial accrued liability of \$51.0 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 54.2 percent and \$37.3 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 75.4 percent and \$13.7 billion, respectively.

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

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Funding Status and Funding Progress (Continued)

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

Actuarial Methods and Assumptions

In the July 1, 2013 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 4.24 percent for the PERS and 3.33 percent for TPAF.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.9% for PERS, 6.9% for TPAF and 5.50% for DCRP of the employee’s annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2015 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the fiscal years ended June 30, 2015, 2014 and 2013 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2015	\$ 392,579	\$ 1,002,623	\$ 490
2014	369,910	774,255	593
2013	541,344	1,211,941	259

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC) (Continued)

For fiscal years 2014/2015 and 2012/2013, the state contributed \$1,002,623 and \$1,211,941, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$774,255 for normal cost pension and NCGI premium.

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 24. The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,286,924 during the fiscal year ended June 30, 2015 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

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

Public Employees Retirement System (PERS)

At June 30, 2015, the District reported in the statement of net position (accrual basis) a liability of \$8,915,916 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportionate share of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2014, the District’s proportionate share was 0.04762 percent, which was a decrease of 0.00072 percent from its proportionate share measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$436,886 for PERS. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 280,364	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 531,340
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>-</u>	<u>115,895</u>
Total	<u>\$ 280,364</u>	<u>\$ 647,235</u>

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Total</u>
2016	\$ (102,602)
2017	(102,602)
2018	(102,602)
2019	(102,602)
2020	30,233
Thereafter	<u>13,304</u>
	<u>\$ (366,871)</u>

Actuarial Assumptions

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

	<u>PERS</u>
Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15-4.40%
Thereafter	Based on Age 3.15-5.40%
Investment Rate of Return	Based on Age 7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial	June 30, 2011
Assumptions were Based	

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
 Related to Pensions (Continued)**

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
PERS	5.39%

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

PERS

Period of Projected Benefit

Payments for which the Following
Rates were Applied:

Long-Term Expected Rate of Return Through June 30, 2033

Municipal Bond Rate * From July 1, 2033
and Thereafter

* The municipal bond return rate used is 4.29%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 5.39%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39 percent) or 1-percentage-point higher (6.39 percent) than the current rate:

	1% Decrease <u>(4.39%)</u>	Current Discount Rate <u>(5.39%)</u>	1% Increase <u>(6.39%)</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 11,216,490</u>	<u>\$ 8,915,916</u>	<u>\$ 6,984,015</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2014. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$5,263,572 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2015 the State's proportionate share of the net pension liability attributable to the District is \$97,818,837. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2014.

Actuarial Assumptions

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

TPAF

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2009 -
Study Upon Which Actuarial Assumptions were Based	June 30, 2012

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to Pensions (Continued)**

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

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

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
TPAF	4.68%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

TPAF

Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2027
Municipal Bond Rate *	From July 1, 2027 and Thereafter

* The municipal bond return rate used is 4.29%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.68%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.68 percent) or 1-percentage-point higher (5.68 percent) than the current rate:

	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 117,650,628</u>	<u>\$ 97,818,837</u>	<u>\$ 81,324,625</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2014. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2014 was not provided by the pension system.

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to Pensions (Continued)**

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans (OPEB)*, effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2014.

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

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

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Basis of Accounting

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

Significant Legislation

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

Investment Valuation

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

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the State had a \$53.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$19.7 billion for state active and retired members and \$33.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

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

Actuarial Methods and Assumptions

In the July 1, 2013, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2014, there were 103,432, retirees receiving post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid 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 \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2015, 2014 and 2013 were \$1,591,664, \$1,269,487 and \$1,370,398, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

NOTE 5 RESTATEMENT

On July 1, 2014, the Glen Rock Public Schools implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions". The Glen Rock Public Schools has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2014 was to recognize the District's proportionate share of the Public Employees' Retirement System's (PERS) net pension liability, deferred outflows of resources and deferred inflows of resources with a corresponding reduction in the unrestricted component of net position in the amount of \$9,238,480. The result of this restatement is to reduce total net position of Governmental Activities at June 30, 2014 from \$16,074,907 as originally reported to \$6,836,427 as adjusted for the effects of the change in accounting principle.

BUDGETARY COMPARISON SCHEDULES

**GLEN ROCK PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 40,521,909		\$ 40,521,909	\$ 40,521,909	
Miscellaneous	264,050	-	264,050	377,094	\$ 113,044
Total Revenues - Local Sources	40,785,959	-	40,785,959	40,899,003	113,044
State Sources					
Transportation Aid	23,922		23,922	23,922	
Special Education Aid	976,359		976,359	976,359	
Security Aid	34,708		34,708	34,708	-
Extraordinary Aid	189,960	-	189,960	404,218	214,258
Per Pupil Growth Aid	23,130		23,130	23,130	
PARCC Readiness Aid	23,130		23,130	23,130	
On Behalf TPAF Pension System Contributions- (Non-Budgeted)- Normal				935,330	935,330
(Non-Budgeted)- NCGI Premium				67,293	67,293
(Non-Budgeted)-Post Retirement Medical Contribution				-	-
Reimbursed TPAF Social Security Contributions- (Non-Budgeted)	-	-	-	1,591,664	
				1,286,924	1,286,924
Total State Sources	1,271,209	-	1,271,209	5,366,678	2,503,805
Total Revenues	42,057,168	-	42,057,168	46,265,681	2,616,849
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers:					
Kindergarten	345,169	\$ 15,667	360,836	360,333	503
Grades 1 - 5	3,919,396	187,913	4,107,309	4,063,786	43,523
Grades 6 - 8	3,628,363	(218,276)	3,410,087	3,379,848	30,239
Grades 9 - 12	4,444,537	(26,637)	4,417,900	4,369,148	48,752
Regular Programs - Home Instruction					
Purchased Professional-Educational Services	5,000	-	5,000	3,684	1,316
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	18,461	(2,200)	16,261	10,532	5,729
Purchased Technical Services	70,450	(8,545)	61,905	18,472	43,433
Other Purchased Services	195,360	42,314	237,674	232,038	5,636
General Supplies	982,339	270,007	1,252,346	1,146,957	105,389
Textbooks	222,500	101,685	324,185	305,275	18,910
Other Objects	21,115	590	21,705	4,209	17,496
Total Instruction Regular Programs	13,852,690	362,518	14,215,208	13,894,282	320,926
Special Education					
Learning/Language Disabilities					
Salaries of Teachers	300,662	3,700	304,362	304,362	-
General Supplies	3,500	(205)	3,295	3,286	9
Total Learning/Language Disabilities	304,162	3,495	307,657	307,648	9
Resource Room/Resource Center					
Salaries of Teachers	1,860,701	62,572	1,923,273	1,905,595	17,678
General Supplies	17,500	(626)	16,874	14,468	2,406
Textbooks	2,500	-	2,500	341	2,159
Other Objects	1,000	-	1,000	948	52
Total Resource Room/Resource Center	1,881,701	61,946	1,943,647	1,921,352	22,295
Preschool Disabilities - Part Time					
Salaries of Teachers	88,510	-	88,510	88,510	-
General Supplies	1,000	(13)	987	987	-
Total Preschool Disabilities	89,510	(13)	89,497	89,497	-

**GLEN ROCK PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Home Instruction					
Salaries of Teachers	\$ 17,500	\$ 24,705	\$ 42,205	\$ 42,205	-
Purchased Professional-Educational Services	320,000	(76,705)	243,295	186,213	\$ 57,082
Total Home Instruction	337,500	(52,000)	285,500	228,418	57,082
Total Special Education	2,612,873	13,428	2,626,301	2,546,915	79,386
Basic Skills/Remedial					
Salaries of Teachers	296,587	(78,883)	217,704	130,817	86,887
General Supplies	2,935	266	3,201	2,719	482
Total Basic Skills/Remedial	299,522	(78,617)	220,905	133,536	87,369
Bilingual Education					
Salaries of Teachers	215,299	12,611	227,910	226,910	1,000
Other Purchased Services	1,000	4,022	5,022	4,113	909
General Supplies	3,500	(3,500)	-	-	-
Total Bilingual Education	219,799	13,133	232,932	231,023	1,909
School Sponsored Co/Extra Curricular Activities					
Salaries	130,243	25,050	155,293	154,689	604
Purchased Services	250	-	250	150	100
Supplies and Materials	51,300	(11,853)	39,447	38,221	1,226
Other Objects	1,750	1,206	2,956	1,891	1,065
Total School-Sponsored Co/Extra Curricular Activities	183,543	14,403	197,946	194,951	2,995
School Sponsored Athletics					
Salaries	446,739	(6,230)	440,509	440,379	130
Purchased Services	132,850	6,327	139,177	137,151	2,026
Supplies and Materials	32,600	(12,696)	19,904	19,822	82
Other Objects	1,200	7,629	8,829	8,152	677
Total School Sponsored Athletics	613,389	(4,970)	608,419	605,504	2,915
Total Instruction	17,781,816	319,895	18,101,711	17,606,211	495,500
Undistributed Expenditures					
Instruction					
Tuition to County Vocational School District - Regular	257,040	(13,130)	243,910	228,600	15,310
Tuition to County Vocational School District - Special	16,920	-	16,920	16,920	-
Tuition to Other LEAs - Within State - Special	400,889	68,435	469,324	466,764	2,560
Tuition to Private Schools for the Disabled - Within State	1,359,182	(94,000)	1,265,182	1,262,787	2,395
Tuition to County Sp Service and Regular Day School	146,970	135,018	281,988	281,988	-
Tuition to Priv Sch Disabled & Oth LEAs-Spl/O/S/ St	213,276	(4,970)	208,306	173,352	34,954
Tuition - Other	166,797	-	166,797	161,749	5,048
Total Instruction	2,561,074	91,353	2,652,427	2,592,160	60,267
Attendance and Social Work					
Salaries	119,716	-	119,716	114,115	5,601
Purchased Professional and Technical Services	15,996	1,020	17,016	16,666	350
Other Purchased Services	400	-	400	400	-
Supplies and Materials	2,000	(1,120)	880	677	203
Other Objects	500	-	500	-	500
Total Attendance and Social Work	138,612	(100)	138,512	131,858	6,654

GLEN ROCK PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Health Services					
Salaries	\$ 386,795	\$ 14,704	\$ 401,499	\$ 401,087	\$ 412
Purchased Professional and Technical Services	133,400	51,000	184,400	183,923	477
Other Purchased Services	350	12,395	12,745	12,745	-
Supplies and Materials	14,800	(2,450)	12,350	11,848	502
Other Objects	675	(222)	453	287	166
Total Health Services	<u>536,020</u>	<u>75,427</u>	<u>611,447</u>	<u>609,890</u>	<u>1,557</u>
Speech, OT/PT and Related Services					
Salaries	437,892	(15,750)	422,142	411,783	10,359
Purchased Professional/Educational Services	411,500	-	411,500	345,139	66,361
Supplies and Materials	3,600	(400)	3,200	3,110	90
Other Objects	3,000	-	3,000	883	2,117
Total Speech OT/PT and Related Services	<u>855,992</u>	<u>(16,150)</u>	<u>839,842</u>	<u>760,915</u>	<u>78,927</u>
Other Supp. Svcs.-Extraord. Serv.					
Purchased Professional-Educational Services	2,269,624	(294,862)	1,974,762	1,823,946	150,816
Supplies and Materials	29,000	-	29,000	14,529	14,471
Total Other Support/Extraordinary Services	<u>2,298,624</u>	<u>(294,862)</u>	<u>2,003,762</u>	<u>1,838,475</u>	<u>165,287</u>
Guidance					
Salaries	2,280	2,853	5,133	4,753	380
Salaries of Other Professional Staff	829,141	(51,518)	777,623	709,416	68,207
Salaries of Secretarial and Clerical Assistants	89,908	(372)	89,536	89,388	148
Purchased Professional-Educational Services	88,200	8,739	96,939	96,171	768
Other Purchased Professional/Technical Services	12,500	-	12,500	9,770	2,730
Other Purchased Services	13,501	3,750	17,251	14,141	3,110
Supplies and Materials	23,500	(1,500)	22,000	16,258	5,742
Other Objects	4,500	-	4,500	3,133	1,367
Total Guidance	<u>1,063,530</u>	<u>(38,048)</u>	<u>1,025,482</u>	<u>943,030</u>	<u>82,452</u>
Undistributed Expenditures					
Child Study Team					
Salaries of Other Professional Staff	951,786	(112,470)	839,316	764,635	74,681
Salaries of Secretarial and Clerical Assistants	96,134	2,381	98,515	98,515	-
Other Salaries	52,500	1,487	53,987	53,987	-
Other Purchased Professional and Technical Services	88,730	(636)	88,094	71,267	16,827
Other Purchased Services	10,850	-	10,850	7,358	3,492
Supplies and Materials	24,110	31,120	55,230	47,683	7,547
Other Objects	6,400	(400)	6,000	3,169	2,831
Total Child Study Team	<u>1,230,510</u>	<u>(78,518)</u>	<u>1,151,992</u>	<u>1,046,614</u>	<u>105,378</u>
Improvement of Instruction					
Salaries of Secretarial Staff	69,878	-	69,878	69,579	299
Other Salaries	42,500	-	42,500	37,344	5,156
Other Purchased Professional and Technical Services	1,500	-	1,500	1,328	172
Other Purchased Services	6,000	-	6,000	2,723	3,277
Supplies and Materials	8,500	-	8,500	4,141	4,359
Other Objects	75,920	-	75,920	35,395	40,525
Total Improvement of Instruction	<u>204,298</u>	<u>-</u>	<u>204,298</u>	<u>150,510</u>	<u>53,788</u>
Educational Media Services/ School Library					
Salaries	635,257	(20,643)	614,614	613,821	793
Other Purchased Services	6,000	(907)	5,093	4,615	478
Supplies and Materials	69,117	16,669	85,786	75,273	10,513
Total Educational Media Services/ School Library	<u>710,374</u>	<u>(4,881)</u>	<u>705,493</u>	<u>693,709</u>	<u>11,784</u>

**GLEN ROCK PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Instructional Staff Training Services					
Salaries of Other Professional Staff	\$ 92,025	-	\$ 92,025	\$ 92,025	-
Other Salaries	2,721	\$ (150)	2,571	155	\$ 2,416
Purchased Professional Educational Services	62,000	(5,800)	56,200	19,144	37,056
Other Purchased Professional and Technical Services	14,400	900	15,300	900	14,400
Other Purchased Services	29,475	5,363	34,838	21,019	13,819
Supplies and Materials	1,000	(800)	200	200	-
Other Objects	2,400	-	2,400	555	1,845
	<u>204,021</u>	<u>(487)</u>	<u>203,534</u>	<u>133,798</u>	<u>69,736</u>
Total Instructional Staff Training Services					
Support Services General Administration					
Salaries	422,110	(4,794)	417,316	415,937	1,379
Legal Services	75,000	1,001	76,001	48,979	27,022
Audit Fees	42,025	26,872	68,897	38,997	29,900
Other Purchased Professional Services	27,850	27,832	55,682	44,057	11,625
Communications/Telephone	81,140	(10,733)	70,407	64,258	6,149
BOE Other Purchased Services	10,500	(483)	10,017	9,907	110
Miscellaneous Purchased Services	72,651	27,262	99,913	98,925	988
Supplies and Materials	7,500	3,841	11,341	9,758	1,583
Miscellaneous Expenditures	24,695	16,589	41,284	39,669	1,615
BOE Membership Dues and Fees	19,550	-	19,550	19,307	243
	<u>783,021</u>	<u>87,387</u>	<u>870,408</u>	<u>789,794</u>	<u>80,614</u>
Total Support Services General Administration					
Undistributed Expenditures					
Support Services School Administration					
Salaries	1,358,488	110,288	1,468,776	1,450,463	18,313
Salaries of Other Professional Staff	147,936	161,288	309,224	304,383	4,841
Salaries of Secretarial Staff	539,614	-	539,614	512,106	27,508
Other Salaries	6,762	-	6,762	3,000	3,762
Purchased Professional and Technical Services	14,650	(4,700)	9,950	7,453	2,497
Other Purchased Services	36,168	(1,252)	34,916	26,143	8,773
Supplies and Materials	70,508	2,211	72,719	54,461	18,258
Other Objects	34,468	1,640	36,108	28,135	7,973
	<u>2,208,594</u>	<u>269,475</u>	<u>2,478,069</u>	<u>2,386,144</u>	<u>91,925</u>
Total Support Services School Administration					
Central Services					
Salaries	516,641	2,110	518,751	512,223	6,528
Purchased Technical Services	29,100	(2,110)	26,990	25,853	1,137
Miscellaneous Purchased Services	16,450	313	16,763	11,297	5,466
Supplies and Materials	11,500	8,834	20,334	20,051	283
Miscellaneous Expenditures	3,940	3,004	6,944	6,944	-
	<u>577,631</u>	<u>12,151</u>	<u>589,782</u>	<u>576,368</u>	<u>13,414</u>
Total Undistributed Expenditures - Central Services					
Admin. Info. Tech.					
Salaries	317,938	43,871	361,809	357,642	4,167
Purchased Professional Services	85,107	(11,200)	73,907	70,436	3,471
Other Purchased Services	3,300	(3,300)	-	-	-
Supplies and Materials	2,100	1,200	3,300	1,841	1,459
Other Objects	1,900	2,100	4,000	3,665	335
	<u>410,345</u>	<u>32,671</u>	<u>443,016</u>	<u>433,584</u>	<u>9,432</u>
Total Undistributed Expenditures - Admin. Info. Technology					
Required Maintenance for School Facilities					
Salaries	398,258	3,385	401,643	401,643	-
Cleaning, Repair and Maintenance Services	96,500	126,870	223,370	177,193	46,177
General Supplies	63,950	18,062	82,012	64,689	17,323
	<u>558,708</u>	<u>148,317</u>	<u>707,025</u>	<u>643,525</u>	<u>63,500</u>
Total Required Maint for School Facilities					

**GLEN ROCK PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Custodial Services					
Salaries	\$ 519,778	\$ 127,207	\$ 646,985	\$ 611,840	\$ 35,145
Salaries of Non-Instructional Aides	190,247	(190,247)			-
Purchased Professional and Technical Services	47,072	(8,600)	38,472	37,332	1,140
Cleaning, Repair and Maintenance Services	1,249,647	114,511	1,364,158	1,340,750	23,408
Other Purchased Property Services	38,250	849	39,099	18,369	20,730
Insurance	233,081	(10,000)	223,081	223,081	-
Miscellaneous Purchased Services	35,230	10,015	45,245	39,088	6,157
General Supplies	192,350	36,418	228,768	226,954	1,814
Energy (Electricity)	569,446	47,828	617,274	617,171	103
Energy (Natural Gas)	252,565	52,556	305,121	304,863	258
Other Objects	18,800	(2,281)	16,519	15,849	670
	<u>3,346,466</u>	<u>178,256</u>	<u>3,524,722</u>	<u>3,435,297</u>	<u>89,425</u>
Undistributed Expenditures					
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	82,000	68,019	150,019	122,873	27,146
General Supplies	16,500	(2,063)	14,437	13,204	1,233
Total Care and Upkeep of Grounds	<u>98,500</u>	<u>65,956</u>	<u>164,456</u>	<u>136,077</u>	<u>28,379</u>
Security					
Salaries	77,000	(6,373)	70,627	62,765	7,862
Cleaning, Repair and Maintenance Services	21,352	95,894	117,246	14,998	102,248
General Supplies	32,335	(3,390)	28,945	10,290	18,655
Total Security	<u>130,687</u>	<u>86,131</u>	<u>216,818</u>	<u>88,053</u>	<u>128,765</u>
Student Transportation Services					
Salaries for Pupil Trans (Bet Home & Sch)-Sp. Ed.	33,512	11,502	45,014	32,410	12,604
Cleaning, Repair and Maintenance Services	4,000	(2,390)	1,610	1,610	-
Contr Serv(Bet Home &Sch)-Vend	1,650	-	1,650		1,650
Contr Serv(Oth. Than Bet Home &Sch)-Vend	216,700	6,233	222,933	214,988	7,945
Contr Serv(Sp. Ed. Stdts)-Joint Agmnts	748,039	(82,849)	665,190	619,868	45,322
Transportation Supplies	8,000	(5,000)	3,000	1,759	1,241
Other Objects	18,450	(9,000)	9,450	8,548	902
Total Student Transportation Services	<u>1,030,351</u>	<u>(81,504)</u>	<u>948,847</u>	<u>879,183</u>	<u>69,664</u>
Unallocated Employee Benefits					
Social Security Contributions	446,529	64,089	510,618	445,906	64,712
Other Retirement Contributions - PERS	417,592	(16,885)	400,707	392,579	8,128
Other Retirement Contributions - DCRP	1,500		1,500	490	1,010
Workmens Compensation	209,085	(71,292)	137,793	137,791	2
Health Benefits	5,081,882	(360,141)	4,721,741	4,447,948	273,793
Tuition Reimbursements	71,500	-	71,500	36,968	34,532
Other Employee Benefits	131,700	88,727	220,427	182,271	38,156
Total Unallocated Employee Benefits	<u>6,359,788</u>	<u>(295,502)</u>	<u>6,064,286</u>	<u>5,643,953</u>	<u>420,333</u>
On Behalf TPAF Pension System Contributions-					
(Non-Budgeted)- Normal				935,330	(935,330)
(Non-Budgeted)- NCGI Premium				67,293	(67,293)
Post Retirement and Medical Contribution				1,591,664	(1,591,664)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,286,924	(1,286,924)
Total TPAF Pension and Social Security Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,881,211</u>	<u>(3,881,211)</u>
Total Undistributed Expenditures	<u>25,307,146</u>	<u>237,072</u>	<u>25,544,218</u>	<u>27,794,148</u>	<u>(2,249,930)</u>
Interest Earned on Current Expense Emergency Res	300	-	300	-	300
Total Current Expenditures	<u>43,089,262</u>	<u>556,967</u>	<u>43,646,229</u>	<u>45,400,359</u>	<u>(1,754,130)</u>

**GLEN ROCK PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CAPITAL OUTLAY					
Equipment					
Undistributed expenditures - Instruction		\$ 62,473	\$ 62,473	\$ 26,494	\$ 35,979
Admin. Info. Tech.		15,994	15,994	15,994	-
Operations and Plant Maintenance	-	31,570	31,570	15,082	16,488
Total Equipment	-	110,037	110,037	57,570	52,467
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	\$ 15,896	-	15,896	15,896	-
Total Facilities Acquisition and Construction Services	15,896	-	15,896	15,896	-
Increase in Capital Reserve	354,875	-	354,875	-	354,875
Interest Deposit to Capital Reserve	250	-	250	-	250
Total Expenditures - Capital Outlay	371,021	110,037	481,058	73,466	407,592
Total Expenditures - General Fund	43,460,283	667,004	44,127,287	45,473,825	(1,346,538)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,403,115)	(667,004)	(2,070,119)	791,856	2,861,975
Other Financing Sources/Uses					
Transfer In from Community School	300,000		300,000	300,000	-
Transfer Out- From Capital Reserve to Capital Project Fund	(1,961,589)	-	(1,961,589)	(1,961,589)	-
Total Other Financing Sources/Uses	(1,661,589)	-	(1,661,589)	(1,661,589)	-
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(3,064,704)	(667,004)	(3,731,708)	(869,733)	2,861,975
Fund Balance, Beginning of Year	6,377,958	-	6,377,958	6,377,958	-
Fund Balance, End of Year	\$ 3,313,254	\$ (667,004)	\$ 2,646,250	\$ 5,508,225	\$ 2,861,975
Recapitulation of Fund Balance					
Restricted:					
Excess Surplus- Designated for Subsequent Year's Expenditures				1,027,911	
Excess Surplus				1,065,485	
Capital Reserve				147,725	
Capital Reserve- Designated for Subsequent Year's Expenditures				1,412,800	
Emergency Reserve				406,000	
Assigned:					
Year-End Encumbrances				362,962	
Unassigned:					
				1,085,342	
Fund Balance (Budgetary Basis)				5,508,225	
Reconciliation to Governmental Fund Statements (GAAP)					
2014/2015 Extraordinary Aid and State Aid Payments Not Recognized on a GAAP Basis				480,476	
Fund Balance per Governmental Funds (GAAP Basis)				\$ 5,027,749	

**GLEN ROCK PUBLIC SCHOOLS
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State Sources	\$ 157,830	\$ 50,684	\$ 208,514	\$ 186,518	\$ (21,996)
Federal Sources	414,941	156,844	571,785	566,938	(4,847)
Local Sources					
Miscellaneous	-	13,681	13,681	8,450	(5,231)
Total Revenues	<u>572,771</u>	<u>221,209</u>	<u>793,980</u>	<u>761,906</u>	<u>(32,074)</u>
EXPENDITURES					
Instruction					
Purchased Professional/Educational Services	34,635	19,403	54,038	49,707	4,331
Purchased Professional/Technical Services	22,850	8,956	31,806	27,388	4,418
Tuition	384,294	119,334	503,628	503,628	-
General Supplies	4,995	3,865	8,860	8,803	57
Textbooks	13,699	4,950	18,649	14,389	4,260
Total Instruction	<u>460,473</u>	<u>156,508</u>	<u>616,981</u>	<u>603,915</u>	<u>13,066</u>
Support Services					
Purchased Professional/Educational Services	92,844	37,483	130,327	111,319	19,008
Purchased Professional/Technical Services		29,973	29,973	29,973	-
Other Purchases Professional Services	19,454	(19,454)			
General Supplies	-	12,987	12,987	12,987	-
Total Support Services	<u>112,298</u>	<u>60,989</u>	<u>173,287</u>	<u>154,279</u>	<u>19,008</u>
Facilities Acquisition and Construction					
Instructional Equipment	-	3,712	3,712	3,712	-
Total Facilities Acquisition and Construction	<u>-</u>	<u>3,712</u>	<u>3,712</u>	<u>3,712</u>	<u>-</u>
Total Expenditures	<u>572,771</u>	<u>221,209</u>	<u>793,980</u>	<u>761,906</u>	<u>32,074</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**GLEN ROCK PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	C-1	\$ 46,265,681	C-2	\$ 761,906
Difference - Budget to GAAP:				
State Aid and Extraordinary payment recognized for GAAP purposes, not recognized for Budgetary statements (2013/2014 State Aids).		489,211		
State Aid and Extraordinary payment not recognized for GAAP purposes, recognized for Budgetary statements (2014/2015 State Aids).		<u>(480,476)</u>		<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	B-2	<u>\$ 46,274,416</u>	B-2	<u>\$ 761,906</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	C-1	<u>\$ 45,473,825</u>	C-2	<u>\$ 761,906</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	B-2	<u>\$ 45,473,825</u>	B-2	<u>\$ 761,906</u>

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**GLEN ROCK PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Public Employees Retirement System

Last Two Fiscal Years*

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.04762 %	0.04834 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 8,915,916	\$ 9,238,480
District's Covered-Employee Payroll	\$ 3,245,483	\$ 3,314,276
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	274.0 %	279.0 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**GLEN ROCK PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS**

Public Employees Retirement System

Last Two Fiscal Years

	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 392,579	\$ 369,910
Contributions in Relation to the Contractually Required Contribution	<u>392,579</u>	<u>369,910</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 3,245,483	\$ 3,314,276
Contributions as a Percentage of Covered-Employee Payroll	12 %	11 %

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**GLEN ROCK PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Teachers Pension and Annuity Fund

Last Two Fiscal Years*

	2015	2014
District's Proportion of the Net Position Liability (Asset)	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	0 %	0 %
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 97,818,837</u>	<u>\$ 94,792,233</u>
Total	<u>\$ 97,818,837</u>	<u>\$ 94,792,233</u>
District's Covered-Employee Payroll	\$ 17,883,876	\$ 18,064,542
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0 %	0 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**GLEN ROCK PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Change of Benefit Terms: None.

Change of Assumptions: The discount rate changed from the District's rate as of June 30, 2014 to the District's rate as of June 30, 2015, in accordance with GASB Statement No. 67.

SPECIAL REVENUE FUND

**GLEN ROCK PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>NCLB Title IIA</u>	<u>IDEA Part B Basic</u>	<u>IDEA Part B Pre-School</u>	<u>IDEA Part B Pre-School Carryover</u>	<u>Miscellaneous</u>	<u>Totals Pg 2</u>	<u>Grand Totals</u>
REVENUES							
Intergovernmental							
State Sources						\$ 186,518	\$ 186,518
Federal Sources	\$ 33,987	\$ 506,460	\$ 21,845	\$ 4,646		-	566,938
Local Sources							
Miscellaneous	-	-	-	-	\$ 8,450	-	8,450
Total Revenues	<u>\$ 33,987</u>	<u>\$ 506,460</u>	<u>\$ 21,845</u>	<u>\$ 4,646</u>	<u>\$ 8,450</u>	<u>\$ 186,518</u>	<u>\$ 761,906</u>
EXPENDITURES							
Instruction:							
Tuition		\$ 477,137	\$ 21,845	\$ 4,646			\$ 503,628
Purchased Prof. Educational Services					\$ 5,951	\$ 43,756	49,707
Purchased Prof. Tech Service						27,388	27,388
General Supplies					2,499	6,304	8,803
Textbooks	-	-	-	-	-	14,389	14,389
Total Instruction	-	477,137	21,845	4,646	8,450	91,837	603,915
Support Services							
Purchased Professional Educational Services	\$ 21,000	29,323				60,996	111,319
Purchased Prof. Tech Service						-	-
Other Purchased Professional Services						29,973	29,973
General Supplies	12,987	-	-	-	-	-	12,987
Total Support Services	33,987	29,323	-	-	-	90,969	154,279
Facilities Acquisition and Construction Services							
Instructional Equipment	-	-	-	-	-	3,712	3,712
Total Facilities Acq. & Construction	-	-	-	-	-	3,712	3,712
Total Expenditures	<u>\$ 33,987</u>	<u>\$ 506,460</u>	<u>\$ 21,845</u>	<u>\$ 4,646</u>	<u>\$ 8,450</u>	<u>\$ 186,518</u>	<u>\$ 761,906</u>

GLEN ROCK PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Chapter 192/193 Handicapped Services</u>			<u>Chapter 192/193 Auxiliary Services</u>			<u>Non-Public</u>		<u>Page 2 Totals</u>
	<u>Supplemental Instruction</u>	<u>Corrective Speech</u>	<u>Examination/ Classification</u>	<u>Compensatory Education</u>	<u>ESL</u>	<u>Nursing</u>	<u>Textbook</u>	<u>Technology</u>	
REVENUES									
Intergovernmental									
State Sources	\$ 26,131	\$ 27,388	\$ 43,756	\$ 33,951	\$ 914	\$ 29,973	\$ 14,389	\$ 10,016	\$ 186,518
Federal Sources									
Local Sources									
Miscellaneous	-	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 26,131</u>	<u>\$ 27,388</u>	<u>\$ 43,756</u>	<u>\$ 33,951</u>	<u>\$ 914</u>	<u>\$ 29,973</u>	<u>\$ 14,389</u>	<u>\$ 10,016</u>	<u>\$ 186,518</u>
EXPENDITURES									
Instruction:									
Purchased Prof. Educational Services			\$ 43,756						\$ 43,756
Purchased Professional/ Technical Services		\$ 27,388							27,388
General Supplies								\$ 6,304	6,304
Textbooks	-	-	-	-	-	-	\$ 14,389	-	14,389
Total Instruction	<u>-</u>	<u>27,388</u>	<u>43,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,389</u>	<u>6,304</u>	<u>91,837</u>
Support Services									
Purchased Professional Educational Services	\$ 26,131			\$ 33,951	\$ 914				60,996
Purchased Professional/ Technical Services									
Other Purchased Professional Services						\$ 29,973			29,973
General Supplies	-	-	-	-	-	-	-	-	-
Total Support Services	<u>26,131</u>	<u>-</u>	<u>-</u>	<u>33,951</u>	<u>914</u>	<u>29,973</u>	<u>-</u>	<u>-</u>	<u>90,969</u>
Facilities Acquisition and Construction									
Instructional Equipment	-	-	-	-	-	-	-	3,712	3,712
Total Facilities Acquisition and Construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,712</u>	<u>3,712</u>
Total Expenditures	<u>\$ 26,131</u>	<u>\$ 27,388</u>	<u>\$ 43,756</u>	<u>\$ 33,951</u>	<u>\$ 914</u>	<u>\$ 29,973</u>	<u>\$ 14,389</u>	<u>\$ 10,016</u>	<u>\$ 186,518</u>

**GLEN ROCK PUBLIC SCHOOLS
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**GLEN ROCK PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance, June 30, 2015</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Wireless Upgrade, Hamilton School Roof Replacement, High School Drainage, Fieldhouse and Maintenance Garage and Security Upgrades	\$ 1,961,589	\$ 49,836	\$ 1,365,857	\$ 545,896
Additions, Renovations and Alterations at the Glen Rock High School/Middle School, Central, Coleman, Byrd and Hamilton Elementary Schools	<u>45,343,355</u>	<u>45,058,520</u>	<u>209,338</u>	<u>75,497</u>
	<u>\$ 47,304,944</u>	<u>\$ 45,108,356</u>	<u>\$ 1,575,195</u>	<u>\$ 621,393</u>
				Project Balances \$ 621,393
				Less-
				Authorized but not Issued <u>355</u>
				Fund Balance, June 30, 2015 <u>\$ 621,038</u>
				<u>Analysis of Balance</u>
				Reserve for Encumbrances \$ 1,317,509
				Reserve for Capital Projects <u>(696,471)</u>
				<u>\$ 621,038</u>

GLEN ROCK PUBLIC SCHOOLS
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

EXHIBIT F-2

Revenues and Other Financing Sources

Transfer in from Capital Reserve	\$	1,961,589
Interest on Investments		<u>1,639</u>
 Total Revenues		 <u>1,963,228</u>

Expenditures and Other Financing Uses

Purchased Prof/Tech Services		142,871
Facilities Acquisition and Construction Services		1,422,396
Miscellaneous Expenditures		9,928
Transfer Out- Debt Service Fund		<u>1,639</u>
 Total Expenditures		 <u>1,576,834</u>

Excess (Deficiency) of Revenues over (under) Expenditures		386,394
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Fund Balance, Beginning of Year		<u>234,644</u>
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Fund Balance, End of Year	\$	<u><u>621,038</u></u>
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**GLEN ROCK PUBLIC SCHOOLS
CAPITAL PROJECTS FUND**

EXHIBIT F-2a

**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
ADDITIONS, RENOVATIONS AND ALTERATION AT THE GLEN ROCK HIGH SCHOOL/
MIDDLE SCHOOL, CENTRAL, COLEMAN, BYRD AND HAMILTON ELEMENTARY SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 45,343,000	-	\$ 45,343,000	\$ 45,343,355
Total Revenues and Other Financing Sources	<u>45,343,000</u>	<u>-</u>	<u>45,343,000</u>	<u>45,343,355</u>
 Expenditures and Other Financing Uses				
Salaries	55,000		55,000	55,000
Purchased Professional and Technical services	4,944,889		4,944,889	5,414,336
Rental of Land and Buildings	905,297		905,297	905,297
Construction Services	37,039,317	\$ 205,288	37,244,605	37,174,538
General Supplies	1,514,534		1,514,534	1,594,184
Miscellaneous Expenditures	104,483	4,050	108,533	200,000
Transfer Out	495,000	-	495,000	-
Total Expenditures and Other Financing Uses	<u>45,058,520</u>	<u>209,338</u>	<u>45,267,858</u>	<u>45,343,355</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 284,480</u>	<u>\$ (209,338)</u>	<u>\$ 75,142</u>	<u>\$ -</u>

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bonds Authorization Date	3/11/2008
Bonds Authorized	\$ 45,343,355
Bonds Issued	\$ 45,343,000
Original Authorized Cost	\$ 43,343,355
Change Orders	N/A
Revised Authorized Cost	\$ 45,343,355
Change Order Percentage	N/A
Percentage Completion	100.00%
Original Target Completion Date	6/30/2012
Revised Target Completion Date	6/30/2015

**GLEN ROCK PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
WIRELESS UPGRADE, HAMILTON SCHOOL ROOF REPLACEMENT, HIGH SCHOOL DRAINAGE,
FIELDHOUSE AND MAINTENANCE GARAGE AND SECURITY UPGRADES
AND ELEMENTARY SCHOOL GYMNASIUM HVAC PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenues and Other Financing Sources				
Transfer In From Capital Reserve	-	\$ 1,961,589	\$ 1,961,589	\$ 1,961,589
Total Revenues and Other Financing Sources	-	1,961,589	1,961,589	1,961,589
Expenditures and Other Financing Uses				
Purchased Professional and Technical services		\$ 142,871	\$ 142,871	196,160
Construction Services	\$ 49,836	1,217,108	1,266,944	1,755,429
Miscellaneous Expenditures	-	5,878	5,878	10,000
Total Expenditures and Other Financing Uses	49,836	1,365,857	1,415,693	1,961,589
Excess (Deficiency) of Revenues over (under) Expenditures	\$ (49,836)	\$ 595,732	\$ 545,896	\$ -

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bonds Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,961,589
Change Orders	-
Revised Authorized Cost	\$ 1,961,589
Change Order Percentage	N/A
Percentage Completion	80.00%
Original Target Completion Date	12/31/2015
Revised Target Completion Date	12/31/2015

PROPRIETARY FUND

**GLEN ROCK PUBLIC SCHOOLS
PROPRIETARY FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

**GLEN ROCK PUBLIC SCHOOLS
FIDUCIARY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AS OF JUNE 30, 2015**

	<u>Student Activity</u>	<u>Payroll Agency</u>	<u>Agency Totals</u>
ASSETS			
Cash and Cash Equivalents	\$ 311,085	\$ 139,079	\$ 450,164
Total Assets	<u>\$ 311,085</u>	<u>\$ 139,079</u>	<u>\$ 450,164</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 22,932	\$ 22,932
Due to Flex Spending		37,803	37,803
Due to Other Funds		78,344	78,344
Due to Student Groups	<u>\$ 311,085</u>	<u>-</u>	<u>311,085</u>
Total Liabilities	<u>\$ 311,085</u>	<u>\$ 139,079</u>	<u>\$ 450,164</u>

**COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-8

**GLEN ROCK PUBLIC SCHOOLS
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Balance</u> <u>July 1, 2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disburse-</u> <u>ments</u>	<u>Balance</u> <u>June 30, 2015</u>
Elementary Schools	\$ 15,918	\$ 44,549	\$ 44,119	\$ 16,348
Middle / High School	256,919	907,032	869,214	294,737
Athletic Activity	-	136,234	136,234	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ALL SCHOOLS	<u>\$ 272,837</u>	<u>\$ 1,087,815</u>	<u>\$ 1,049,567</u>	<u>\$ 311,085</u>

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Balance,</u> <u>July 1,</u> <u>2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance,</u> <u>June 30,</u> <u>2015</u>
Due to/from Other Funds	\$ 150,738	\$ 60,200	\$ 132,594	\$ 78,344
Due to Flex Spending		73,048	35,245	37,803
Accrued Salaries and Wages	-	14,801,357	14,801,357	-
Payroll Deductions and Withholdings	14,530	12,093,922	12,085,520	22,932
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 165,268</u>	<u>\$ 27,028,527</u>	<u>\$ 27,054,716</u>	<u>\$ 139,079</u>

LONG-TERM DEBT

**GLEN ROCK PUBLIC SCHOOLS
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Purpose</u>	<u>Date of Issue</u>	Amount of <u>Original Issue</u>	<u>Annual Date</u>	<u>Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2014</u>	<u>Increased</u>	<u>Matured</u>	<u>Balance June 30, 2015</u>
Various Improvements	10/15/2002	\$ 3,469,000	4/15/2016	\$ 290,000	3.750%				
			4/15/2017	290,000	4.000%				
			4/15/2018	284,000	4.000%	\$ 1,154,000		\$ 290,000	\$ 864,000
Various Improvements	9/2/2008	45,343,000	9/15/2015	1,060,000	4.250%				
			9/15/2016	1,125,000	4.250%				
			9/15/2017	1,200,000	4.250%				
			9/15/2018	1,670,000	4.250%				
			9/15/2019	1,740,000	4.250%				
			9/15/2020	1,820,000	4.250%				
			9/15/2021	1,895,000	4.250%				
			9/15/2022	1,980,000	4.250%				
			9/15/2023	2,065,000	4.300%				
			9/15/2024	2,155,000	4.500%				
			9/15/2025	2,250,000	4.500%				
			9/15/2026	2,345,000	4.500%				
			9/15/2027	2,450,000	4.500%				
			9/15/2028	2,555,000	4.600%				
			9/15/2029	2,665,000	4.625%				
			9/15/2030	2,775,000	4.700%				
9/15/2031	2,905,000	4.750%							
9/15/2032	3,030,000	4.750%							
9/15/2033	3,163,000	4.750%							
						<u>41,853,000</u>	-	<u>1,005,000</u>	<u>40,848,000</u>
						<u>\$ 43,007,000</u>	<u>\$ -</u>	<u>\$ 1,295,000</u>	<u>\$ 41,712,000</u>

**GLEN ROCK PUBLIC SCHOOLS
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOT APPLICABLE

**DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 2,511,792		\$ 2,511,792	\$ 2,511,792	
State Sources					
State Aid	<u>682,918</u>	<u>-</u>	<u>682,918</u>	<u>682,918</u>	<u>-</u>
Total Revenues	<u>3,194,710</u>	<u>-</u>	<u>3,194,710</u>	<u>3,194,710</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Interest	1,902,692		1,902,692	1,902,690	
Redemption of Principal	<u>1,295,000</u>	<u>-</u>	<u>1,295,000</u>	<u>1,295,000</u>	<u>-</u>
Total Expenditures	<u>3,197,692</u>	<u>-</u>	<u>3,197,692</u>	<u>3,197,690</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(2,982)	-	(2,982)	(2,980)	\$ 2
Other Financing Sources/(Uses)					
Transfer-In	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,639</u>	<u>1,639</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources/(Uses)	(2,982)	-	(2,982)	(1,341)	1,641
Fund Balance, Beginning of Year	<u>5,628</u>	<u>-</u>	<u>5,628</u>	<u>5,628</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,646</u>	<u>\$ -</u>	<u>\$ 2,646</u>	<u>\$ 4,287</u>	<u>\$ 1,641</u>

Analysis of Balance

Designated for Subsequent Year Expenditures	\$ 2,646
Restricted for Debt Service	<u>1,641</u>
	<u>\$ 4,287</u>

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

	2006	2007	2008	2009	Fiscal Year Ended June 30,		2012	2013	2014 (2)	2015
		(Restated)			2010	2011			(Restated)	
Governmental Activities										
Net Investment in Capital Assets	\$ 5,644,991	\$ 7,849,031	\$ 8,403,048	\$ 8,958,088	\$ 9,580,909	\$ 10,002,033	\$ 9,148,137	\$ 11,246,322	\$ 11,869,829	\$ 12,097,377
Restricted	200,766	20,435	723,112	1,635,132	1,248,379	2,297,610	3,462,618	2,860,798	2,327,742	2,110,708
Unrestricted	1,192,318	1,623,150	1,657,407	978,250	656,788	1,327,571	2,072,217	2,120,590	(7,361,144)	(7,519,250)
Total Governmental Activities Net Position	\$ 7,038,075	\$ 9,492,616	\$ 10,783,567	\$ 11,571,470	\$ 11,486,076	\$ 13,627,214	\$ 14,682,972	\$ 16,227,710	\$ 6,836,427	\$ 6,688,835
Business-type activities										
Net Investment in Capital Assets	\$ 39,028	\$ 63,645	\$ 57,773	\$ 52,011	\$ 50,277	\$ 45,326	\$ 1,476	\$ 15,116	\$ 12,780	\$ 21,777
Unrestricted	424,218	558,367	694,132	656,898	556,823	530,699	683,926	677,809	778,714	530,601
Total Business-Type Activities Net Position	\$ 463,246	\$ 622,012	\$ 751,905	\$ 708,909	\$ 607,100	\$ 576,025	\$ 685,402	\$ 692,925	\$ 791,494	\$ 552,378
District-wide										
Net Investment in Capital Assets	\$ 5,684,019	\$ 7,912,676	\$ 8,460,821	\$ 9,010,099	\$ 9,631,186	\$ 10,047,359	\$ 9,149,613	\$ 11,261,438	\$ 11,882,609	\$ 12,119,154
Restricted	200,766	20,435	723,112	1,635,132	1,248,379	2,297,610	3,462,618	2,860,798	2,327,742	2,110,708
Unrestricted	1,616,536	2,181,517	2,351,539	1,635,148	1,213,611	1,858,270	2,756,143	2,798,399	(6,582,430)	(6,988,649)
Total District Net Position	\$ 7,501,321	\$ 10,114,628	\$ 11,535,472	\$ 12,280,379	\$ 12,093,176	\$ 14,203,239	\$ 15,368,374	\$ 16,920,635	\$ 7,627,921	\$ 7,241,213

Source: District Financial Records

Note 1 - Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

Note 2 - Net Position at June 30, 2014 has been restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and for corrections of the capital assets.

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
Instruction										
Regular	\$ 16,051,310	\$ 17,109,077	\$ 17,926,212	\$ 17,223,617	\$ 17,658,483	\$ 17,593,987	\$ 19,487,797	\$ 19,498,092	\$ 19,560,882	\$ 22,802,265
Special Education	5,192,374	5,862,512	6,005,551	6,114,569	6,502,286	6,270,198	6,164,147	6,004,684	6,359,075	7,081,367
Other Special Education	897,276	982,186	945,477	1,016,571	1,027,123	767,042	629,994	660,268	603,338	711,206
School Sponsored Activities and Athletics	811,803	862,765	862,371	874,532	858,564	836,969	934,726	1,016,734	1,092,729	1,223,345
Support Services:										
Tuition										
Student & Instruction Related Services	4,425,222	4,977,203	5,244,845	5,476,966	5,583,667	5,434,305	6,258,524	6,788,480	7,124,795	7,770,425
Educational Media/School Library	747,839	889,035	775,865	884,253	900,408	850,298	960,506	1,004,372	945,838	1,130,931
School Administrative Services	2,191,383	2,236,822	2,540,131	2,507,260	2,609,528	3,101,922	3,391,830	3,463,742	3,485,098	4,003,034
General Administration	1,118,625	1,081,862	938,860	1,059,244	1,130,141	1,126,466	1,115,575	978,317	1,034,115	1,156,223
Central Services	889,567	1,299,684	1,137,338	1,332,829	1,234,575	1,298,378	1,466,634	1,437,140	1,479,608	1,451,301
Plant Operations and Maintenance	4,148,572	4,190,314	4,239,060	4,528,733	4,389,404	4,325,822	4,610,578	4,536,130	4,907,607	4,813,339
Pupil Transportation	1,100,494	1,049,647	1,131,713	1,093,196	1,012,058	912,763	859,310	899,076	905,266	894,179
Special Schools										
Interest on Long-Term Debt	404,782	252,933	223,084	238,924	3,758,288	2,020,682	2,065,403	2,025,853	1,942,558	1,903,597
Total Governmental Activities Expenses	<u>37,979,247</u>	<u>40,794,040</u>	<u>41,970,507</u>	<u>42,350,694</u>	<u>46,664,525</u>	<u>44,538,832</u>	<u>47,945,024</u>	<u>48,312,888</u>	<u>49,440,909</u>	<u>54,941,212</u>
Business-Type Activities:										
Food Service	480,907	524,556	483,048	557,056	623,161	525,246	502,480	488,022	512,705	486,218
Community School	1,041,820	1,091,479	1,139,054	1,284,661	1,302,111	1,252,068	1,203,830	1,253,303	1,346,609	1,557,780
Total Business-Type Activities Expense	<u>1,522,727</u>	<u>1,616,035</u>	<u>1,622,102</u>	<u>1,841,717</u>	<u>1,925,272</u>	<u>1,777,314</u>	<u>1,706,310</u>	<u>1,741,325</u>	<u>1,859,314</u>	<u>2,043,998</u>
Total District Expenses	<u>\$ 39,501,974</u>	<u>\$ 42,410,075</u>	<u>\$ 43,592,609</u>	<u>\$ 44,192,411</u>	<u>\$ 48,589,797</u>	<u>\$ 46,316,146</u>	<u>\$ 49,651,334</u>	<u>\$ 50,054,213</u>	<u>\$ 51,300,223</u>	<u>\$ 56,985,210</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
Regular- Tuition								\$ 39,907	\$ 35,688	\$ 32,088
Special Education- Tuition	\$ 256,845	\$ 269,546	\$ 204,770	\$ 5,701						
Capital Grants and Contributions								36,500	25,000	3,712
Operating Grants and Contributions	4,673,572	5,854,736	5,885,781	4,932,022	\$ 5,440,855	\$ 4,290,159	\$ 5,304,368	6,879,467	6,169,032	10,351,346
Total Governmental Activities Program Revenues	<u>4,930,417</u>	<u>6,124,282</u>	<u>6,090,551</u>	<u>4,937,723</u>	<u>5,440,855</u>	<u>4,290,159</u>	<u>5,304,368</u>	<u>6,955,874</u>	<u>6,229,720</u>	<u>10,387,146</u>
Business-Type Activities:										
Charges for Services										
Food Service	518,252	520,610	501,641	487,896	568,433	530,605	518,510	501,688	497,938	454,868
Community School	1,173,416	1,245,141	1,250,354	1,310,096	1,227,877	1,215,477	1,335,774	1,246,947	1,459,900	1,662,706
Total Business Type Activities Program Revenues	<u>1,691,668</u>	<u>1,765,751</u>	<u>1,751,995</u>	<u>1,797,992</u>	<u>1,796,310</u>	<u>1,746,082</u>	<u>1,854,284</u>	<u>1,748,635</u>	<u>1,957,838</u>	<u>2,117,574</u>
Total District Program Revenues	<u>\$ 6,622,085</u>	<u>\$ 7,890,033</u>	<u>\$ 7,842,546</u>	<u>\$ 6,735,715</u>	<u>\$ 7,237,165</u>	<u>\$ 6,036,241</u>	<u>\$ 7,158,652</u>	<u>\$ 8,704,509</u>	<u>\$ 8,187,558</u>	<u>\$ 12,504,720</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (33,048,830)	\$ (34,669,758)	\$ (35,879,956)	\$ (37,412,971)	\$ (41,223,670)	\$ (40,248,673)	\$ (42,640,656)	\$ (41,357,014)	\$ (43,211,189)	\$ (44,554,066)
Business-Type Activities	168,941	149,716	129,893	(43,725)	(128,962)	(31,232)	147,974	7,310	98,524	73,576
Total District-Wide Net Expense	<u>\$ (32,879,889)</u>	<u>\$ (34,520,042)</u>	<u>\$ (35,750,063)</u>	<u>\$ (37,456,696)</u>	<u>\$ (41,352,632)</u>	<u>\$ (40,279,905)</u>	<u>\$ (42,492,682)</u>	<u>\$ (41,349,704)</u>	<u>\$ (43,112,665)</u>	<u>\$ (44,480,490)</u>

**GLEN ROCK PUBLIC SCHOOLS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)**

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property Taxes Levied for General Purposes, net	\$ 31,925,553	\$ 33,730,381	\$ 35,338,962	\$ 36,557,380	\$ 37,738,970	\$ 39,248,529	\$ 40,033,500	\$ 40,033,500	\$ 40,033,500	\$ 40,521,909
Taxes Levied for Debt Service	1,068,557	1,131,604	1,091,430	1,051,124	2,132,346	2,157,981	2,587,336	2,537,079	2,641,786	2,511,792
State Aid Restricted for Debt Service					874,878	670,441	672,837			682,918
Unrestricted Grants and Contributions	368,846	365,190	413,536	19,054						43,210
Donation of Capital Assets		14,100								
Miscellaneous Income	276,359	318,594	326,979	573,316	392,082	404,601	402,741	331,983	383,120	346,645
Transfers										300,000
Total Governmental Activities	33,639,315	35,559,869	37,170,907	38,200,874	41,138,276	42,481,552	43,696,414	42,902,562	43,058,406	44,406,474
Business-Type Activities:										
Loss on Disposal of Assets										(12,784)
Miscellaneous Income				729	27,153	157	302	213	45	92
Transfers	-	9,050								(300,000)
Total Business-Type Activities	-	9,050	-	729	27,153	157	302	213	45	(312,692)
Total District-Wide	\$ 33,639,315	\$ 35,568,919	\$ 37,170,907	\$ 38,201,603	\$ 41,165,429	\$ 42,481,709	\$ 43,696,716	\$ 42,902,775	\$ 43,058,451	\$ 44,093,782
Change in Net Position										
Governmental Activities	\$ 590,485	\$ 890,111	\$ 1,290,951	\$ 787,903	\$ (85,394)	\$ 2,232,879	\$ 1,055,758	\$ 1,545,548	\$ (152,783)	\$ (147,592)
Business-Type Activities	168,941	158,766	129,893	(42,996)	(101,809)	(31,075)	148,276	7,523	98,569	(239,116)
Total District	\$ 759,426	\$ 1,048,877	\$ 1,420,844	\$ 744,907	\$ (187,203)	\$ 2,201,804	\$ 1,204,034	\$ 1,553,071	\$ (54,214)	\$ (386,708)

Source: District Financial Records

GLEN ROCK PUBLIC SCHOOLS
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 1,280,282	\$ 1,350,402	\$ 2,347,894	\$ 2,823,169	\$ 3,191,654					
Unreserved	820,802	796,950	657,202	242,714	341,462					
Restricted						\$ 4,067,079	\$ 5,913,007	\$ 4,737,021	\$ 4,859,140	\$ 4,059,921
Assigned						315,728	510,896	577,242	440,959	362,962
Unassigned						603,383	541,720	581,619	588,648	604,866
Total General Fund	\$ 2,101,084	\$ 2,147,352	\$ 3,005,096	\$ 3,065,883	\$ 3,533,116	\$ 4,986,190	\$ 6,965,623	\$ 5,895,882	\$ 5,888,747	\$ 5,027,749
All Other Governmental Funds										
Reserved			\$ 1,903,753	\$ 26,365,521	\$ 16,092,535					
Unreserved	143,583	113,002	(2,762,566)	16,420,468	8,404,452					
Restricted						\$ 8,520,094	\$ 3,049,024	\$ 991,500	\$ 240,272	\$ 625,325
Total All Other Governmental Funds	\$ 143,583	\$ 113,002	\$ (858,813)	\$ 42,785,989	\$ 24,496,987	\$ 8,520,094	\$ 3,049,024	\$ 991,500	\$ 240,272	\$ 625,325

Source: District Financial Records

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

GLEN ROCK PUBLIC SCHOOLS
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax Levy	\$ 32,994,110	\$ 34,861,985	\$ 36,430,392	\$ 37,608,504	\$ 39,871,316	\$ 41,406,510	\$ 42,620,836	\$ 42,570,579	\$ 42,675,286	\$ 43,033,701
Tuition Charges										
Miscellaneous	534,204	588,140	489,144	579,017	398,082	396,048	402,741	372,513	421,669	387,183
State Sources	4,478,054	5,638,979	5,742,361	4,369,411	5,448,542	4,034,449	5,277,340	6,292,964	5,619,280	6,244,849
Federal Sources	563,364	580,947	579,281	581,665	858,012	910,727	646,862	585,070	546,871	566,938
Total Revenue	38,569,732	41,670,051	43,241,178	43,138,597	46,575,952	46,747,734	48,947,779	49,821,126	49,263,106	50,232,671
Expenditures										
Instruction										
Regular Instruction	15,681,307	16,750,489	17,696,636	16,908,894	17,440,552	17,417,002	18,190,510	18,313,945	18,212,373	19,042,630
Special Education Instruction	5,118,525	5,773,453	5,957,257	6,048,773	6,455,998	6,237,548	5,951,220	5,805,814	6,105,429	6,358,458
Other Instruction	877,516	958,653	933,307	998,530	1,014,282	759,343	591,386	611,099	564,264	600,723
School Sponsored Activities and Athletics	795,325	844,303	852,509	860,548	849,365	829,393	882,065	961,281	1,025,616	1,039,520
Support Services:										
Tuition										
Student & Inst. Related Services	4,336,174	4,867,907	5,181,942	5,387,889	5,521,487	5,385,897	5,987,005	6,532,007	6,816,480	6,902,786
Educational Media/School Library	729,207	867,404	765,777	868,020	889,083	841,583	898,123	931,080	878,847	941,358
General Administration	1,102,202	1,065,829	932,405	1,050,316	1,123,381	1,120,170	1,071,493	948,430	992,209	1,027,762
School Administrative Services	2,141,334	2,181,104	2,505,952	2,459,610	2,575,454	3,069,102	3,162,277	3,242,716	3,238,353	3,301,966
Central Services	1,074,108	1,268,237	1,122,510	1,312,526	1,219,903	1,286,189	1,378,946	1,354,106	1,380,704	1,353,706
Plant Operations and Maintenance	3,956,783	4,118,230	4,199,386	4,472,874	4,352,096	4,295,719	4,494,701	4,432,883	4,768,457	4,700,478
Pupil Transportation	1,017,810	1,048,911	1,131,106	1,092,206	1,011,495	912,343	856,339	895,023	900,275	889,166
Special Schools										
Capital Outlay	777,898	378,318	1,005,313	2,125,894	17,902,401	15,793,847	5,641,289	5,579,501	1,793,363	1,636,477
Debt Service:										
Principal	966,527	1,251,737	873,013	876,514	875,071	1,208,898	1,257,925	1,312,259	1,371,812	1,295,000
Interest and Other Charges	302,032	279,789	218,416	203,325	3,167,153	2,114,519	2,076,137	2,028,247	1,973,287	1,918,586
Cost of Issuance	-	-	-	110,089	-	-	-	-	-	-
Total Expenditures	38,876,748	41,654,364	43,375,529	44,776,008	64,397,721	61,271,553	52,439,416	52,948,391	50,021,469	51,008,616
Excess (Deficiency) of Revenues over (under) Expenditures	(307,016)	15,687	(134,351)	(1,637,411)	(17,821,769)	(14,523,819)	(3,491,637)	(3,127,265)	(758,363)	(775,945)
Other Financing sources (uses)										
Proceeds from borrowing				45,343,000						
Capital Leases (non-budgeted)	582,029									
Premium on Issuance of Temporary Note			43,605							
Cancel Prior Year SDA Revenue			(23,325)							
Transfers in	70,224	182,402	149,672	494,515	515,513	643,644	26,650	3,413,709	2,289,384	2,263,228
Transfers out	(70,224)	(182,402)	(149,672)	(494,515)	(515,513)	(643,644)	(26,650)	(3,413,709)	(2,289,384)	(1,963,228)
Total other financing sources (uses)	582,029	-	20,280	45,343,000	-	-	-	-	-	300,000
Net change in fund balances	\$ 275,013	\$ 15,687	\$ (114,071)	\$ 43,705,589	\$ (17,821,769)	\$ (14,523,819)	\$ (3,491,637)	\$ (3,127,265)	\$ (758,363)	\$ (475,945)
Debt service as a percentage of noncapital expenditures	2.54%	3.03%	2.06%	2.31%	1.88%	2.66%	2.69%	2.77%	2.84%	2.62%

* Noncapital expenditures are total expenditures less capital outlay.

Source: District Financial Records

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

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Interest</u> <u>Earned</u>	<u>Tuition</u>	<u>Insurance</u> <u>Refund</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Solar SREC</u>	<u>Activity</u> <u>Fees</u>	<u>E-Rate</u>	<u>Miscellaneous</u>	<u>Total</u>
2006	\$ 175,268	\$ 256,845						\$ 97,756	\$ 529,869
2007	290,294	269,546						28,300	588,140
2008	235,272	204,770						31,712	471,754
2009	45,899	5,701						32,902	84,502
2010	9,507		\$ 10,772	\$ 108,015				66,275	194,569
2011	7,010		5,506	201,367				29,521	243,404
2012	10,028		25,283	53,590	\$ 45,277	\$ 154,200	\$ 39,600	48,113	376,091
2013	9,429	39,097	65,866	47,366	4,820	151,800	24,370	25,352	368,100
2014	1,881	35,668	49,628	66,036	14,695	151,355	87,412	9,469	416,144
2015	3,342	32,088	26,963	46,133	11,389	136,190	86,854	34,135	377,094

Source: District Financial Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2006	\$ 9,323,900	\$ 1,675,011,200	\$ 127,356,100	\$ 23,365,800		\$ 1,835,057,000	\$ 790,908	\$ 1,835,847,908	\$ 2,454,998,540	\$ 1.851
2007	13,634,300	2,074,105,200	165,440,900	27,477,000		2,280,657,400	N/A	2,282,055,921	2,486,732,404	1.562
2008	14,024,400	2,088,397,700	162,754,700	28,148,200		2,293,325,000	1,323,041	2,294,648,041	2,599,165,134	2.313
2009	12,902,000	2,101,360,200	162,882,300	26,261,400		2,303,405,900	1,777,910	2,305,183,810	2,679,812,741	1.684
2010	12,801,000	2,098,317,800	161,034,800	26,161,400		2,298,315,000	1,865,954	2,300,180,954	2,602,698,275	1.770
2011	11,580,800	2,104,036,300	155,178,900	24,843,000		2,295,639,000	1,691,075	2,297,330,075	2,507,253,486	1.825
2012	11,677,700	2,105,596,000	153,928,000	25,970,400		2,297,172,100	1,691,075	2,298,863,175	2,490,809,889	1.856
2013	11,321,200	2,110,565,600	153,657,500	25,970,400		2,301,514,700	1,691,075	2,303,205,775	2,476,715,916	1.849
2014	9,891,200	2,120,538,000	151,245,000	24,655,400		2,306,329,600	1,762,273	2,308,091,873	2,442,816,653	1.860
2015	8,273,500	2,133,332,200	148,802,100	26,470,400		2,316,878,200	958	2,316,879,158	2,477,507,512	1.875

Source: County Abstract of Ratables

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

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

Calendar Year	Total Direct School Tax Rate	Overlapping Rates		Total Direct and Overlapping Tax Rate
		Municipality	County	
2006	\$ 1.851	\$ 0.583	\$ 0.226	\$ 2.660
2007 *	1.562	0.471	0.197	2.230
2008	1.613	0.490	0.210	2.313
2009	1.684	0.504	0.223	2.411
2010	1.770	0.527	0.222	2.519
2011	1.825	0.543	0.227	2.595
2012	1.856	0.516	0.235	2.607
2013	1.849	0.584	0.247	2.680
2014	1.860	0.604	0.246	2.710
2015	1.875	0.613	0.258	2.746

Source: County Abstract of Ratables

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

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

Taxpayer	2015		Taxpayer	2006	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Opeachy Ltd, L.P.	\$ 12,500,000	0.54%	Heritage Plaza I & II	\$ 8,715,000	0.47%
Bank of America	11,000,000	0.47%	Nat West Bank	6,251,500	0.34%
Hajjar Medical Office LLC	8,315,000	0.36%	McBride Enterprises	6,300,000	0.34%
Glen Rock Property, LLC	7,634,000	0.33%	Motorola, Inc.	4,000,000	0.22%
Glen Rock Mall, LLC	7,605,000	0.33%	Sinibaldo Leone, Inc.	3,460,000	0.19%
333 Realty LLC	7,333,000	0.32%	Connecticut Gen. Life Insurance	3,300,000	0.18%
Financial Services, Inc.	6,375,000	0.28%	Financial Services	3,200,000	0.17%
201 Roack Road LLC	5,369,000	0.23%	Harristown Rd. LTD Partners	3,097,500	0.17%
Rock Glen Assoc. LLC	4,800,000	0.21%	Jomac Inc.	2,500,000	0.14%
Joan Ree Realty LLC	4,432,500	0.19%	MSO Inc.	2,175,000	0.12%
	<u>\$ 75,363,500</u>	<u>3.25%</u>		<u>\$ 42,999,000</u>	<u>2.34%</u>

Source: Municipal Tax Assessor

GLEN ROCK PUBLIC SCHOOLS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	\$ 32,994,110	\$ 32,994,110	100.00%	N/A
2007	34,861,985	34,861,985	100.00%	N/A
2008	36,430,392	36,430,392	100.00%	N/A
2009	37,608,504	37,608,504	100.00%	N/A
2010	39,871,316	39,871,316	100.00%	N/A
2011	41,406,510	40,890,042	98.75%	\$ 516,468
2012	42,620,836	42,620,836	100.00%	N/A
2013	42,570,579	42,570,579	100.00%	N/A
2014	42,675,286	42,675,286	100.00%	N/A
2015	43,033,701	43,033,701	100.00%	N/A

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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population	Per Capita
	General Obligation Bonds	Intergovernmental Loans	Capital Leases			
2006	\$ 5,369,000	\$ 940,200	\$ 382,029	\$ 6,691,229	11,157	\$ 600
2007	4,604,000	835,492		5,439,492	11,115	489
2008	3,839,000	727,479		4,566,479	11,087	412
2009	48,417,000	615,965		49,032,965	11,130	4,405
2010	47,657,000	500,894		48,157,894	11,618	4,145
2011	46,567,000	381,996		46,948,996	11,700	4,013
2012	45,432,000	259,071		45,691,071	11,797	3,873
2013	44,247,000	131,812		44,378,812	11,860	3,742
2014	43,007,000	-		43,007,000	11,901	3,614
2015	41,712,000	-		41,712,000	11,901	3,505

Source: District financial records

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2006	\$ 5,369,000		\$ 5,369,000	0.29%	\$ 8,952
2007	4,604,000		4,604,000	0.20%	9,408
2008	3,839,000	\$ 59,996	3,779,004	0.16%	9,175
2009	48,417,000	525,796	47,891,204	2.08%	10,871
2010	47,657,000	6,309	47,650,691	2.07%	11,496
2011	46,567,000	154,958	46,412,042	2.02%	11,566
2012	45,432,000	119,302	45,312,698	1.97%	11,699
2013	44,247,000	10,692	44,236,308	1.92%	11,822
2014	43,007,000	5,628	43,001,372	1.86%	11,899
2015	41,712,000	4,287	41,707,713	1.80%	11,900

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

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

GLEN ROCK PUBLIC SCHOOLS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2014
(Unaudited)

	<u>Total</u>
Municipal Debt: (1)	
Glen Rock Board of Education	\$ 42,002,355
Borough of Glen Rock	<u>14,237,375</u>
	<u>56,239,730</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	<u>14,049,073</u>
	<u>14,049,073</u>
Total Direct and Overlapping Debt	<u>\$ 70,288,803</u>

Source:

(1) Glen Rock's 2014 Annual Debt Statement

(A) The debt for this entity was apportioned to Glen Rock by dividing the municipality's 2014 equalized value by the total 2014 equalized value for Bergen County.

(B) The debt was computed based upon flow

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 79,962,879	\$ 88,777,330	\$ 96,577,951	\$ 102,492,283	\$ 104,417,266	\$ 103,422,137	\$ 101,043,795	\$ 99,235,108	\$ 98,270,729	\$ 97,989,183
Total net debt applicable to limit	5,707,672	5,439,492	49,909,834	49,033,320	48,158,249	46,949,351	45,691,426	44,669,167	43,297,355	42,002,355
Legal debt margin	\$ 74,255,207	\$ 83,337,838	\$ 46,668,117	\$ 53,458,963	\$ 56,259,017	\$ 56,472,786	\$ 55,352,369	\$ 54,565,941	\$ 54,973,374	\$ 55,986,828
Total net debt applicable to the limit as a percentage of debt limit	7.14%	6.13%	51.68%	47.84%	46.12%	45.40%	45.22%	45.01%	44.06%	42.86%

Legal Debt Margin Calculation for Fiscal Year 2013

Equalized valuation basis	
2012	\$ 2,462,663,057
2013	2,428,014,242
2014	2,458,511,459
	<u>\$ 7,349,188,758</u>
Average equalized valuation of taxable property	\$ 2,449,729,586
Debt limit (4% of average equalization value)	\$ 97,989,183
Total Net Debt Applicable to Limit	<u>42,002,355</u>
Legal debt margin	<u>\$ 55,986,828</u>

Source: Annual Debt Statements

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2006	11,157	\$ 63,103	2.80%
2007	11,115	67,544	2.50%
2008	11,087	67,331	3.30%
2009	11,130	63,874	6.00%
2010	11,618	63,885	6.10%
2011	11,700	67,248	6.00%
2012	11,797	69,281	6.10%
2013	11,860	69,495	7.40%
2014	11,901	69,495	4.10%
2015	11,901	69,495	4.10%

Source: New Jersey State Department of Education

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

<u>Employer</u>	<u>2015</u>		<u>2006</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

NOT AVAILABLE

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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	176	176	177	180	174	175	197	179	181	185
Special education	32	28	28	29	32	26	30	30	32	32
Support Services:										
General administration	2	2	2	2	2	2	2	2	2	2
School administrative services	9	9	9	9	9	8	8	8	8	8
Central services	1	1	1	1	1	1	1	1	1	1
Plant operations and maintenance	31	32	32	33	32	31	12	12	12	8
Food Service	12	12	12	-	-	-	-	-	-	-
Total	<u>263</u>	<u>260</u>	<u>261</u>	<u>254</u>	<u>250</u>	<u>243</u>	<u>250</u>	<u>232</u>	<u>236</u>	<u>236</u>

Source: District Personnel Records

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

Pupil/Teacher Ratio

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2006	2,498	\$ 37,030,291	\$ 14,827	5.23%	198.90	10.50	10.50	10.50	2471.2	2358.5	2.54%	95.44%
2007	2,511	39,744,520	15,828	6.75%	203.80	104.0	104.0	10.38	2490.4	2372.8	0.78%	95.28%
2008	2,479	41,278,787	16,651	5.20%	217.50	13.3	10.0	10.28	2482.6	2379.5	-0.31%	95.85%
2009	2,570	41,460,186	16,132	0.44%	183.50				2528.9	2407.9	1.86%	95.22%
2010	2,482	42,453,096	17,104	2.40%	224.60	12.0	11.1	9.82	2482.0	2377.2	-1.85%	95.78%
2011	2,439	42,154,289	17,283	1.05%					2433.6	2339.3	-1.95%	96.13%
2012	2,401	43,464,065	18,102	4.73%	206.9	84.5	55.7	66.7	2,409.9	2316.2	-0.97%	96.11%
2013	2,401	44,028,384	18,338	1.30%	209	86	56	67	2,374.6	2280.8	-1.46%	96.05%
2014	2,426	44,883,007	18,501	0.00%	213	89	56	68	2,393.9	2301.1	0.81%	96.12%
2015	2,440	46,158,553	18,917	0.00%	217	91	56	68	2,408.0	2338.0	0.59%	97.09%

Sources: District records

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

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>District Building</u>										
<u>Elementary</u>										
<u>Hamilton</u>										
Square Feet	29,895	29,895	31,080	31,080	31,080	31,080	31,080	31,080	31,080	31,080
Capacity (students)	240	240	240	240	240	240	240	240	240	240
Enrollment	276	276	280	272	272	247	247	247	256	264
<u>Central</u>										
Square Feet	45,400	45,400	43,200	43,200	43,200	43,200	43,200	43,200	43,200	43,200
Capacity (students)	344	344	344	344	344	344	344	344	344	344
Enrollment	308	308	318	347	347	328	328	328	314	307
<u>Coleman</u>										
Square Feet	38,280	38,280	36,360	36,360	36,360	36,360	36,360	36,360	36,360	36,360
Capacity (students)	308	308	308	308	308	308	308	308	308	308
Enrollment	332	332	317	297	297	283	273	273	288	273
<u>Byrd</u>										
Square Feet	33,062	33,062	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200
Capacity (students)	245	245	245	245	245	245	245	245	245	245
Enrollment	220	220	236	235	235	238	238	238	244	256
<u>Middle School/High School</u>										
Square Feet	197,385	197,385	203,402	203,402	203,402	262,098	262,098	262,098	262,098	262,098
Capacity (students)	1,451	1,451	1,451	1,451	1,451	1,451	1,451	1,451	1,451	1,451
Enrollment	1,328	1,328	1,330	1,333	1,333	1,307	1,307	1,307	1,284	1,320

Number of Schools at June 30, 2015

Elementary = 4

Middle School/High School = 1

Source: District Records

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

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

<u>Project # (s)</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
School Facilities										
Glen Rock Senior High School	\$ 160,846	\$ 179,095	\$ 177,543	\$ 192,735	\$ 172,310	\$ 142,373	\$ 173,150	\$ 184,184	\$ 185,309	\$ 193,058
Glen Rock Middle School	139,400	155,216	159,788	173,463	155,079	128,137	155,835	165,766	164,278	173,752
Richard E. Byrd Elem.School	48,253	53,728	59,181	64,245	57,437	47,458	57,717	61,395	63,436	64,353
Central Elementary School	64,339	71,639	76,935	83,519	74,668	61,697	69,260	73,674	74,124	77,223
Clara E. Coleman Elem. School	69,700	77,607	65,099	70,670	63,180	52,204	63,488	67,534	68,780	70,788
Hamilton Elementary School	<u>53,615</u>	<u>59,698</u>	<u>53,262</u>	<u>57,821</u>	<u>51,693</u>	<u>42,711</u>	<u>57,717</u>	<u>61,395</u>	<u>61,402</u>	<u>64,351</u>
Total School Facilities	<u>\$ 536,153</u>	<u>\$ 596,983</u>	<u>\$ 591,808</u>	<u>\$ 642,453</u>	<u>\$ 574,367</u>	<u>\$ 474,580</u>	<u>\$ 577,167</u>	<u>\$ 613,948</u>	<u>\$ 617,329</u>	<u>\$ 643,525</u>

Source: District Records

GLEN ROCK PUBLIC SCHOOLS
INSURANCE SCHEDULE
JUNE 30, 2015
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
Commercial Property		
Property - Blanket Buildings & Grounds		
School Limit per Statement of Values	\$ 124,367,899	\$ 5,000
Flood:		
Outside Zones A, V, or B	5,000,000	50,000
Zone B	2,000,000	100,000
Zones A or V	1,000,000	500,000
Earthquake	5,000,000	50,000
Business Income & Extra Expense	250,000	5,000
Contractors Equipment	250,000	1,000
Athletic Equipment	250,000	1,000
Musical Instruments	100,000	5,000
Valuable Papers	5,000,000	1,000
Electronic Data Processing Equipment	2,500,000	5,000
Accounts Receivable	100,000	1,000
Boiler and Machinery		
Property Damage (Blanket)	124,367,899	5,000
General Liability		
General Aggregate	2,000,000	
Each Occurrence	1,000,000	
Commercial Automobile		
Combined Single Limit	1,000,000	
Comprehensive		1,000
Collision		1,000
Commercial Umbrella		
	9,000,000	10,000
Commercial Umbrella - Fireman's Fund		
Per Occurrence	50,000,000	
General Aggregate	50,000,000	
Workers Compensation		
Per Occurrence	1,000,000	
Policy Limit	1,000,000	
Aggregate	1,000,000	
Environmental Legal Liability		
Per Occurrence	2,000,000	15,000
General Aggregate	20,000,000	
Crime		
Primary (Per Employee)	100,000	5,000
Blanket Employee Dishonesty - Excess	400,000	
Forgery and Alterations	50,000	
Educators Legal Liability		
	1,000,000	
Educators Legal Deductible		25,000
Employment Practices Deductible		25,000
Cyber Liability	2,000,000	

SINGLE AUDIT SECTION



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GARY J. VINCI, CPA, RMA, PSA
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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 AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Glen Rock Public Schools
Glen Rock, 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 audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Glen Rock Public Schools as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Glen Rock Public Schools' basic financial statements and have issued our report thereon dated December 17, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Glen Rock Public Schools' 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 Glen Rock Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of the Glen Rock Public Schools' 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 entity'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 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.


Compliance and Other Matters

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

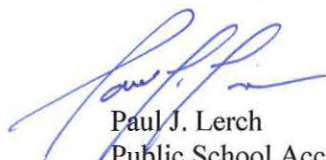
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Glen Rock Public Schools in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 17, 2015.

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



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



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
December 17, 2015



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY
U.S. OMB CIRCULAR A-133 AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Glen Rock Public Schools' compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Glen Rock Public Schools' major federal and state programs for the fiscal year ended June 30, 2015. The Glen Rock Public Schools' major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Glen Rock Public Schools' major federal and state programs 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; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; U.S. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Glen Rock Public Schools' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Glen Rock Public Schools' compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Glen Rock Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Glen Rock Public Schools 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 Glen Rock Public Schools' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Glen Rock Public Schools' internal control over compliance.

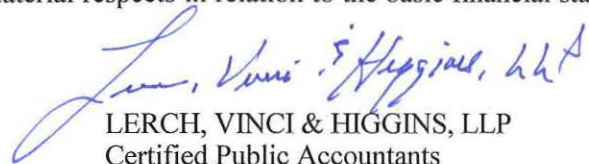
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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


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

Report on Schedule of Expenditures of Federal Awards Required by U.S. OMB Circular A-133 and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Glen Rock Public Schools, as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated December 17, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by U.S. OMB Circular A-133 and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
December 17, 2015

GLEN ROCK PUBLIC SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance July 1, 2014	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2015			Memo GAAP Receivable	
										(Accounts Receivable)	Unearned Revenue	Due to Grantor		
U.S. Department of Education														
Passed Through State Department of Education														
I.A.S.A. Consolidated Grant / NCLB														
Title IIA	84.367A	7/1/14-6/30/15	\$ 33,987		\$ 8,352	\$ 11,000	\$ 33,987				\$ (22,987)	\$ 8,352		\$ (22,987)
Title IIA, Carryover	84.367A	7/1/13-6/30/14	33,398	\$ (15,008)	(8,352)	23,360						-		
Title IIA, Carryover	84.367A	9/1/11-8/31/12	36,703	(3)		3								
Title IIA, Carryover	84.367A	9/1/09-8/31/10	40,015	1,500					\$ 1,500					
Title III, Carryover	84.365A	9/1/10-8/31/11	19,490	275					275					
I.D.E.A. Part B, Basic	84.027	7/1/14-6/30/15	509,241		1,033	298,832	506,460				(210,409)	3,814		(210,409)
I.D.E.A. Part B, Basic, Carryover	84.027	7/1/13-6/30/14	490,473	(236,722)	(1,033)	236,722					(1,033)			(1,033)
I.D.E.A. Part B, Preschool	84.173	7/1/14-6/30/15	21,845		4,646	17,199	26,491				(4,646)	-		(4,646)
I.D.E.A. Part B, Preschool, Carryover	84.173	7/1/13-6/30/14	21,919	4,646	(4,646)									
I.D.E.A. Part B, Preschool, Carryover	84.173	9/1/11-8/31/12	23,277	(6,651)	-	6,651								
Total Special Revenue Fund				(251,963)	-	593,767	566,938	-	1,775	(239,075)	12,166	-		(239,075)
Total Federal Financial Assistance				\$ (251,963)	\$ -	\$ 593,767	\$ 566,938	\$ -	\$ 1,775	\$ (239,075)	\$ 12,166	\$ -		\$ (239,075)

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**GLEN ROCK PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

State Department of Education	Grant or State Project Number	Grant	Award Amount	Balance June 30, 2014	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balance	Balance June 30, 2015			Memorandum		
										(Accts. Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Budgetary Expenditures	
<u>General Fund</u>															
Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	\$ 975,359	\$ (68,814)		\$ 68,814									
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	976,359			906,964	\$ 976,359			\$ (69,395)				\$ 976,359	
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	34,708	(2,928)		2,928									
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	34,708			32,420	34,708			(2,288)				34,708	
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	23,922	(1,464)		1,464									
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	23,922			22,397	23,922			(1,525)				23,922	
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	23,130			21,605	23,130			(1,525)				23,130	
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	23,130			21,605	23,130			(1,525)				23,130	
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	404,218			-	404,218			(404,218)				404,218	
Extraordinary Aid	14-100-034-5120-473	7/1/13-6/30/14	416,005	(416,005)		416,005									
On -Behalf TPAF Pension System Contr.															
(Non-Budgeted)-Normal	15-495-034-5094-006	7/1/14-6/30/15	935,330			935,330	935,330							935,330	
(Non-Budgeted)-NCGI Premium	15-495-034-5094-007	7/1/14-6/30/15	67,293			67,293	67,293							67,293	
Post Retirement Medical Contribution	15-495-034-5094-001	7/1/14-6/30/15	1,591,664			1,591,664	1,591,664							1,591,664	
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	7/1/14-6/30/15	1,286,924	-	-	1,222,995	1,286,924	-	-	(63,929)	-	-	\$ (63,929)	1,286,924	
Total General Fund				(489,211)	-	5,311,484	5,366,678	-	-	(544,405)	-	-	(63,929)	5,366,678	
<u>Special Revenue Fund</u>															
New Jersey Non-Public Aid:															
Textbook	15-100-034-5120-064	7/1/14-6/30/15	18,649			18,649	14,389				\$ 4,260			14,389	
Nursing	15-100-034-5120-070	7/1/14-6/30/15	29,973			29,973	29,973							29,973	
Technology	15-100-034-5120-373	7/1/14-6/30/15	10,016			10,016	10,016							10,016	
Auxiliary Services:															
Compensatory Education	14-100-034-5120-067	7/1/13-6/30/14	53,071	22,170					\$ 22,170					-	
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	37,265			37,265	33,951					3,314		33,951	
ESL	14-100-034-5120-067	7/1/13-6/30/14	3,492	2,183					2,183					-	
ESL	15-100-034-5120-067	7/1/14-6/30/15	2,741			2,741	914					1,827		914	
Handicapped Services:															
Examination	14-100-034-5120-066	7/1/13-6/30/14	46,180	14,644					14,644					-	
Examination	15-100-034-5120-066	7/1/14-6/30/15	48,088			48,088	43,756					4,332		43,756	
Supplemental Instruction	14-100-034-5120-066	7/1/13-6/30/14	27,199	2,915					2,915					-	
Supplemental Instruction	15-100-034-5120-066	7/1/14-6/30/15	29,976			29,976	26,131					3,845		26,131	
Corrective Speech	14-100-034-5120-066	7/1/13-6/30/14	30,467	5,312					5,312					-	
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	31,806			31,806	27,388					4,418		27,388	
Total Special Revenue Fund				47,224	-	208,514	186,518	-	47,224	-	-	21,996	-	186,518	
<u>Debt Service Fund</u>															
Debt Service Aid	15-495-034-5120-075	7/1/14-6/30/15	682,918	-	-	682,918	682,918	-	-	-	-	-	-	682,918	
Total State Financial Assistance				\$ (441,987)	\$ -	\$ 6,202,916	\$ 6,236,114	\$ -	\$ 47,224	\$ (544,405)	\$ -	\$ 21,996	\$ (63,929)	\$ 6,236,114	
Less: On -Behalf TPAF Pension System Contributions							2,594,287								
Total for State Financial Assistance Determination							\$ 3,641,827								

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**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE SCHEDULES OF EXPENDITURES OF
 FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with requirements of U.S. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$8,735 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 5,375,413	\$ 5,375,413
Special Revenue Fund	\$ 566,938	186,518	753,456
Debt Service Fund	-	682,918	682,918
	<u>566,938</u>	<u>682,918</u>	<u>1,249,856</u>
Total Financial Assistance	<u>\$ 566,938</u>	<u>\$ 6,244,849</u>	<u>\$ 6,811,787</u>

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

TPAF Social Security contributions in the amount of \$1,286,924 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2015. The amount reported as TPAF Pension System Contributions in the amount of \$1,002,623 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,591,664 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2015.

NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

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

**GLEN ROCK PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	_____ yes <u> X </u> no
2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?	_____ yes <u> X </u> none reported
Noncompliance material to the basic financial statements noted?	_____ yes <u> X </u> none reported

Federal Awards Section

Internal Control over compliance:	
1) Material weakness(es) identified?	_____ yes <u> X </u> no
2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?	_____ yes <u> X </u> none reported
Type of auditor's report on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section.510(a))?	_____ yes <u> X </u> none reported

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027/84.173</u>	<u>IDEA Basic and Preschool</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar threshold used to distinguish between Type A and Type B Programs	<u>\$ 300,000</u>
Auditee qualified as low-risk auditee?	<u> X </u> yes _____ no

**GLEN ROCK PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part I – Summary of Auditor’s Results

State Awards Section

Internal Control over compliance:

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

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

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08, as amended? _____ yes X none reported

Identification of major programs:

<u>State Grant/Project Number (s)</u>	<u>Name of State Program</u>
<u>495-034-5120-089</u>	<u>Special Education Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>100-034-5120-473</u>	<u>Extraordinary Aid</u>
<u>495-034-5094-003</u>	<u>Reimbursed TPAF Social Security</u>
<u>495-034-5120-075</u>	<u>Debt Service Aid</u>

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

Auditee qualified as low-risk auditee? X yes _____ no

**GLEN ROCK PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

**GLEN ROCK PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

There are none.

**GLEN ROCK PUBLIC SCHOOLS
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

STATUS OF PRIOR YEAR FINDINGS

There were none.