

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

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

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2016**

**Comprehensive Annual  
Financial Report**

**of the**

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

**Glen Ridge, New Jersey**

**For the Fiscal Year Ended June 30, 2016**

**Prepared by**

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

**Finance Department**

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**INTRODUCTORY SECTION**



**Glen Ridge Public Schools**  
BOARD OF EDUCATION

October 28, 2016

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

Dear Board Members:

The comprehensive annual financial report of the Borough of Glen Ridge School District (the "District") for the fiscal year ended June 30, 2016, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, is included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These services are provided for regular, vocational and special education youngsters. The District completed the 2015-2016 fiscal year with an average daily enrollment of 1,893 students, which is fifteen students below the previous year's average daily enrollment.

The Honorable President and Members of  
the Board of Education  
Borough of Glen Ridge School District  
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October 28, 2016

2) MAJOR INITIATIVES: The Glen Ridge School District continues to evolve as a District by finding unique opportunities to enhance student learning while working with the community groups to provide funding. This summer three media centers were renovated to transform the learning spaces. The majority of the funding came from the buildings' Home and School Associations. The updated media centers provide better instructional spaces and a more student-friendly space. The three elementary Home and School Associations also provided funding to create Maker Spaces. The Maker Spaces are designed to engage the students in hands-on creative problem solving. Students will integrate STEAM as they work independently or cooperatively in designing and building solutions to various problems.

The Glen Ridge Education Foundation partnered with the District in a one to one Chromebook initiative at the High School (grades 7 -12). Teachers are designing their lessons to integrate the new tool. Teachers are finding opportunities to be more creative in their instructional approach. Students and teachers have a greater ability to communicate and collaborate. As a result, the increased feedback to the students has led to better student outcomes. Additional professional development for the staff members has been a focal point for the District as they transitioned into a 21st-century learning environment.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and/or assignments of fund balance at June 30, 2016.



The Honorable President and Members of  
 the Board of Education  
 Borough of Glen Ridge School District  
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 October 28, 2016

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

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

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


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


8) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

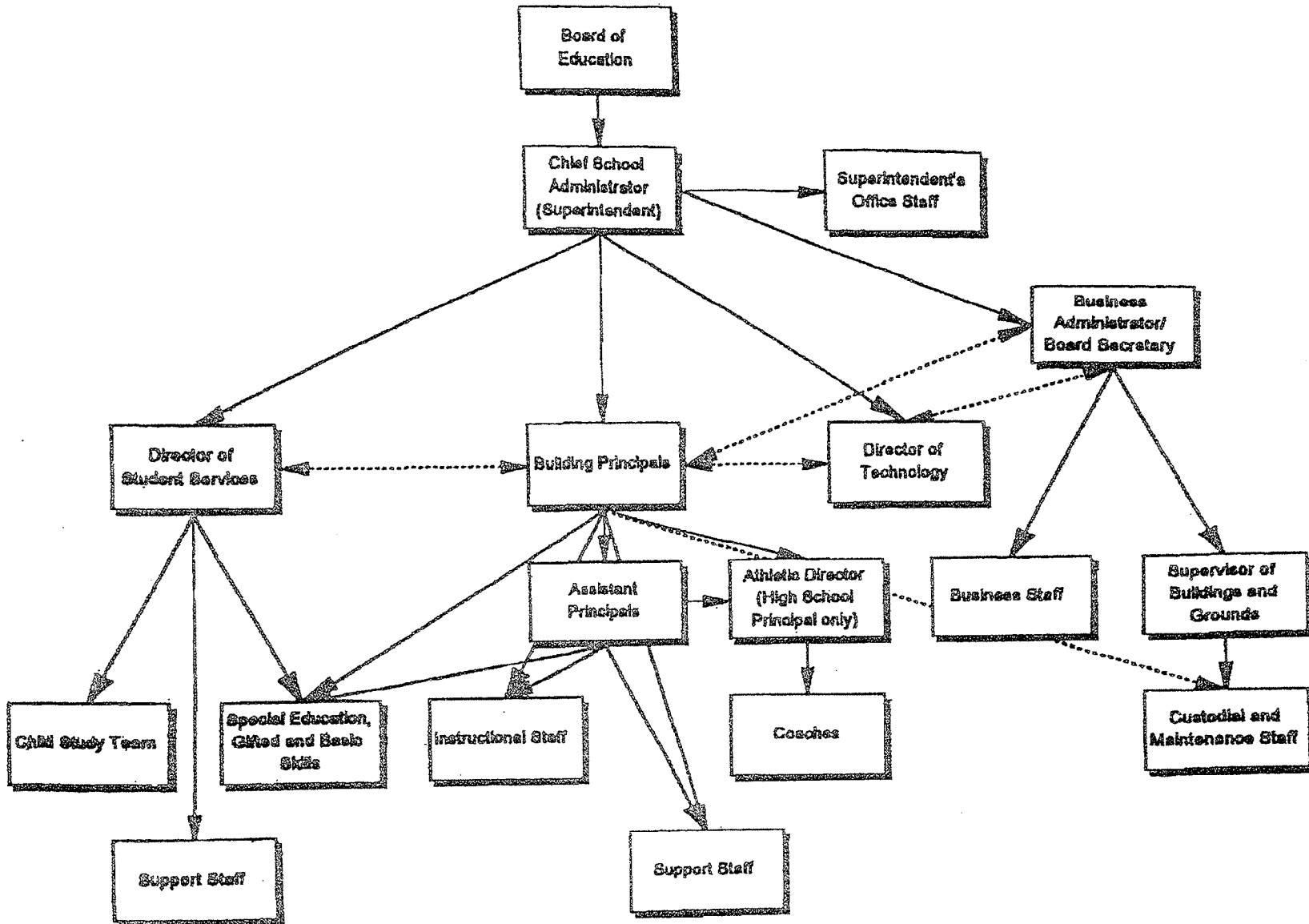
9) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Glen Ridge Borough School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance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

Respectfully submitted,

  
 Dirk Phillips  
 Superintendent of Schools

  
 Peter R. Caprio  
 Board Secretary/Business Administrator

# GLEN RIDGE BOARD OF EDUCATION ORGANIZATIONAL CHART



**BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
ROSTER OF OFFICIALS  
JUNE 30, 2016**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mrs. Elisabeth Ginsburg, President	2016
Mr. Timothy Keppel, 1st Vice President	2018
Mr. Michael de Leeuw, 2nd Vice President	2016
Mr. David Campbell	2018
Ms. Alexandra Hilberth	2018
Ms. Alison Lang	2017
Mr. Paul Romano	2017
Ms. Tracey St. Auburn	2017
Dr. Heather Yaros-Ramos	2016

Other OfficialsTitle

Dr. John M. Mucciolo	Superintendent of Schools (to 7/31/15)
Dirk Phillips	Superintendent of Schools (from 8/1/15)
Peter R. Caprio	School Business Administrator/Board Secretary
John Calavano	Treasurer of School Monies

**BOROUGH OF GLEN RIDGE SCHOOL DISTRICT**  
**Consultants and Advisors**

**Architects**

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

**Audit Firm**

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

**Attorney**

Sciarrillo, Cornell, Merlino, McKeever and Osborne  
238 St. Paul Street  
Westfield, NJ 07090

**Official Depository**

Wells Fargo Bank NA  
Bloomfield Avenue  
Glen Ridge, NJ 07028

**FINANCIAL SECTION**



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

## Independent Auditors' Report

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Borough of Glen Ridge School District (the "District") in the County of Essex, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Borough of Glen Ridge School District, in the County of Essex, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension schedules in Exhibits L-1 through L-6 and the related notes and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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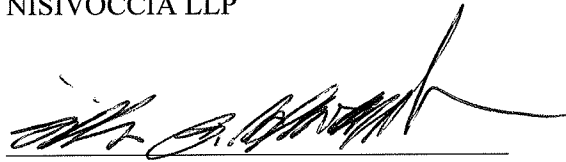
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Mount Arlington, New Jersey  
October 28, 2016

NISIVOCCIA LLP



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



**REQUIRED SUPPLEMENTARY INFORMATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)**

This section of Borough of Glen Ridge School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2016. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

### **Financial Highlights**

- The District's net position increased by \$156,147 on a district-wide basis.
- Overall revenue was \$38.6 million and overall expenses were \$38.4 million.
- Enrollment in the District has declined in the current year and cost per pupil has increased.
- The District had an increase in outstanding long-term liabilities of 6.53 percent.

### **Overview of the Financial Statements**

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

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

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

**Figure A-1**  
**Organization of the Borough of Glen Ridge School District's Financial Report**

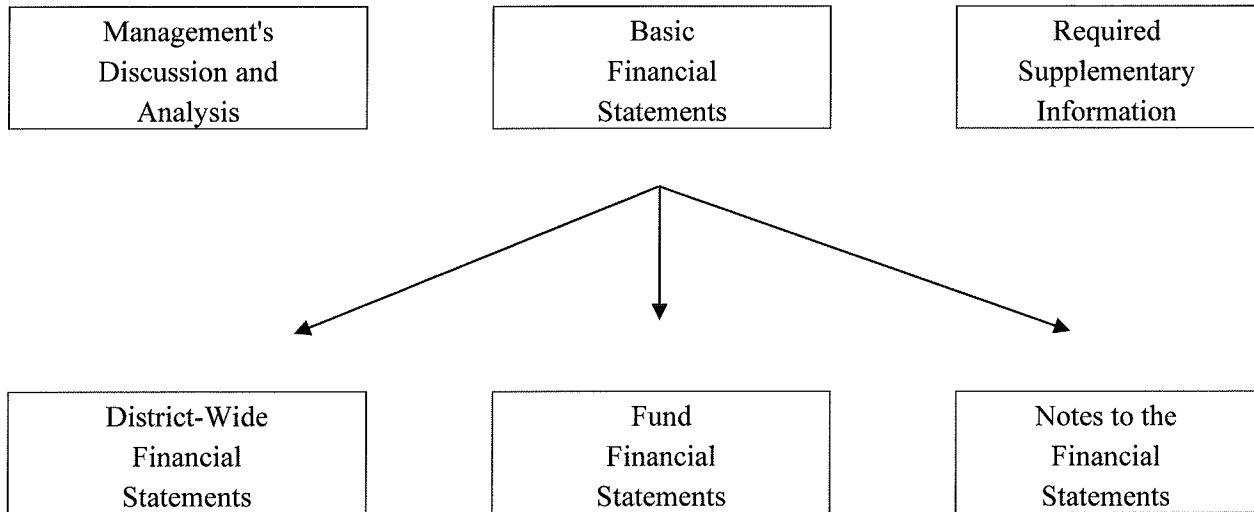


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

Figure A-2

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

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

## District-wide Statements

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

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

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

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

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

## Fund Financial Statements

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

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

The District has three kinds of funds:

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

## Fund Financial Statements

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

## Notes to the Basic Financial Statements

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

## Financial Analysis of the District as a Whole

*Net Position.* The District's combined net position increased by 2.68%. Net position from governmental activities increased by \$162,105 and net position from business-type activities decreased by \$5,958. Net investment in capital assets increased by \$159,780, restricted net position increased by \$158,893, and unrestricted net position decreased \$162,526.

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016
Current and							
Other Assets	\$ 4,408,867	\$ 4,029,628	\$ 208,578	\$ 180,228	\$ 4,617,445	\$ 4,209,856	9.68%
Capital Assets, Net	12,648,064	13,062,735	18,799	20,888	12,666,863	13,083,623	-3.19%
Total Assets	17,056,931	17,092,363	227,377	201,116	17,284,308	17,293,479	-0.05%
Deferred Outflows of Resources	1,525,212	368,250			1,525,212	368,250	314.18%
Long-Term							
Liabilities	11,994,109	11,258,953			11,994,109	11,258,953	6.53%
Other Liabilities	668,672	183,717	32,219		700,891	183,717	281.51%
Total Liabilities	12,662,781	11,442,670	32,219		12,695,000	11,442,670	10.94%
Deferred Inflows of Resources	124,056	384,742			124,056	384,742	-67.76%
Net Position:							
Net Investment in							
Capital Assets	9,229,068	9,067,199	18,799	20,888	9,247,867	9,088,087	1.76%
Restricted	3,451,188	3,292,295			3,451,188	3,292,295	4.83%
Unrestricted/(Defici	(6,884,950)	(6,726,293)	176,359	180,228	(6,708,591)	(6,546,065)	-2.48%
Total Net Position	\$ 5,795,306	\$ 5,633,201	\$ 195,158	\$ 201,116	\$ 5,990,464	\$ 5,834,317	2.68%

*Changes in Net Position.* The District's combined net position was \$5,990,464 on June 30, 2016, an increase of \$156,147 or 2.68% greater than the prior year (See Figure A-3). Net investment in capital assets increased \$159,780 due to \$86,926 of capital asset additions, the payment of \$525,000 in bond principal and the retirement of \$71,045 of capital lease principal; offset by \$494,547 in depreciation, \$9,139 in capital deletions, net of accumulated depreciation and the current amortization of \$19,505 in deferred amount on the refunding.

Restricted net position increased by \$158,893 due to a budgeted increase in capital reserve of \$465,379; offset by a decrease in excess surplus of \$306,486. Unrestricted net position decreased by \$162,526 due to a \$61,091 increase in General Fund unassigned fund balance, a \$5,533 increase in General Fund fund balance designated for subsequent year expenditures, a decrease in compensated absences payable of \$6,761, a decrease in accrued interest payable of \$6,562, a decrease in unamortized bond premium of \$15,743, a decrease in investment gains in pensions of \$260,686, an increase in changes in assumptions in pensions of \$639,314, an increase in changes in proportions in pensions of \$37,213 and an increase in the difference between expected and actual pension experience of \$187,451; offset by a decrease in General Fund encumbrances of \$25,306, an increase in net pension liability of \$1,353,705 and a decrease in unrestricted net position in business-type activities of \$3,869. (See Figure A-3).

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016
Revenue:							
Program Revenue:							
Charges for Services	\$ 574,555	\$ 473,942	\$ 653,392	\$ 714,991	\$ 1,227,947	\$ 1,188,933	3.28%
Grants and Contributions:							
Operating	8,694,591	7,183,317			8,694,591	7,183,317	21.04%
General Revenue:							
Property Taxes	28,384,732	27,841,642			28,384,732	27,841,642	1.95%
Federal and State Aid Not Restricted	67,198	60,874			67,198	60,874	10.39%
Other	209,887	219,326			209,887	219,326	-4.30%
Total Revenue	<u>37,930,963</u>	<u>35,779,101</u>	<u>653,392</u>	<u>714,991</u>	<u>38,584,355</u>	<u>36,494,092</u>	5.73%
Expenses:							
Instruction	23,988,608	20,930,605			23,988,608	20,930,605	14.61%
Pupil and Instruction Services	5,715,742	5,539,689			5,715,742	5,539,689	3.18%
Administrative and Business	4,624,768	4,320,187			4,624,768	4,320,187	7.05%
Maintenance and Operations	2,670,572	2,758,792			2,670,572	2,758,792	-3.20%
Transportation	625,130	568,312			625,130	568,312	10.00%
Other	144,038	208,664	659,350	645,070	803,388	853,734	-5.90%
Total Expenses	<u>37,768,858</u>	<u>34,326,249</u>	<u>659,350</u>	<u>645,070</u>	<u>38,428,208</u>	<u>34,971,319</u>	9.88%
Increase/(Decrease) in Net Position	<u>\$ 162,105</u>	<u>\$ 1,452,852</u>	<u>\$ (5,958)</u>	<u>\$ 69,921</u>	<u>\$ 156,147</u>	<u>\$ 1,522,773</u>	89.75%

*Revenue Sources.* The District's total revenue for the 2015/2016 school year was \$38,584,355. (See Figure A-4). Property taxes and state formula aid accounted for most of the District's revenue, with local taxes accounting for \$28,384,732 of the total, or 73.57 percent. (See Figure A-5). Another 22.71 percent came from state and federal aid and the remainder from miscellaneous sources and charges for services.

**Figure A-5**  
**Sources of Revenue for Fiscal Year 2016**

Sources of Income:	<u>Amount</u>	<u>Percentage</u>
Grants and Contributions	\$ 8,694,591	22.53%
Property Taxes	28,384,732	73.57%
Unrestricted Federal and State Aid	67,198	0.18%
Charges for Services	1,227,947	3.18%
Other	209,887	0.54%
	<u>\$ 38,584,355</u>	<u>100.00%</u>

The total cost of all programs and services was \$38,428,208. The District's expenses are predominantly related to instructing, caring for (pupil and instruction services) and transporting students (78.92 percent) (See Figure A-6). The District's administrative and business activities accounted for 12.04 percent of total costs. It is important to note that depreciation of \$494,547 is included in expenses for the year.

**Figure A-6**  
**Expenses for Fiscal Year 2016**

Expense Category:	<u>Amount</u>	<u>Percentage</u>
Instruction	\$ 23,988,608	62.42%
Pupil and Instruction Services	5,715,742	14.87%
Administrative and Business	4,624,768	12.04%
Maintenance and Operations	2,670,572	6.95%
Transportation	625,130	1.63%
Other	803,388	2.09%
	<u>\$ 38,428,208</u>	<u>100.00%</u>

### **Governmental Activities**

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

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

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



**Figure A-7**  
**Net Cost of Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2015/2016	2014/2015	2015/2016	2014/2015
Instruction	\$ 23,988,608	\$ 20,930,605	\$16,131,260	\$14,491,460
Pupil and Instruction Services	5,715,742	5,539,689	4,963,224	4,889,798
Administrative and Business	4,624,768	4,320,187	3,995,929	3,780,022
Maintenance and Operations	2,670,572	2,758,792	2,670,572	2,758,792
Transportation	625,130	568,312	594,689	540,254
Other	144,038	208,664	144,038	208,664
	<u>\$ 37,768,858</u>	<u>\$ 34,326,249</u>	<u>\$ 28,499,712</u>	<u>\$ 26,668,990</u>

- The cost of all governmental activities this year was \$37,768,858.
- The federal and state governments subsidized certain programs with grants and contributions (\$8,694,591).
- Most of the District's costs, however, were financed by District taxpayers (\$28,384,732).
- A portion of governmental activities was financed with federal and state aid not restricted (\$67,198).
- The remainder of governmental activities funding came from private contributions, tuition, investment earnings, charges for services and miscellaneous revenue.

### **Business-Type Activities**

Net position from the District's business-type activities decreased by \$5,958. This is comprised of a decrease in Food Service of \$18,061 offset by an increase in After School and Summer Programs of \$12,103. (Refer to Figure A-4)

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

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

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

### **General Fund Budgetary Highlights**

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

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

## Capital Asset and Debt Administration

### Figure A-8

#### Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2015/2016
	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015	
Sites (Land)	\$ 736,853	\$ 736,853			\$ 736,853	\$ 736,853	0.00%
Construction in Progress	555,446	555,446			555,446	555,446	0.00%
Site Improvements	139,197	142,064			139,197	142,064	-2.02%
Buildings and Building Improvements	10,349,072	10,663,382			10,349,072	10,663,382	-2.95%
Machinery and Equipment	867,496	964,990	\$ 18,799	\$ 20,888	886,295	985,878	-10.10%
Total Capital Assets (Net of Depreciation)	<u>\$ 12,648,064</u>	<u>\$ 13,062,735</u>	<u>\$ 18,799</u>	<u>\$ 20,888</u>	<u>\$ 12,666,863</u>	<u>\$ 13,083,623</u>	<u>-3.19%</u>

The District's overall capital assets (net of depreciation) decreased by \$416,760 due to capital deletions of \$9,139, net of accumulated depreciation, and \$494,547 in depreciation; offset by capital additions of \$86,926.

### Long-term Liabilities

At year-end, the District had \$3,530,000 in net general obligation bonds – a decrease of \$525,000 from last year – as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 7 to the basic financial statements.)

### Figure A-9

#### Long-Term Liabilities

	Total School District		Total Percentage Change 2015/2016
	2015/2016	2014/2015	
General Obligation Bonds, Net (Financed with Property Taxes)	\$ 3,530,000	\$ 4,055,000	-12.95%
Unamortized Bond Issuance Premium	94,453	110,196	-14.29%
Net Pension Liability	7,947,651	6,593,946	20.53%
Other Long-term Liabilities	422,005	499,811	-15.57%
	<u>\$ 11,994,109</u>	<u>\$ 11,258,953</u>	<u>6.53%</u>

The District continued to pay down its debt, retiring \$525,000 of outstanding bonds and \$71,045 of outstanding capital leases payable. In fiscal year 2016, there was a net decrease of \$6,761 in compensated absences, a decrease of \$15,743 in unamortized bond issuance premium and an increase of \$1,353,705 in the net pension liability.

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

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

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

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

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

**BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

Exhibit A-1

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2016

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 3,217,580	\$ 245,792	\$ 3,463,372
Internal Balances	52,902	(52,902)	
Receivables from State Government	139,868		139,868
Other Receivables	66,772	11,097	77,869
Inventory		4,591	4,591
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	931,745		931,745
Capital Assets, Net:			
Sites (Land) and Construction in Progress	1,292,299		1,292,299
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	11,355,765	18,799	11,374,564
Total Assets	<u>17,056,931</u>	<u>227,377</u>	<u>17,284,308</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
Deferred Amount on Refunding	117,036		117,036
Changes in Assumptions - Pensions	843,827		843,827
Changes in Proportion - Pensions	64,409		64,409
Difference Between Expected and Actual Experience - Pensions	187,451		187,451
District Contribution Subsequent to the Measurement Date - Pensions	312,489		312,489
Total Deferred Outflows of Resources	<u>1,525,212</u>		<u>1,525,212</u>
<u>LIABILITIES</u>			
Current Liabilities			
Accrued Interest Payable	54,620		54,620
Accounts Payable	571,789	796	572,585
Unearned Revenue	42,263	31,423	73,686
Noncurrent Liabilities:			
Due Within One Year	588,231		588,231
Due Beyond One Year	11,405,878		11,405,878
Total Liabilities	<u>12,662,781</u>	<u>32,219</u>	<u>12,695,000</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Investment Gains - Pensions	124,056		124,056
Total Deferred Inflows of Resources	<u>124,056</u>		<u>124,056</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	9,229,068	18,799	9,247,867
Restricted for:			
Capital Projects	931,745		931,745
Debt Service	1		1
Excess Surplus	2,519,442		2,519,442
Unrestricted/(Deficit)	(6,884,950)	176,359	(6,708,591)
Total Net Position	<u>\$ 5,795,306</u>	<u>\$ 195,158</u>	<u>\$ 5,990,464</u>

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>							
Instruction:							
Regular	\$ 17,750,208	\$ 574,555	\$ 4,798,047		\$ (12,377,606)		\$ (12,377,606)
Special Education	4,404,819		2,029,049		(2,375,770)		(2,375,770)
Other Special Instruction	518,273		143,855		(374,418)		(374,418)
School Sponsored/Other Instruction	1,315,308		311,842		(1,003,466)		(1,003,466)
Support Services:							
Tuition	1,841,300		355,107		(1,486,193)		(1,486,193)
Student & Instruction Related Services	3,874,442		397,411		(3,477,031)		(3,477,031)
General Administrative Services	932,265				(932,265)		(932,265)
School Administrative Services	2,695,662		628,839		(2,066,823)		(2,066,823)
Central Services	654,400				(654,400)		(654,400)
Administration Information Technology	342,441				(342,441)		(342,441)
Plant Operations and Maintenance	2,670,572				(2,670,572)		(2,670,572)
Pupil Transportation	625,130		30,441		(594,689)		(594,689)
Interest on Long-Term Debt	144,038				(144,038)		(144,038)
<b>Total Governmental Activities</b>	<b>37,768,858</b>	<b>574,555</b>	<b>8,694,591</b>		<b>(28,499,712)</b>		<b>(28,499,712)</b>
<b>Business-Type Activities:</b>							
Food Service	368,247	350,186				\$ (18,061)	(18,061)
After School and Summer Programs	291,103	303,206				12,103	12,103
<b>Total Business-Type Activities</b>	<b>659,350</b>	<b>653,392</b>				<b>(5,958)</b>	<b>(5,958)</b>
<b>Total Primary Government</b>	<b>\$ 38,428,208</b>	<b>\$ 1,227,947</b>	<b>\$ 8,694,591</b>	<b>\$ -0-</b>	<b>\$ (28,499,712)</b>	<b>\$ (5,958)</b>	<b>\$ (28,505,670)</b>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Net (Expenses)/Revenues and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 27,712,894		\$ 27,712,894
Taxes Levied for Debt Service	671,838		671,838
Federal and State Aid Not Restricted	67,198		67,198
Investment Earnings	268		268
Miscellaneous Income	209,619		209,619
 Total General Revenues	 28,661,817		 28,661,817
 Change in Net Position	 162,105	 \$ (5,958)	 156,147
 Net Position - Beginning	 5,633,201	 201,116	 5,834,317
 Net Position - Ending	 \$ 5,795,306	 \$ 195,158	 \$ 5,990,464



**FUND FINANCIAL STATEMENTS**

Exhibit B-1

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 3,191,566	\$ 26,013		\$ 1	\$ 3,217,580
Interfund Receivable	200,240				200,240
Receivable from State Government	139,868				139,868
Other Receivables	66,772				66,772
Restricted Cash and Cash Equivalents	931,745				931,745
<b>Total Assets</b>	<b>\$ 4,530,191</b>	<b>\$ 26,013</b>	<b>\$ -0-</b>	<b>\$ 1</b>	<b>\$ 4,556,205</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Interfund Payable			\$ 147,338		\$ 147,338
Accounts Payable	\$ 259,300				259,300
Unearned Revenue	16,250	\$ 26,013			42,263
<b>Total Liabilities</b>	<b>275,550</b>	<b>26,013</b>	<b>147,338</b>		<b>448,901</b>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Excess Surplus - 2017-2018	1,323,505				1,323,505
Excess Surplus - 2016-2017	1,195,937				1,195,937
Capital Reserve Account	931,745				931,745
Debt Service				\$ 1	1
<b>Assigned:</b>					
Year-End Encumbrances	59,550				59,550
Designated for Subsequent Year's Expenditures	91,395				91,395
Unassigned / (Deficit)	652,509		(147,338)		505,171
<b>Total Fund Balances/ (Deficit)</b>	<b>4,254,641</b>		<b>(147,338)</b>	<b>1</b>	<b>4,107,304</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,530,191</b>	<b>\$ 26,013</b>	<b>\$ -0-</b>	<b>\$ 1</b>	
Amounts Reported for <i>Governmental Activities</i> 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 \$21,532,215 and the accumulated depreciation is \$8,884,151.					12,648,064
Long-Term Liabilities, Including Bonds Payable, are not due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds (see Note 7).					(3,952,005)
Accrued Interest on Long-Term Liabilities, Including Bonds Payable, is not due and Payable in the Current Period and Therefore is not Reported as a Liability in the Funds.					(54,620)
Deferred Amount on Refunding is not Reported as Expenditure in the Governmental Funds in the Year of the Expenditure					117,036
Bond Issuance Premiums are Reported as Revenue in the Governmental Funds in the Year the Bonds are Sold. The Amount is \$204,654 and the Accumulated Amortization is \$110,201.					(94,453)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.					(7,947,651)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:					
Changes in Assumptions - Pensions					843,827
Changes in Proportions - Pensions					64,409
Difference Between Expected and Actual Experience - Pensions					187,451
Investment Gains - Pensions					(124,056)
<b>Net Position of Governmental Activities</b>					<b>\$ 5,795,306</b>

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 27,712,894			\$ 671,838	\$ 28,384,732
Tuition from Individuals	554,785				554,785
Tuition from Other LEAs	19,770				19,770
Miscellaneous	209,887	\$ 37,149			247,036
Total - Local Sources	28,497,336	37,149		671,838	29,206,323
State Sources	4,254,750				4,254,750
Federal Sources		393,153			393,153
Total Revenues	32,752,086	430,302		671,838	33,854,226
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	10,387,461	37,149			10,424,610
Special Education Instruction	2,486,799	11,903			2,498,702
Other Special Instruction	292,955				292,955
School-Sponsored/Other Instruction	840,692				840,692
Support Services and Undistributed Costs:					
Tuition	1,486,193	355,107			1,841,300
Student & Instruction Related Services	2,798,152	26,143			2,824,295
General Administrative Services	804,247				804,247
School Administrative Services	1,679,582				1,679,582
Central Services	549,443				549,443
Administration Information Technology	301,189				301,189
Plant Operations and Maintenance	2,315,107				2,315,107
Pupil Transportation	574,498				574,498
Unallocated Benefits	7,940,695				7,940,695

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
EXPENDITURES					
Debt Service:					
Principal				\$ 525,000	\$ 525,000
Interest and Other Charges				146,838	146,838
Capital Outlay	\$ 94,862				94,862
Total Expenditures	<u>32,551,875</u>	<u>\$ 430,302</u>		<u>671,838</u>	<u>33,654,015</u>
Excess of Revenues Over Expenditures	<u>200,211</u>	<u>-0-</u>			<u>200,211</u>
Net Change in Fund Balances	200,211				200,211
Fund Balance/(Deficit)—July 1	<u>4,054,430</u>		<u>\$ (147,338)</u>	<u>1</u>	<u>3,907,093</u>
Fund Balance/(Deficit)—June 30	<u><u>\$ 4,254,641</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ (147,338)</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 4,107,304</u></u>

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

Exhibit B-3

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Total Net Change in Fund Balances - Governmental Funds (from B-2)		\$ 200,211
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation and deletion of capital assets differs from capital outlays in the period.		
	Depreciation expense	\$ (492,458)
	Deletion of Capital Assets, net of Accumulated Depreciation	(9,139)
	Capital outlays	<u>86,926</u>
		(414,671)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+).		
		6,761
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).		
		6,562
Also, the governmental funds report the effect of the deferred amount on refunding when debt is first issued, whereas this amount is deferred and amortized in the statement of activities.		
		(19,505)
The governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
		15,743
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+)		
		71,045
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+)		
		525,000
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
	Change in Net Pension Liability	(1,353,705)
	Change in Deferred Outflows:	
	Changes in Assumptions - Pensions	639,314
	Changes in Proportion - Pensions	37,213
	Difference Between Expected and Actual Experience - Pensions	187,451
	Change in Deferred Inflows:	
	Net Difference Between Projected and Actual Investment Earnings on Pension	
	Plan Investments	<u>260,686</u>
Change in Net Position of Governmental Activities (Exhibit A-2)		<u>\$ 162,105</u>

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2016

	Business-Type Activities - Enterprise Funds			
	Major Funds		Non-Major Fund	Total
	Food Service	After School		
<b>ASSETS:</b>				
Current Assets:				
Cash and Cash Equivalents		\$ 241,547	\$ 4,245	\$ 245,792
Other Accounts Receivable		11,097		11,097
Inventory	\$ 4,591			4,591
Total Current Assets	4,591	252,644	4,245	261,480
Non-Current Assets:				
Capital Assets	102,573			102,573
Less: Accumulated Depreciation	(83,774)			(83,774)
Total Non-Current Assets	18,799			18,799
Total Assets	23,390	252,644	4,245	280,279
<b>LIABILITIES:</b>				
Current Liabilities:				
Interfund Payable - General Fund	52,902			52,902
Accounts Payable		796		796
Unearned Revenue	5,536	25,887		31,423
Total Current Liabilities	58,438	26,683		85,121
Total Liabilities	58,438	26,683		85,121
<b>NET POSITION:</b>				
Investment in Capital Assets	18,799			18,799
Unrestricted/(Deficit)	(53,847)	225,961	4,245	176,359
Total Net Position	\$ (35,048)	\$ 225,961	\$ 4,245	\$ 195,158

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

Exhibit B-5

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business-Type Activities - Enterprise Funds			
	Major Funds			Totals
	Food Service	After School and Summer Programs	Non-Major Fund	
Operating Revenue:				
Charges for Services:				
Daily Sales - Non-Reimbursable Programs	\$ 338,202			\$ 338,202
Special Events	11,984			11,984
Program Fees		\$ 303,206		303,206
Total Operating Revenue	<u>350,186</u>	<u>303,206</u>		<u>653,392</u>
Operating Expenses:				
Cost of Sales - Non-Reimbursable Programs	156,097			156,097
Salaries	153,305	247,518		400,823
Payroll Taxes		18,281		18,281
Employee Benefits		11,846		11,846
Purchased Professional Services	36,823			36,823
Supplies and Materials	19,933	13,458		33,391
Depreciation Expense	2,089			2,089
Total Operating Expenses	<u>368,247</u>	<u>291,103</u>		<u>659,350</u>
Change in Net Position	(18,061)	12,103		(5,958)
Net Position/(Deficit) - Beginning of Year	<u>(16,987)</u>	<u>213,858</u>	\$ 4,245	<u>201,116</u>
Net Position/(Deficit) - End of Year	<u>\$ (35,048)</u>	<u>\$ 225,961</u>	<u>\$ 4,245</u>	<u>\$ 195,158</u>

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business-Type Activities - Enterprise Funds			
	Major Funds			Totals
	Food Service	After School and Summer Programs	Non-Major Fund	
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 355,722	\$ 357,468		\$ 713,190
Payments to Employees		(247,518)		(247,518)
Payments to Food Service Vendor	(365,793)			(365,793)
Payments to Suppliers		(12,662)		(12,662)
Payments to Other Vendors		(30,127)		(30,127)
Net Cash Provided by/(Used for) Operating Activities	(10,071)	67,161		57,090
Cash Flows from Noncapital Financing Activities:				
Interfund Advanced - General Fund	52,902			52,902
Interfund Returned - General Fund	(42,831)			(42,831)
Net Cash Provided by Noncapital Financing Activities	10,071			10,071
Net Increase in Cash and Cash Equivalents		67,161		67,161
Cash and Cash Equivalents, July 1		174,386	\$ 4,245	178,631
Cash and Cash Equivalents, June 30	\$ -0-	\$ 241,547	\$ 4,245	\$ 245,792
Reconciliation of Operating Income/(Loss) to Net Cash Used for Operating Activities:				
Operating Income/(Loss)	\$ (18,061)	\$ 12,103		\$ (5,958)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:				
Depreciation	2,089			2,089
Changes in Assets and Liabilities:				
Decrease in Other Accounts Receivable		28,375		28,375
Increase in Accounts Payable		796		796
Decrease in Inventory	365			365
Increase in Unearned Revenue	5,536	25,887		31,423
Net Cash Provided by/(Used for) Operating Activities	\$ (10,071)	\$ 67,161	\$ -0-	\$ 57,090

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



Exhibit B-7

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2016

	Agency	Unemployment Compensation Trust
<b>ASSETS:</b>		
Cash and Cash Equivalents	\$ 484,578	\$ 126,332
Interfund Receivable - Agency		31,433
	484,578	157,765
<b>LIABILITIES:</b>		
Payroll Deductions and Withholdings	316,189	
Due to Student Groups	136,956	
Interfund Payable - Unemployment Compensation Trust	31,433	
	484,578	
<b>NET POSITION:</b>		
Held in Trust for Unemployment Claims		157,765
Total Net Position	\$ -0-	\$ 157,765

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

Exhibit B-8

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Budget Appropriation	\$ 30,000
Employee Contributions	31,433
Total Contributions	<u>61,433</u>
Total Additions	<u>61,433</u>
DEDUCTIONS:	
Quarterly Contribution Reports and Claims	<u>20,609</u>
Total Deductions	<u>20,609</u>
Change in Net Position	40,824
Net Position - Beginning of the Year	<u>116,941</u>
Net Position - End of the Year	<u><u>\$ 157,765</u></u>

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

B. Basis of Presentation: (Cont'd)

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

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

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

B. Basis of Presentation: (Cont'd)

The District reports the following proprietary fund:

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

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budget for the fiscal year ended June 30, 2016 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 32,751,986	\$ 430,302
Difference - Budget to GAAP:		
Current Year State Aid Payments Recognized for GAAP Statements, Not Recognized for Budgetary Purposes	(71,160)	
Prior Year State Aid Payments Recognized for Budgetary Purposes, Not Recognized for GAAP Statements	<u>71,260</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 32,752,086</u>	<u>\$ 430,302</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	<u>\$ 32,551,875</u>	<u>\$ 430,302</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 32,551,875</u>	<u>\$ 430,302</u>
		<u>Capital Projects Fund Fund Balance</u>
Amount per Summary Schedule of Revenue, Expenditures, and Charges in Fund Balance (Budgetary Basis) (per Exhibit F-1)		\$ 74,840
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Revenue/Receivable not Recognized on GAAP Basis		<u>(222,178)</u>
Deficit Fund Balance per Summary Schedule of Revenue, Expenditures, and Charges in Fund Balance - Governmental Funds (GAAP Basis) (per Exhibit B-2)		<u>\$ (147,338)</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

E. Cash and Cash Equivalents and Investments:

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

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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



BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

H. Encumbrances: (Cont'd)

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

K. Capital Assets:

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

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

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

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

L. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, 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.

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year; therefore, there are no accrued salaries and wages as of June 30, 2016.

N. Compensated Absences:

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

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

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

O. Unearned Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the \$4,254,641 General Fund fund balance at June 30, 2016, \$59,550 is assigned for encumbrances; \$931,745 is restricted in the capital reserve account; \$1,323,505 is restricted as current year excess surplus and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2018; \$1,195,937 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2017; \$91,395 is assigned fund balance and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2017 and unassigned fund balance is \$652,509, which is \$71,160 less than the calculated maximum unassigned fund balance due to the final two State Aid payments that are not recognized on GAAP basis until the fiscal year ending June 30, 2017.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

P. Fund Balance Appropriated: (Cont'd)

Capital Projects Fund: The deficit fund balance of \$147,338 in the Capital Projects Fund at June 30, 2016 is unassigned. This deficit is due to the difference in the recognition of the SDA grant receivable of \$222,178. The Budgetary basis of accounting recognizes the grant revenue when the grant is awarded whereas the GAAP basis recognizes the SDA grant revenue when grant expenditures are submitted for reimbursement.

Debt Service Fund: The Debt Service Fund has a \$1 fund balance at June 30, 2016 that is restricted and has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2017.

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

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$71,160 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, Districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school Districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school District cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

Q. Deficit Fund Balance/Net Position:

The District has a deficit in unrestricted net position of \$6,884,950 in governmental activities, which is due to accrued interest payable of \$54,620, \$415,973 of compensated absences payable, an unamortized bond premium of \$94,453, a deficit in unassigned Capital Projects Fund fund balance of \$147,338, investment gains in pensions of \$124,056 and the net pension liability of \$7,947,651; net of \$91,395 of fund balance assigned for subsequent year's expenditures, \$59,550 assigned for encumbrances, \$652,509 unassigned General Fund fund balance, changes in pension assumptions of \$843,827, changes in proportion in pensions of \$64,409 and the difference between expected and actual pension experience of \$187,451. There is a deficit fund balance of \$147,338 in the Capital Projects Fund as of June 30, 2016 as reported in the fund statements (modified accrual basis) due to the School Development Authority grant receivable in the amount of \$222,178 which is not recognized on a GAAP basis until these grant funds are expended and reported for reimbursement. The Food Service Enterprise Fund has a deficit in unrestricted net position of \$53,847 primarily due to operating deficits in the last three years.

The deficits in Governmental Activities net position and the Capital Projects Fund fund balance do not indicate that the District is facing financial difficulties and is a permitted practice by generally accepted accounting principles.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

(Continued)

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

R. Net Position:

Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2016 for the deferred amount on refunding of debt related to the District's 2010 refunding bonds, changes in assumptions in pensions, changes in proportion in pensions, the difference between expected and actual pension experience and the District contribution subsequent to the measurement date related to pensions at June 30, 2016.

The District had a deferred inflow of resources at June 30, 2016 for the net difference between projected and actual investment earnings on pension plan investments.

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

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

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

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

S. Fund Balance Restrictions, Commitments and Assignments:

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

Fund balance restrictions have been established for excess surplus, the debt service fund, and a capital reserve.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District did not have committed resources on the GAAP basis at June 30, 2016.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

S. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2016.

T. Revenue - Exchange and Nonexchange Transactions:

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

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

U. Operating Revenue and Expenses:

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

V. Management Estimates:

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

W. Pensions

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 State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

Custodial Credit Risk – The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which New Jersey school districts are permitted to invest their funds.

Deposits:

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

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

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

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

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; or
- (7) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in statute; and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2016, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Restricted Cash and Cash Equivalents Capital Reserve Account</u>	<u>Total</u>
Checking and Savings Accounts	\$ 3,971,056	\$ 931,745	\$ 4,902,801
New Jersey Cash Management Fund	103,226		103,226
	<u>\$ 4,074,282</u>	<u>\$ 931,745</u>	<u>\$ 5,006,027</u>

During the period ended June 30, 2016, the District did not hold any investments.

The carrying amount of the Board's cash and cash equivalents at June 30, 2016, was \$5,006,027 and the bank balance was \$5,603,789. The \$103,226 in the New Jersey Cash Management Fund is uninsured and unregistered.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$ 466,366
Add:	
Budgeted Increase	<u>465,379</u>
Ending Balance, June 30, 2016	<u><u>\$ 931,745</u></u>

The balance in the capital reserve account at June 30, 2016 does not exceed the LRFP balance of local support costs of uncompleted capital projects.

NOTE 5: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2016, the District transferred a total net amount of \$4,500 to the capital outlay accounts. The total amount transferred was for equipment and did not require approval from the County Superintendent.



BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2016 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
<b>Capital Assets not Being Depreciated:</b>				
Sites (Land)	\$ 736,853			\$ 736,853
Construction in Progress	555,446			555,446
Total Capital Assets Not Being Depreciated	<u>1,292,299</u>			<u>1,292,299</u>
<b>Capital Assets Being Depreciated:</b>				
Site Improvements	405,903	\$ 18,000		423,903
Buildings and Building Improvements	17,673,043			17,673,043
Machinery and Equipment	2,102,965	68,926	\$ (28,921)	2,142,970
Total Capital Assets Being Depreciated	<u>20,181,911</u>	<u>86,926</u>	<u>(28,921)</u>	<u>20,239,916</u>
Governmental Activities Capital Assets	<u>21,474,210</u>	<u>86,926</u>	<u>(28,921)</u>	<u>21,532,215</u>
Less Accumulated Depreciation for:				
Site Improvements	(263,839)	(20,867)		(284,706)
Buildings and Building Improvements	(7,009,661)	(314,310)		(7,323,971)
Machinery and Equipment	(1,137,975)	(157,281)	19,782	(1,275,474)
	<u>(8,411,475)</u>	<u>(492,458)</u>	<u>19,782</u>	<u>(8,884,151)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 13,062,735</u>	<u>\$ (405,532)</u>	<u>\$ (9,139)</u>	<u>\$ 12,648,064</u>
<b>Business-Type Activities:</b>				
<b>Capital Assets Being Depreciated:</b>				
Machinery and Equipment	\$ 102,573			\$ 102,573
Less Accumulated Depreciation	<u>(81,685)</u>	<u>\$ (2,089)</u>		<u>(83,774)</u>
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 20,888</u>	<u>\$ (2,089)</u>	<u>\$ -0-</u>	<u>\$ 18,799</u>

Increases totaling \$86,926 represent current year capitalized expenditures in the General Fund, as well as capital deletions of \$9,139, net of accumulated depreciation, during the current year.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 79,378
Special Education	50,307
Student and Instruction Related Services	121,029
General Administrative Services	126,475
School Administrative Services	1,309
Plant Operations and Maintenance	84,754
Pupil Transportation	29,206
	<u>\$ 492,458</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2016, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2015	Accrued	Retired	Balance 6/30/2016
Serial Bonds Payable	\$ 4,055,000		\$ 525,000	\$ 3,530,000
Capital Leases Payable	77,077		71,045	6,032
Net Pension Liability	6,593,946	\$ 1,353,705		7,947,651
Compensated Absences Payable	422,734	20,379	27,140	415,973
Unamortized Bond Issuance Premium	110,196		15,743	94,453
	<u>\$ 11,258,953</u>	<u>\$ 1,374,084</u>	<u>\$ 638,928</u>	<u>\$ 11,994,109</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds. The current portion of bonds at June 30, 2016 is \$540,000 and the long-term portion is \$2,990,000. The Debt Service Fund will be used to liquidate bonds payable.

The District had bonds outstanding as of June 30, 2016 as follows:

<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
Refunding Bonds	02/01/2022	2.75%-4.50%	<u>\$ 3,530,000</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 540,000	\$ 131,088	\$ 671,088
2018	565,000	106,787	671,787
2019	575,000	91,250	666,250
2020	590,000	74,000	664,000
2021	615,000	50,400	665,400
Thereafter:			
2022	645,000	25,800	670,800
	<u>\$ 3,530,000</u>	<u>\$ 479,325</u>	<u>\$ 4,009,325</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

A. Bonds Payable: (Cont'd)

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

As a result of the advance refunding, the District reduced its total debt service requirements by \$367,254, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$309,054. The deferred amount on the refunding was \$253,571 upon issuance and \$117,036 is deferred at June 30, 2016.

B. Bonds Authorized But Not Issued:

As of June 30, 2016, the Board had no bonds authorized but not issued.

C. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance is \$26,456 and the long-term liability balance of compensated absences is \$389,517.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2016, no liability existed for compensated absences in the Enterprise Funds.

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

D. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2016 is \$-0- and the long-term portion is \$7,857,448. See Note 8 for further information on the PERS.

The Board of Education Employee's Pension Fund of Essex County's (the "Plan") net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2016 is \$-0- and the long-term portion is \$90,203. See Note 8 for further information on the Plan.

E. Unamortized Bond Premium

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$15,743 and is separated from the long-term liability balance of \$78,710.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

F. Capital Leases Payable:

The District is leasing photocopiers. The lease term is for four years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2016.

Year Ending June 30,	Amount
2017	\$ 6,049
Less: Amount Representing Interest	(17)
Present Value of Net Minimum Lease Payments	\$ 6,032

The current portion of Capital Leases payable at June 30, 2016 is \$6,032. Capital leases will be liquidated by the General Fund.

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP). Additionally, a small number of the District's retirees participate in the Board of Education Employees' Pension Fund of Essex County ("the Plan").

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.shtml).

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
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(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Benefits Provided (Cont'd)

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$300,931 for fiscal year 2016.

The employee contribution rate was 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2016, the District reported a liability of \$7,857,448 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The District's proportion 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 members, actuarially determined. At June 30, 2015, the District's proportion was 0.035%, which was a decrease of 0.0003% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the District recognized pension expense of \$529,391. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
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NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	6.44	\$ 168,195	
	2015	5.72	675,632	
Difference Between Expected and Actual Experience	2015	5.72	187,451	
Changes in Proportion	2014	6.44	22,197	
	2015	5.72	42,212	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5.00		\$ 292,915
	2015	5.00		(166,582)
Contribution Made Subsequent to the Measurement Date	2015	1.00	300,408	
			\$ 1,396,095	\$ 126,333

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the District contribution subsequent to the measurement date) related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2016	\$ 164,744
2017	164,746
2018	164,746
2019	262,384
2020	148,325
	\$ 904,945

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions (Cont'd)

Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback one year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block in which best-estimate ranges of expected future real rates of return (expected\_returns, net of pension plan 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 PERS' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex. U.S.	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 3.80% as of June 30, 2015 based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2015 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>Fiscal Year Ended June 30, 2015</u>		
	<u>1%</u>	<u>Current</u>	<u>1%</u>
	<u>Decrease</u>	<u>Discount Rate</u>	<u>Increase</u>
	<u>(3.90%)</u>	<u>(4.90%)</u>	<u>(5.90%)</u>
District's proportionate share of the Net Pension Liability	\$ 9,765,846	\$ 7,857,448	\$ 6,257,460



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(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts. The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarially determined amount.

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2016, the State of New Jersey contributed \$1,059,378 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$5,136,115.

The employee contribution rate was 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2016, the State's proportionate share of the net pension liability associated with the District was \$84,117,248. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The District's proportion 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 members, actuarially determined. At June 30, 2015, the District's proportion was 0.133%, which was an increase of 0.004% from its proportion measured as of June 30, 2014.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>84,117,248</u>
Total	<u><u>\$ 84,117,248</u></u>

For the fiscal year ended June 30, 2016, the State recognized pension expense on behalf of the District in the amount of \$5,136,115 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2016 financial statements.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
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NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.5	\$ 1,999,074,013	
	2015	8.3	5,201,079,373	
Difference Between Expected and Actual Experience	2014	8.3	321,224,871	
	2015	8.5		\$ 19,039,817
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5.0		1,305,927,430
	2015	5.0		(770,568,242)
			<u>\$ 7,521,378,257</u>	<u>\$ 554,399,005</u>

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

Fiscal Year Ending June 30,	Total
2015	\$ 818,433,596
2016	818,433,596
2017	818,433,598
2018	1,253,742,742
2019	1,061,100,680
Thereafter	2,196,835,040
	<u>\$ 6,966,979,252</u>

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
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(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Actuarial Assumptions (Cont'd)

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block in which best-estimate ranges of expected future real rates of return (expected\_returns, net of pension plan 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 TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90% and a municipal bond rate of 3.80% as of June 30, 2015 based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the State's Proportionate Share of the Net Pension Liability Associated with the District to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2015 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2015		
	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
Total Net Pension Liability	\$ 99,970,205	\$ 84,117,248	\$ 70,458,977

Pension Plan Fiduciary Net Position

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 8. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (DCRP) (Cont'd)

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$23,938 for the fiscal year ended June 30, 2016. Employee contributions to DCRP amounted to \$49,419 for the year ended June 30, 2016.

D. Board of Education Employees' Pension Fund of Essex County (the Plan)

Plan Description

The Board of Education Employees' Pension Fund of Essex County (the "Plan"), is a multiple-employer contributory defined benefit pension plan that provides pension and life insurance benefits to employees of the Boards of Education within Essex County employed before July 1, 1981, except temporary employees and employees eligible for coverage under any New Jersey State administered pension plan created under prior New Jersey laws.

The ECPF became effective April 16, 1929. The Plan provides for retirement, service, and non-service connected death and disability benefits for its members. The Plan is governed by New Jersey Statutes under Title 18A, and is administered by a Board of Trustees for the Plan who is also responsible for the management and investment of Plan assets. The Board of Trustees consists of one active and five retired elected Plan members.

Pursuant to New Jersey Public Law enacted in 1980, members were given the option to transfer their membership in the Plan to the PERS. Approximately 2,775 members, 58% of the membership, elected to transfer to PERS effective July 1, 1981. The Plan is closed to new entrants.

Benefits Provided

Regular service retirement benefits are determined as  $1/45^{\text{th}}$  of the highest 3 year average salary multiplied by the member's years of credited service. A member may elect early retirement benefits if they are under age 60 and have at least 25 years of credited service. The Plan also offers a special veterans benefit, disability and deferred benefits. Group life insurance benefits and death benefits are available to be paid to beneficiaries if elected by the member.

For more complete information about the Plan agreement and vesting and benefit provisions, participants are referred to the pamphlet, *A Summary of Benefits*. Copies of this pamphlet are available from the Pension Fund Administration Office.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
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(Continued)

NOTE 8. PENSION PLANS (Cont'd)

D. Board of Education Employees' Pension Fund of Essex County (the Plan) (Cont'd)

Contributions

Contributions are made by the members at 3%, the maximum contribution rate required by statute, of their annual compensation. Contributions made by the Boards are determined annually based upon actuarial valuations. The Boards are required to reimburse the Plan for administrative expenses and cost of living increases associated with its retirees. Plan provisions and contribution requirements are established by New Jersey state statute assets. District contributions to the Plan amounted to \$13,717 for fiscal year 2016.

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

At June 30, 2016, the District reported a liability of \$90,203 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. The District's proportion 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 members, actuarially determined. The District rolled forward the net pension liability to June 30, 2016 with no adjustments. At June 30, 2015, the District's proportion was 0.234%, which was an increase of 0.007% from its proportion measured as of June 30, 2014. The District utilized the proportion at June 30, 2015 for June 30, 2016 as there were no known changes to the proportion as of June 30, 2016.

For the fiscal year ended June 30, 2016, the District recognized pension expense of \$14,286.

At June 30, 2016, the District reported deferred outflows of resources related to pension from the sources noted in the below table. For the fiscal year ended June 30, 2016 we amortized the deferred outflow of resources at June 30, 2015 by the amount to be amortized for the fiscal year ended June 30, 2016 per the June 30, 2015 actuarial valuation. There were no deferred inflows of resources.

	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>
Net Difference Between Projected and Actual		
Investment Earnings on Pension Plan Investments	5	\$ 2,277
District Contribution Subsequent to the		
Measurement Date	1	<u>12,081</u>
		<u>\$ 14,358</u>

The amounts reported as a deferred outflow of resources for the net difference between projected and actual investment earnings on pension plan investments only related to pensions will be recognized in pension expense as follows:

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
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(Continued)

NOTE 8. PENSION PLANS (Cont'd)

D. Board of Education Employees' Pension Fund of Essex County (the Plan) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2017	\$ 569
2018	569
2019	569
2020	570
	<u>\$ 2,277</u>

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.30%
Salary Increases	4.50%
Investment Rate of Return, net of Plan investment expense, including inflation	7.00%
Cost of Living Adjustments ("COLA")	3.00%

For active members, inactive members and healthy retirees, mortality rates were based on the RP-2000 separate annuitant and non-annuitant tables with static projections using Scale AA through the valuation year plus 7 years for annuitants and the valuation year plus 15 years for no annuitants. For disabled retirees, mortality rates are based on the 1994 Group Annuity Mortality Table set forward 10 years.

No changes to the actuarial assumptions as of June 30, 2015 are known as of June 30, 2016 so the actuarial assumptions as of June 30, 2015 were utilized for June 30, 2016.

Long Term Expected Rate of Return

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan 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 weighing 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 including in the Plan's target asset allocation as of June 30, 2015 are summarized in the following table:



BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

D. Board of Education Employees' Pension Fund of Essex County (the Plan) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
U.S. Fixed Income	40.00%	1.60%
U.S. Large CAP Equities	50.00%	6.70%
U.S. Small CAP Equities	10.00%	6.70%

\* - Net of 2.6% inflation assumption

No changes to the long term expected rate of return as of June 30, 2015 are known as of June 30, 2016 so the discount rate as of June 30, 2015 was utilized for June 30, 2016.

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2015. No changes to the discount rate as of June 30, 2015 are known as of June 30, 2016 so the discount rate as of June 30, 2015 was utilized for June 30, 2016.

The projection of cash flows used to determine the discount rate assumed that contributions will be made at the actuarially determined amount, including the reimbursement of administrative expenses and COLA payments. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2015 calculated using the discount rate of 7%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2015		
	1%	Current	1%
	Decrease (6.00%)	Discount Rate (7.00%)	Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 122,756	\$ 90,203	\$ 62,035

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

D. Board of Education Employees' Pension Fund of Essex County (the Plan) (Cont'd)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial statements.

NOTE 9. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. Chapter 103 of Public Law amended the law to eliminate the funding of post-retirement medical benefits through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding 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 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publically available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at <http://www.nj.gov/treasury/pensions/pdf/financial2015combined.pdf>.

The State's on-behalf Post-Retirement Medical Contributions to TPAF for the District amounted to \$1,261,426, \$1,142,241 and \$931,622 for 2016, 2015, and 2014, respectively.

NOTE 10. RISK MANAGEMENT

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

Property and Liability Insurance

The Borough of Glen Ridge School District is a member of the Morris Essex Insurance Group (the "Group") and the School Alliance Insurance Fund (the "Fund"). The Group provides worker's compensation coverage for its members and the Fund provides general liability, property and automobile coverage for its members.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Group and Fund are risk-sharing public entity risk pools that are insured and self-administered groups of school boards established for the purpose of providing low-cost insurance for their respective members in order to keep local property taxes to a minimum.

Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Group and Fund are elected.

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

The June 30, 2016 financial information for the Fund was not available as of the date of this audit report. Selected, and summarized financial information for the Group as of June 30, 2016, and the Fund as of June 30, 2015 is as follows:

	<u>Morris-Essex</u> <u>Insurance Group</u>	<u>School Alliance</u> <u>Insurance Fund</u>
Total Assets	\$ 9,740,564	\$ 35,565,090
Net Position	\$ 7,012,792	\$ 7,171,390
Total Revenue	\$ 3,393,346	\$ 38,392,884
Total Expenses	\$ 1,680,814	\$ 36,335,763
Change in Net Position	\$ 1,712,532	\$ 2,057,121
Member Dividends	\$ 802,365	\$ -0-

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

Group

Burton Agency  
44 Bergen Street  
P.O. Box 270  
Westwood, NJ 07675  
(201) 664-0310

Fund

Public Entity Group Administrative Services  
51 Everett Drive  
Suite B-40  
West Windsor, NJ 08550  
(609) 275-1155

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015-2016	\$ 30,000	\$ -0-	\$ 31,433	\$ 20,609	\$ 157,765
2014-2015	-0-	-0-	59,964	27,321	116,941
2013-2014	40,000	-0-	7,750	40,927	84,298

NOTE 11. ECONOMIC DEPENDENCY

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

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2016 there were interfund receivables and payables as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 200,240	
Capital Projects Fund		\$ 147,338
Proprietary Fund-Food Service Fund		52,902
Fiduciary Fund - Agency		31,433
Fiduciary Fund - Unemployment Compensation Trust	31,433	
	<u>\$ 231,673</u>	<u>\$ 231,673</u>

The interfund receivable in the General Fund is comprised of \$147,338 due from the Capital Projects Fund awaiting SDA grants reimbursement and \$52,902 due from the Food Service Fund for a loan to cover the deficit in the Food Service Fund cash balance due to increased costs. The interfund receivable in the Unemployment Compensation Trust is due from Agency for current year unemployment employee contributions.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 13. DEFERRED COMPENSATION

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

The plan administrators are as follows:

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

NOTE 14. TAX CALENDAR

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

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

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation

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

Grant Programs

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 15. COMMITMENTS AND CONTINGENCIES (Cont'd)

Encumbrances

At June 30, 2016, the District had \$59,550 of encumbrances in the General Fund.

NOTE 16. ACCOUNTS PAYABLE

Payables as of June 30, 2016 were:

	<u>Governmental Fund General Fund</u>	<u>District Contri- bution Subsequent to the Measure- ment Date</u>	<u>Total Governmental Fund Activities</u>	<u>Business-Type Activities After School and Summer Programs</u>
Due to State of New Jersey		\$ 300,408	\$ 300,408	
Due to Essex County Pension Plan		12,081		
Vendors	\$ 249,682		249,682	\$ 796
Accrued Salaries and Wages	9,618		9,618	
	<u>\$ 259,300</u>	<u>\$ 312,489</u>	<u>\$ 559,708</u>	<u>\$ 796</u>

**SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION**

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TWO FISCAL YEARS  
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability	0.0347371434%	0.0350028926%
District's proportionate share of the net pension liability	\$ 6,503,743	\$ 7,857,448
District's covered employee payroll	\$ 2,279,184	\$ 2,288,641
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	285.35%	343.32%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.



BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TWO FISCAL YEARS  
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 286,368	\$ 300,931
Contributions in relation to the contractually required contribution	<u>(286,368)</u>	<u>(300,931)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 2,288,641	\$ 2,211,007
Contributions as a percentage of covered employee payroll	12.51%	13.61%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
ASSOCIATED WITH THE DISTRICT  
TEACHERS' PENSION AND ANNUITY FUND  
LAST TWO FISCAL YEARS  
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2015</u>	<u>2016</u>
State's proportion of the net pension liability attributable to the District	0.1285972766%	0.1330879187%
State's proportionate share of the net pension liability attributable to the District	\$ 71,785,249	\$ 84,117,248
District's covered employee payroll	\$ 13,351,970	\$ 13,573,769
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	537.64%	619.70%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE CONTRIBUTIONS  
TEACHERS' PENSION AND ANNUITY FUND  
LAST FISCAL YEAR  
UNAUDITED

	Fiscal Year	
	Ending June 30,	
	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 3,862,720	\$ 5,136,115
Contributions in relation to the contractually required contribution	<u>(719,522)</u>	<u>(1,059,378)</u>
Contribution deficiency/(excess)	<u>\$ 3,143,198</u>	<u>\$ 4,076,737</u>
District's covered employee payroll	\$ 13,573,769	\$ 13,887,854
Contributions as a percentage of covered employee payroll	5.30%	7.63%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
BOARD OF EDUCATION EMPLOYEES' PENSION FUND OF ESSEX COUNTY  
LAST TWO FISCAL YEARS  
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2015</u>	<u>2016</u>
District's Proportion of the Net Pension Liability	0.2341794%	0.2341794%
District's Proportionate Share of the Net Pension Liability	\$ 90,203	\$ 90,203
District's Covered Employee Payroll	\$ -0-	\$ -0-
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	0.00%	0.00%
Plan Fiduciary Net Position (*) as a Percentage of the Total Pension Liability	76.05%	76.05%

\* - Fiduciary Net Position Excludes an Amount Designated for Insurance Benefits of \$19,628,046 for the fiscal years ending June 30, 2015 and 2016.

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
BOARD OF EDUCATION EMPLOYEES' PENSION FUND OF ESSEX COUNTY  
LAST TWO FISCAL YEARS  
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2015</u>	<u>2016</u>
Contractually Required Contribution	\$ 13,706	\$ 13,717
Contributions in Relation to the Contractually Required Contribution	<u>(13,706)</u>	<u>(13,717)</u>
Contribution Deficiency (Excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's Covered Employee Payroll	\$ -0-	\$ -0-
Contributions as a Percentage of Covered Employee Payroll	0.00%	0.00%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.39% as of June 30, 2014 to 4.90% as of June 30, 2015. The inflation rate changed from 3.01% as of June 30, 2014 to 3.04% as of June 30, 2015.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.68% as of June 30, 2014 to 4.13% as of June 30, 2015.

C. BOARD OF EDUCATION EMPLOYEES' PENSION FUND OF ESSEX COUNTY

Benefit Changes

There were none known.

Changes of Assumptions

No change to the actuarial assumptions as of June 30, 2015, are known as of June 30, 2016, so the actuarial assumptions as of June 30, 2015 were utilized for June 30, 2016.

**BUDGETARY COMPARISON SCHEDULES**

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 27,712,894		\$ 27,712,894	\$ 27,712,894	
Tuition from Individuals	525,649		525,649	554,785	\$ 29,136
Tuition from other LEAs				19,770	19,770
Rentals	8,000		8,000	25,227	17,227
Unrestricted Miscellaneous Revenue	96,000		96,000	184,660	88,660
<b>Total - Local Sources</b>	<b>28,342,543</b>		<b>28,342,543</b>	<b>28,497,336</b>	<b>154,793</b>
State Sources:					
Extraordinary Special Education Costs Aid				132,801	132,801
Categorical Special Education Aid	667,725		667,725	667,725	
Categorical Security Aid	29,268		29,268	29,268	
Categorical Transportation Aid	23,478		23,478	23,478	
Nonpublic School Transportation Costs				6,960	6,960
Other State Aids	37,920		37,920	37,920	
TPAF Pension Contribution (On-Behalf - Non-Budgeted)				1,059,378	1,059,378
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				1,261,426	1,261,426
TPAF Social Security (Reimbursed - Non-Budgeted)				1,035,694	1,035,694
<b>Total State Sources</b>	<b>758,391</b>		<b>758,391</b>	<b>4,254,650</b>	<b>3,496,259</b>
<b>TOTAL REVENUES</b>	<b>29,100,934</b>		<b>29,100,934</b>	<b>32,751,986</b>	<b>3,651,052</b>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	197,853		197,853	191,358	6,495
Kindergarten - Salaries of Teachers	439,805	\$ (2,065)	437,740	430,546	7,194
Grades 1-5 - Salaries of Teachers	2,961,351	160,305	3,121,656	3,121,652	4
Grades 6-8 - Salaries of Teachers	1,906,806	(72,000)	1,834,806	1,832,661	2,145
Grades 9-12 - Salaries of Teachers	3,573,856	(59,645)	3,514,211	3,513,047	1,164



BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Regular Programs - Home Instruction:					
Salaries of Teachers	\$ 9,500		\$ 9,500	\$ 8,180	\$ 1,320
Purchased Professional - Educational Services	8,150	\$ 14,850	23,000	22,997	3
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	483,183	87,445	570,628	553,836	16,792
General Supplies	600,508	(81,489)	519,019	465,802	53,217
Textbooks	312,322	(63,160)	249,162	244,250	4,912
Other Objects	7,223	(100)	7,123	3,132	3,991
Total Regular Programs - Instruction	<u>10,500,557</u>	<u>(15,859)</u>	<u>10,484,698</u>	<u>10,387,461</u>	<u>97,237</u>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	199,994	(11,000)	188,994	187,471	1,523
Other Salaries for Instruction	167,300	(92,000)	75,300	73,875	1,425
General Supplies	3,990	760	4,750	4,606	144
Textbooks	1,000	(580)	420	401	19
Total Learning and/or Language Disabilities	<u>372,284</u>	<u>(102,820)</u>	<u>269,464</u>	<u>266,353</u>	<u>3,111</u>
Resource Room/Resource Center:					
Salaries of Teachers	1,572,516	174,075	1,746,591	1,746,591	
Other Salaries for Instruction	336,958	5,190	342,148	342,145	3
General Supplies	14,200	2,231	16,431	15,552	879
Total Resource Room/Resource Center	<u>1,923,674</u>	<u>181,496</u>	<u>2,105,170</u>	<u>2,104,288</u>	<u>882</u>
Preschool Disabilities - Full-time:					
Salaries of Teachers	72,239		72,239	70,884	1,355
Other Salaries for Instruction	59,694	(13,000)	46,694	45,185	1,509
General Supplies	600		600	89	511
Total Preschool Disabilities - Full-time	<u>132,533</u>	<u>(13,000)</u>	<u>119,533</u>	<u>116,158</u>	<u>3,375</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Total Special Education Instruction	\$ 2,428,491	\$ 65,676	\$ 2,494,167	\$ 2,486,799	\$ 7,368
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	300,640		300,640	291,623	9,017
General Supplies	2,400	(1,067)	1,333	1,332	1
Total Basic Skills/Remedial - Instruction	303,040	(1,067)	301,973	292,955	9,018
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	178,000	24,500	202,500	191,361	11,139
Purchased Services (300-500 series)	3,000		3,000	1,129	1,871
Supplies and Materials	50,725	(5,485)	45,240	35,726	9,514
Total School-Sponsored Cocurricular Activities - Instruction	231,725	19,015	250,740	228,216	22,524
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	416,739	24,070	440,809	440,805	4
Purchased Services (300-500 series)	45,100		45,100	36,159	8,941
Supplies and Materials	46,250	(6,570)	39,680	34,855	4,825
Transfer to Cover Deficit (Agency Funds)	108,383		108,383	100,000	8,383
Total School-Sponsored Cocurricular Athletics - Instruction	616,472	17,500	633,972	611,819	22,153
Community Service Programs:					
Supplies and Materials	2,500		2,500	657	1,843
Total Community Service Programs	2,500		2,500	657	1,843
Total Instruction	14,082,785	85,265	14,168,050	14,007,907	160,143
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	191,540	(31,600)	159,940	135,339	24,601
Tuition to County Vocational Schools - Regular	5,911	2,000	7,911	7,508	403

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Instruction:					
Tuition to County Vocational Schools - Special	\$ 28,500	\$ (18,850)	\$ 9,650	\$ 9,104	\$ 546
Tuition to Private Schools for the Disabled - Within the State	1,306,595	47,700	1,354,295	1,334,242	20,053
Total Undistributed Expenditures - Instruction:	<u>1,532,546</u>	<u>(750)</u>	<u>1,531,796</u>	<u>1,486,193</u>	<u>45,603</u>
Health Services:					
Salaries	290,939	(20,275)	270,664	266,712	3,952
Purchased Professional and Technical Services	24,200	2,710	26,910	26,904	6
Supplies and Materials	4,966		4,966	4,188	778
Total Health Services	<u>320,105</u>	<u>(17,565)</u>	<u>302,540</u>	<u>297,804</u>	<u>4,736</u>
Speech, OT, PT and Related Services:					
Salaries	204,690	36,000	240,690	239,089	1,601
Supplies and Materials	1,100	(20)	1,080	1,077	3
Total Speech, OT, PT and Related Services	<u>205,790</u>	<u>35,980</u>	<u>241,770</u>	<u>240,166</u>	<u>1,604</u>
Other Support Services - Students - Extraordinary Services:					
Salaries	32,462		32,462	22,263	10,199
Purchased Professional - Educational Services	531,400	(15,000)	516,400	484,246	32,154
Total Other Support Services - Students - Extraordinary Services	<u>563,862</u>	<u>(15,000)</u>	<u>548,862</u>	<u>506,509</u>	<u>42,353</u>
Guidance:					
Salaries of Other Professional Staff	421,544	3,485	425,029	425,025	4
Salaries of Secretarial and Clerical Assistants	117,262		117,262	112,862	4,400
Supplies and Materials	10,550	(3,625)	6,925	6,783	142
Total Guidance	<u>549,356</u>	<u>(140)</u>	<u>549,216</u>	<u>544,670</u>	<u>4,546</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Child Study Team:					
Salaries of Other Professional Staff	\$ 588,839		\$ 588,839	\$ 545,489	\$ 43,350
Salaries of Secretarial and Clerical Assistants	64,435	\$ (10)	64,425	60,000	4,425
Miscellaneous Purchased Services	720	1,180	1,900	1,423	477
Supplies and Materials	12,933	6,546	19,479	18,856	623
Total Child Study Team	<u>666,927</u>	<u>7,716</u>	<u>674,643</u>	<u>625,768</u>	<u>48,875</u>
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	31,650	14,250	45,900	45,900	
Other Purchased Professional and Technical Services	3,000	(2,850)	150		150
Supplies and Materials	1,200		1,200		1,200
Total Improvement of Instructional Services	<u>35,850</u>	<u>11,400</u>	<u>47,250</u>	<u>45,900</u>	<u>1,350</u>
Educational Media Services/School Library:					
Salaries	483,881	7,405	491,286	491,282	4
Supplies and Materials	42,365	15	42,380	37,844	4,536
Total Educational Media Services/School Library	<u>526,246</u>	<u>7,420</u>	<u>533,666</u>	<u>529,126</u>	<u>4,540</u>
Instructional Staff Training Services:					
Other Purchased Services (400-500 series)	37,155	(13,255)	23,900	8,209	15,691
Total Instructional Staff Training Services	<u>37,155</u>	<u>(13,255)</u>	<u>23,900</u>	<u>8,209</u>	<u>15,691</u>
Support Services - General Administration:					
Salaries	270,368	(14,000)	256,368	256,040	328
Legal Services	65,000	24,105	89,105	89,104	1
Audit Fees	67,400	(8,650)	58,750	58,750	
Architectural/Engineering Services	1,500	26,000	27,500	24,785	2,715
Other Purchased Professional Services	23,550	(17,820)	5,730	5,730	
Communications/Telephone	220,260	26,980	247,240	234,190	13,050
BOE Other Purchased Services	4,000	(240)	3,760		3,760

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - General Administration: (Cont'd)					
Miscellaneous Purchased Services (400-500 Series)	\$ 36,217	\$ 17,785	\$ 54,002	\$ 49,328	\$ 4,674
General Supplies	10,521	2,000	12,521	6,917	5,604
Miscellaneous Expenditures	45,200	20,110	65,310	63,585	1,725
BOE Membership Dues and Fees	19,000	(2,000)	17,000	15,818	1,182
<b>Total Support Services - General Administration</b>	<b>763,016</b>	<b>74,270</b>	<b>837,286</b>	<b>804,247</b>	<b>33,039</b>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	1,310,247	55,000	1,365,247	1,274,781	90,466
Salaries of Secretarial and Clerical Assistants	250,106		250,106	230,643	19,463
Other Purchased Services (400-500 series)	156,290	670	156,960	122,151	34,809
Supplies and Materials	43,531	(500)	43,031	37,724	5,307
Other Objects	22,934	1,265	24,199	14,283	9,916
<b>Total Support Services - School Administration</b>	<b>1,783,108</b>	<b>56,435</b>	<b>1,839,543</b>	<b>1,679,582</b>	<b>159,961</b>
Central Services:					
Salaries	425,110		425,110	407,623	17,487
Purchased Technical Services	71,167	57,999	129,166	121,487	7,679
Miscellaneous Purchased Services	24,100	(9,000)	15,100	6,620	8,480
Supplies and Materials	20,000		20,000	11,234	8,766
Miscellaneous Expenditures	2,700		2,700	2,479	221
<b>Total Central Services</b>	<b>543,077</b>	<b>48,999</b>	<b>592,076</b>	<b>549,443</b>	<b>42,633</b>
Administration Information Technology:					
Salaries	163,250		163,250	160,209	3,041
Purchased Technical Services	141,330	4,000	145,330	140,980	4,350
Supplies and Materials	1,000		1,000		1,000
Other Objects	3,000		3,000		3,000
<b>Total Administration Information Technology</b>	<b>308,580</b>	<b>4,000</b>	<b>312,580</b>	<b>301,189</b>	<b>11,391</b>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Required Maintenance of School Facilities:					
Salaries	\$ 218,931		\$ 218,931	\$ 206,124	\$ 12,807
Cleaning, Repair and Maintenance Services	406,858	\$ 5,501	412,359	362,818	49,541
General Supplies	80,000	5,000	85,000	70,157	14,843
Total Required Maintenance of School Facilities	<u>705,789</u>	<u>10,501</u>	<u>716,290</u>	<u>639,099</u>	<u>77,191</u>
Custodial Services:					
Salaries	852,933	7,500	860,433	819,564	40,869
Salaries of Non-Instructional Aides	8,615		8,615	5,775	2,840
Rental of Land and Buildings - Other Than Lease Purchase Agreements	75,000		75,000	75,000	
Other Purchased Property Services	29,200		29,200	24,399	4,801
Insurance	111,069		111,069	110,652	417
Miscellaneous Purchased Services	2,500		2,500	251	2,249
General Supplies	128,900	6,200	135,100	106,186	28,914
Energy (Natural Gas)	215,500		215,500	136,799	78,701
Energy (Electricity)	301,800		301,800	269,629	32,171
Energy (Gasoline)	30,625	(11,050)	19,575	3,443	16,132
Other Objects	1,500	555	2,055	1,554	501
Total Custodial Services	<u>1,757,642</u>	<u>3,205</u>	<u>1,760,847</u>	<u>1,553,252</u>	<u>207,595</u>
Care & Upkeep of Grounds:					
Salaries	44,000		44,000	5,347	38,653
Purchased Professional and Technical Services	2,600		2,600	2,600	
Cleaning, Repair, and Maintenance Services	17,000	11,350	28,350	21,217	7,133
General Supplies	15,200	(2,000)	13,200	11,561	1,639
Total Care & Upkeep of Grounds	<u>78,800</u>	<u>9,350</u>	<u>88,150</u>	<u>40,725</u>	<u>47,425</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Security:					
Purchased Professional and Technical Services	\$ 2,600	\$ 10,000	\$ 12,600	\$ 11,525	\$ 1,075
Cleaning, Repair, and Maintenance Services	59,827	9,100	68,927	68,000	927
General Supplies	4,000		4,000	2,506	1,494
Total Security	<u>66,427</u>	<u>19,100</u>	<u>85,527</u>	<u>82,031</u>	<u>3,496</u>
Student Transportation Services:					
Salaries of Non-Instructional Aides	24,906		24,906	22,562	2,344
Salaries for Pupil Transportation:					
Between Home and School - Regular	33,250	(13,000)	20,250	18,872	1,378
Between Home and School - Special	42,077	(5,000)	37,077	35,805	1,272
Cleaning, Repair, & Maintenance Services	27,460	(17,000)	10,460	9,982	478
Contracted Services:					
Other Than Between Home and School - Vendors	87,000	(2,000)	85,000	63,785	21,215
Special Education Students - Joint Agreements	27,000	(10,000)	17,000		17,000
Special Education Students - ESC's and CSTA's	373,000	30,000	403,000	385,757	17,243
Aid in Lieu - Non-public Schools	45,840	(6,000)	39,840	37,128	2,712
Supplies and Materials	550		550		550
Transportation Supplies	4,000		4,000	607	3,393
Total Student Transportation Services	<u>665,083</u>	<u>(23,000)</u>	<u>642,083</u>	<u>574,498</u>	<u>67,585</u>
Unallocated Benefits:					
Social Security Contributions	340,542	8,720	349,262	330,970	18,292
Other Retirement Contributions - PERS	345,000	(33,720)	311,280	300,931	10,349
Other Retirement Contributions - Regular	56,075	(1)	56,074	37,655	18,419
Unemployment Compensation	30,000		30,000	30,000	
Workmen's Compensation	210,215		210,215	207,573	2,642
Health Benefits	3,959,916	(340,155)	3,619,761	3,432,553	187,208
Tuition Reimbursement	35,000		35,000	34,992	8

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Unallocated Benefits:					
Other Employee Benefits	\$ 152,804	\$ 56,725	\$ 209,529	\$ 209,523	\$ 6
Total Unallocated Benefits	<u>5,129,552</u>	<u>(308,431)</u>	<u>4,821,121</u>	<u>4,584,197</u>	<u>236,924</u>
On-Behalf Contributions:					
On-Behalf TPAF Pension Contributions (non-budgeted)				1,059,378	(1,059,378)
On-Behalf TPAF Post Retirement Medical (non-Budgeted)				1,261,426	(1,261,426)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,035,694	(1,035,694)
Total On-Behalf Contributions				<u>3,356,498</u>	<u>(3,356,498)</u>
Total Personal Services - Employee Benefits	<u>5,129,552</u>	<u>(308,431)</u>	<u>4,821,121</u>	<u>7,940,695</u>	<u>(3,119,574)</u>
Total Undistributed Expenses	<u>16,238,911</u>	<u>(89,765)</u>	<u>16,149,146</u>	<u>18,449,106</u>	<u>(2,299,960)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>30,321,696</u>	<u>(4,500)</u>	<u>30,317,196</u>	<u>32,457,013</u>	<u>(2,139,817)</u>
CAPITAL OUTLAY					
Regular Programs - Instruction:					
Grades 1-5	24,827	610	25,437	21,306	4,131
Grades 6-8	20,000	610	20,610	16,479	4,131
Grades 9-12	20,000	(1,220)	18,780	16,479	2,301
Undistributed Expenditures:					
General Administration	12,000	4,500	16,500	4,231	12,269
Required Maintenance for School Facilities	13,500		13,500	12,126	1,374
Total Equipment	<u>90,327</u>	<u>4,500</u>	<u>94,827</u>	<u>70,621</u>	<u>24,206</u>
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding	<u>24,241</u>		<u>24,241</u>	<u>24,241</u>	
Total Facilities Acquisition and Construction Services	<u>24,241</u>		<u>24,241</u>	<u>24,241</u>	



BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
TOTAL CAPITAL OUTLAY	\$ 114,568	\$ 4,500	\$ 119,068	\$ 94,862	\$ 24,206
TOTAL EXPENDITURES	30,436,264		30,436,264	32,551,875	(2,115,611)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(1,335,330)		(1,335,330)	200,111	1,535,441
Fund Balance, July 1	4,125,690		4,125,690	4,125,690	
Fund Balance, June 30	\$ 2,790,360	\$ -0-	\$ 2,790,360	\$ 4,325,801	\$ 1,535,441
Recapitulation:					
Restricted:					
Excess Surplus - Restricted For 2017-2018				\$ 1,323,505	
Excess Surplus - Restricted For 2016-2017				1,195,937	
Capital Reserve				931,745	
Assigned:					
Year-End Encumbrances				59,550	
Designated for Subsequent Year's Expenditures				91,395	
Unassigned					
				723,669	
				4,325,801	
Reconciliation to Governmental Funds Statement (GAAP):					
Last Two State Aid Payments not Recognized on GAAP Basis				(71,160)	
Fund Balance per Governmental Funds (GAAP)				\$ 4,254,641	

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local Sources		\$ 67,222	\$ 67,222	\$ 37,149	\$ (30,073)
Federal Sources	\$ 337,000	56,153	393,153	393,153	
Total Revenues	<u>337,000</u>	<u>123,375</u>	<u>460,375</u>	<u>430,302</u>	<u>(30,073)</u>
<b>EXPENDITURES:</b>					
Instruction:					
Purchased Professional and Technical Services		11,403	11,403	11,403	
Other Purchased Services		22,053	22,053	5,057	16,996
Tuition	320,000	35,107	355,107	355,107	
General Supplies		43,440	43,440	30,363	13,077
Other Objects		2,229	2,229	2,229	
Total Instruction	<u>320,000</u>	<u>114,232</u>	<u>434,232</u>	<u>404,159</u>	<u>30,073</u>
Support Services:					
Other Purchased Services	17,000	9,143	26,143	26,143	
Total Support Services	<u>17,000</u>	<u>9,143</u>	<u>26,143</u>	<u>26,143</u>	
Total Expenditures	<u>\$ 337,000</u>	<u>\$ 123,375</u>	<u>\$ 460,375</u>	<u>\$ 430,302</u>	<u>\$ 30,073</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 32,751,986	\$ 430,302
Difference - Budget to GAAP:		
Current Year State Aid Payments Recognized for Budgetary Purposes, Not Recognized for GAAP Statements	(71,160)	
Prior Year State Aid Payments Recognized for GAAP Statements, Not Recognized for Budgetary Purposes	71,260	
	\$ 32,752,086	\$ 430,302
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 32,752,086	\$ 430,302
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 32,551,875	\$ 430,302
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 32,551,875	\$ 430,302

Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2016 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

**SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)**

**SPECIAL REVENUE FUND**

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Local Donations	I.D.E.A.		Title IIA	Totals 2016
		Basic	Preschool		
REVENUES:					
Local Sources	\$ 37,149				\$ 37,149
Federal Sources		\$ 360,607	\$ 11,903	\$ 20,643	393,153
Total Revenues	37,149	360,607	11,903	20,643	430,302
EXPENDITURES:					
Instruction:					
Purchased Professional and Technical Services			11,403		11,403
Other Purchased Services	5,057				5,057
Tuition		355,107			355,107
General Supplies	29,863		500		30,363
Other Objects	2,229				2,229
Total Instruction	37,149	355,107	11,903		404,159
Support Services:					
Other Purchased Services		5,500		20,643	26,143
Total Support Services		5,500		20,643	26,143
Total Expenditures	\$ 37,149	\$ 360,607	\$ 11,903	\$ 20,643	\$ 430,302

**CAPITAL PROJECTS FUND**

Exhibit F-1

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS  
CAPITAL PROJECTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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



Exhibit F-1a

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
HIGH SCHOOL WINDOWS AND DOOR PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 222,178		\$ 222,178	\$ 272,072
Transfer from Capital Reserve	302,457		302,457	302,457
Transfer from Capital Outlay	105,651		105,651	105,651
Total Revenue and Other Financing Sources	<u>630,286</u>	<u>\$ -0-</u>	<u>630,286</u>	<u>680,180</u>
Expenditures:				
Purchased Professional and Technical Services	73,446		73,446	79,100
Construction Services	482,000		482,000	601,080
Total Expenditures	<u>555,446</u>	<u>-0-</u>	<u>555,446</u>	<u>680,180</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 74,840</u>	<u>\$ -0-</u>	<u>\$ 74,840</u>	<u>\$ -0-</u>
Additional Project Information:				
Project Number(s)	1750-050-09-1001			
Grant Date	2010			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 680,180			
Percentage Completion	100.00%			
Original Target Completion Date	December 2010			
Revised Target Completion Date	December 2011			

**PROPRIETARY FUNDS**

Exhibit G-1

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
PROPRIETARY FUND  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2016

	<u>Major Funds</u>		<u>Non-Major Fund</u>	<u>Totals</u>
	<u>Food Service</u>	<u>After School and Summer Programs</u>	<u>Consortium</u>	
<b>ASSETS:</b>				
Current Assets:				
Cash and Cash Equivalents		\$ 241,547	\$ 4,245	\$ 245,792
Other Accounts Receivable		11,097		11,097
Inventory	\$ 4,591			4,591
Total Current Assets	4,591	252,644	4,245	261,480
Non-Current Assets:				
Capital Assets	102,573			102,573
Less: Accumulated Depreciation	(83,774)			(83,774)
Total Non-Current Assets	18,799			18,799
Total Assets	23,390	252,644	4,245	280,279
<b>LIABILITIES:</b>				
Current Liabilities:				
Interfund Payable - General Fund	52,902			52,902
Accounts Payable		796		796
Unearned Revenue	5,536	25,887		31,423
Total Current Liabilities	58,438	26,683		85,121
Total Liabilities	58,438	26,683		85,121
<b>NET POSITION:</b>				
Investment In Capital Assets	18,799			18,799
Unrestricted/ (Deficit)	(53,847)	225,961	4,245	176,359
Total Net Position	\$ (35,048)	\$ 225,961	\$ 4,245	\$ 195,158

Exhibit G-2

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
PROPRIETARY FUND  
COMBINING STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Major Funds</u>		<u>Non-Major Fund</u>	<u>Totals</u>
	<u>Food Service</u>	<u>After School and Summer Programs</u>	<u>Consortium</u>	
Operating Revenue:				
Charges for Services:				
Daily Sales - Non-Reimbursable Programs	\$ 338,202			\$ 338,202
Special Events	11,984			11,984
Program Fees		\$ 303,206		303,206
Total Operating Revenue	<u>350,186</u>	<u>303,206</u>		<u>653,392</u>
Operating Expenses:				
Cost of Sales - Non-Reimbursable Programs	156,097			156,097
Salaries	153,305	247,518		400,823
Payroll Taxes		18,281		18,281
Employee Benefits		11,846		11,846
Purchased Professional Services	36,823			36,823
Supplies and Materials	19,933	13,458		33,391
Depreciation Expense	2,089			2,089
Total Operating Expenses	<u>368,247</u>	<u>291,103</u>		<u>659,350</u>
Change in Net Position	(18,061)	12,103		(5,958)
Net Position/(Deficit) Beginning of Year	<u>(16,987)</u>	<u>213,858</u>	\$ 4,245	<u>201,116</u>
Net Position/(Deficit) End of Year	<u>\$ (35,048)</u>	<u>\$ 225,961</u>	<u>\$ 4,245</u>	<u>\$ 195,158</u>

Exhibit G-3

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
PROPRIETARY FUND  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Major Funds</u>		<u>Non-Major Fund</u>	<u>Totals</u>
	<u>Food Service</u>	<u>After School and Summer Programs</u>	<u>Consortium</u>	
<b>Cash Flows from Operating Activities:</b>				
Receipts from Customers	\$ 355,722	\$ 357,468		\$ 713,190
Payments to Employees		(247,518)		(247,518)
Payments to Food Service Vendor	(365,793)			(365,793)
Payments to Suppliers		(12,662)		(12,662)
Payments to Other Vendors		(30,127)		(30,127)
<b>Net Cash Provided by/(Used for) Operating Activities</b>	<u>(10,071)</u>	<u>67,161</u>		<u>57,090</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Interfund Advanced - General Fund	52,902			52,902
Interfund Returned - General Fund	(42,831)			(42,831)
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>10,071</u>			<u>10,071</u>
<b>Net Increase in Cash and Cash Equivalents</b>		<u>67,161</u>		<u>67,161</u>
<b>Cash and Cash Equivalents, July 1</b>		<u>174,386</u>	<u>\$ 4,245</u>	<u>178,631</u>
<b>Cash and Cash Equivalents, June 30</b>	<u>\$ -0-</u>	<u>\$ 241,547</u>	<u>\$ 4,245</u>	<u>\$ 245,792</u>
<b>Reconciliation of Operating Income/(Loss) to Net Cash Used for Operating Activities:</b>				
Operating Income/(Loss)	\$ (18,061)	\$ 12,103		\$ (5,958)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:				
Depreciation	2,089			2,089
Changes in Assets and Liabilities:				
Decrease in Other Accounts Receivable		28,375		28,375
Increase in Accounts Payable		796		796
Decrease in Inventory	365			365
Increase in Unearned Revenue	5,536	25,887		31,423
<b>Net Cash Provided by/(Used for) Operating Activities</b>	<u>\$ (10,071)</u>	<u>\$ 67,161</u>	<u>\$ -0-</u>	<u>\$ 57,090</u>

**FIDUCIARY FUNDS**

Exhibit H-1

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
FIDUCIARY FUND  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2016

	<u>Agency</u>		<u>Unemployment Compensation Trust</u>	
	<u>Student Activity</u>	<u>Payroll</u>		<u>Total</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 136,956	\$ 347,622	\$ 484,578	\$ 126,332
Interfund Receivable - Agency				31,433
Total Assets	<u>136,956</u>	<u>347,622</u>	<u>484,578</u>	<u>157,765</u>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings		316,189	316,189	
Due to Student Groups	136,956		136,956	
Interfund Payable - Unemployment Compensation Trust		31,433	31,433	
Total Liabilities	<u>136,956</u>	<u>347,622</u>	<u>484,578</u>	
<b>NET POSITION:</b>				
Held in Trust: for Unemployment Claims				<u>157,765</u>
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 157,765</u>

Exhibit H-2

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
FIDUCIARY FUND  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Budget Appropriation	\$ 30,000
Employee Contributions	31,433
Total Contributions	<u>61,433</u>
Total Additions	<u>61,433</u>
DEDUCTIONS:	
Quarterly Contribution Reports and Claims	<u>20,609</u>
Total Deductions	<u>20,609</u>
Change in Net Position	40,824
Net Position - Beginning of the Year	<u>116,941</u>
Net Position - End of the Year	<u><u>\$ 157,765</u></u>



Exhibit H-3

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 136,118	\$ 547,181	\$ 546,343	\$ 136,956
Total Assets	<u>\$ 136,118</u>	<u>\$ 547,181</u>	<u>\$ 546,343</u>	<u>\$ 136,956</u>
<b>LIABILITIES:</b>				
Due to Student Groups	\$ 136,118	\$ 547,181	\$ 546,343	\$ 136,956
Total Liabilities	<u>\$ 136,118</u>	<u>\$ 547,181</u>	<u>\$ 546,343</u>	<u>\$ 136,956</u>

Exhibit H-4

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
Elementary Schools:				
Forest Avenue School	\$ 4,648	\$ 10,778	\$ 10,080	\$ 5,346
Linden Avenue School	3,421	14,024	11,434	6,011
Total Elementary Schools	<u>8,069</u>	<u>24,802</u>	<u>21,514</u>	<u>11,357</u>
Junior High School:				
Ridgewood Avenue Upper Elementary School	10,414	95,738	84,246	21,906
Total Junior High School	<u>10,414</u>	<u>95,738</u>	<u>84,246</u>	<u>21,906</u>
Senior High School:				
Activity Fund	116,201	311,817	327,532	100,486
Athletic Fund	1,434	114,824	113,051	3,207
Total Senior High School	<u>117,635</u>	<u>426,641</u>	<u>440,583</u>	<u>103,693</u>
Total All Schools	<u>\$ 136,118</u>	<u>\$ 547,181</u>	<u>\$ 546,343</u>	<u>\$ 136,956</u>

Exhibit H-5

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 104,698	\$ 20,512,620	\$ 20,269,696	\$ 347,622
Total Assets	<u>\$ 104,698</u>	<u>\$ 20,512,620</u>	<u>\$ 20,269,696</u>	<u>\$ 347,622</u>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	\$ 104,698	\$ 20,481,187	\$ 20,269,696	\$ 316,189
Interfund Payable:				
Unemployment Compensation Trust		31,433		31,433
Total Liabilities	<u>\$ 104,698</u>	<u>\$ 20,512,620</u>	<u>\$ 20,269,696</u>	<u>\$ 347,622</u>

**LONG-TERM DEBT**

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding June 30, 2016		Interest Rate	Balance June 30, 2015	Matured	Balance June 30, 2016
			Date	Amount				
Refunding Bonds	01/07/10	\$6,085,000	02/01/17	\$ 540,000	4.50%	<u>\$4,055,000</u>	<u>\$ 525,000</u>	<u>\$3,530,000</u>
			02/01/18	565,000	2.75%			
			02/01/19	575,000	3.00%			
			02/01/20	590,000	4.00%			
			02/01/21	615,000	4.00%			
			02/01/22	645,000	4.00%			

Exhibit I-2

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

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2015</u>	<u>Matured</u>	<u>Balance June 30, 2016</u>
Savin Copiers	0.29%	\$ 206,572	\$ 77,077	\$ 71,045	\$ 6,032
			<u>\$ 77,077</u>	<u>\$ 71,045</u>	<u>\$ 6,032</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 671,838		\$ 671,838	\$ 671,838	
Total Revenues	<u>671,838</u>		<u>671,838</u>	<u>671,838</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	146,838		146,838	146,838	
Redemption of Principal	525,000		525,000	525,000	
Total Regular Debt Service	<u>671,838</u>		<u>671,838</u>	<u>671,838</u>	
Total Expenditures	<u>671,838</u>		<u>671,838</u>	<u>671,838</u>	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-0-		-0-	-0-	-0-
Fund Balance, July 1	<u>1</u>		<u>1</u>	<u>1</u>	
Fund Balance, June 30	<u>\$ 1</u>	<u>\$ -0-</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -0-</u>
Recapitulation:					
Restricted				<u>\$ 1</u>	

**STATISTICAL SECTION**



**STATISTICAL SECTION**  
**(UNAUDITED)**

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

**Contents**

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

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
UNAUDITED

	June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities:										
Net Investment in Capital Assets	\$ 5,479,077	\$ 5,572,690	\$ 5,142,448	\$ 6,011,082	\$ 6,575,230	\$ 7,027,583	\$ 7,383,893	\$ 7,583,315	\$ 9,067,199	\$ 9,229,068
Restricted	1,815,531	1,889,351	2,265,608	1,825,116	3,051,335	4,147,272	4,017,874	2,829,301	3,292,295	3,451,188
Unrestricted / (Deficit)	(83,874)	(34,584)	(49,264)	52,210	252,501	149,382	28,744	(6,232,267)	(6,726,293)	(6,884,950)
Total governmental activities net position	<u>\$ 7,210,734</u>	<u>\$ 7,427,457</u>	<u>\$ 7,358,792</u>	<u>\$ 7,888,408</u>	<u>\$ 9,879,066</u>	<u>\$ 11,324,237</u>	<u>\$ 11,430,511</u>	<u>\$ 4,180,349</u>	<u>\$ 5,633,201</u>	<u>\$ 5,795,306</u>
Business-type Activities:										
Net Investment in Capital Assets	\$ 28,028	\$ 28,796	\$ 30,945	\$ 29,405	\$ 25,320	\$ 22,029	\$ 22,490	\$ 22,977	\$ 20,888	\$ 18,799
Unrestricted	77,631	87,785	113,641	122,341	127,584	149,799	124,516	108,218	180,228	176,359
Total business-type activities net position	<u>\$ 105,659</u>	<u>\$ 116,581</u>	<u>\$ 144,586</u>	<u>\$ 151,746</u>	<u>\$ 152,904</u>	<u>\$ 171,828</u>	<u>\$ 147,006</u>	<u>\$ 131,195</u>	<u>\$ 201,116</u>	<u>\$ 195,158</u>
District-wide:										
Investment in Capital Assets	\$ 5,507,105	\$ 5,601,486	\$ 5,173,393	\$ 6,040,487	\$ 6,600,550	\$ 7,049,612	\$ 7,406,383	\$ 7,606,292	\$ 9,088,087	\$ 9,247,867
Restricted	1,815,531	1,889,351	2,265,608	1,825,116	3,051,335	4,147,272	4,017,874	2,829,301	3,292,295	3,451,188
Unrestricted / (Deficit)	(6,243)	53,201	64,377	174,551	380,085	299,181	153,260	(6,124,049)	(6,546,065)	(6,708,591)
Total District Net Position	<u>\$ 7,316,393</u>	<u>\$ 7,544,038</u>	<u>\$ 7,503,378</u>	<u>\$ 8,040,154</u>	<u>\$ 10,031,970</u>	<u>\$ 11,496,065</u>	<u>\$ 11,577,517</u>	<u>\$ 4,311,544</u>	<u>\$ 5,834,317</u>	<u>\$ 5,990,464</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 12,106,638	\$ 12,916,246	\$ 13,729,905	\$ 13,203,439	\$ 12,626,948	\$ 13,210,211	\$ 13,757,682	\$ 14,352,234	\$ 15,125,388	\$ 17,750,208
Special Education	2,029,694	2,253,979	2,317,859	2,761,131	2,884,656	3,381,303	3,638,143	3,665,019	3,984,945	4,404,819
Other Special Instruction	454,922	485,905	473,687	472,657	410,050	418,083	481,996	419,442	596,961	518,273
School Sponsored Other Instruction	825,755	895,851	1,039,444	1,096,059	899,324	997,945	1,018,513	1,012,092	1,223,311	1,315,308
Support Services:										
Tuition	603,765	465,624	547,777	642,026	565,261	729,571	1,257,636	1,241,988	1,774,916	1,841,300
Student & Instruction Related Services	2,559,979	2,789,871	2,997,101	3,110,107	3,234,169	3,090,307	3,596,196	3,667,139	3,764,773	3,874,442
General Administrative Services	849,990	810,744	855,088	867,867	755,488	802,334	701,273	792,211	754,711	932,265
School Administrative Services	1,722,261	1,857,277	1,860,047	1,850,831	1,801,705	2,190,587	2,147,754	2,209,187	2,653,631	2,695,662
Central Services	453,801	449,035	493,326	527,979	497,867	508,690	527,167	538,581	574,446	654,400
Administration Information Technology	184,057	222,705	235,262	246,275	278,101	300,360	364,018	327,750	337,399	342,441
Plant Operations and Maintenance	2,373,083	2,557,176	2,526,151	2,622,379	2,411,118	2,463,284	2,565,377	2,680,745	2,758,792	2,670,572
Pupil Transportation	522,088	462,156	491,533	490,377	494,636	502,488	581,905	622,782	568,312	625,130
Interest on Long-term Debt	411,789	390,253	362,957	306,952	250,503	211,424	200,849	174,649	159,524	144,038
Capital Outlay									49,140	
Unallocated Depreciation	424,094	424,094								
<b>Total Governmental Activities Expenses</b>	<b>25,521,916</b>	<b>26,980,916</b>	<b>27,930,137</b>	<b>28,198,079</b>	<b>27,109,826</b>	<b>28,806,587</b>	<b>30,838,509</b>	<b>31,703,819</b>	<b>34,326,249</b>	<b>37,768,858</b>
Business-type Activities:										
Food Service	368,753	413,620	413,662	397,527	369,111	330,192	373,264	372,782	339,945	368,247
After School and Summer Programs	368,693	308,789	352,872	323,466	232,712	248,786	250,110	272,912	305,125	291,103
<b>Total Business-type Activities Expenses</b>	<b>737,446</b>	<b>734,909</b>	<b>766,664</b>	<b>720,993</b>	<b>601,823</b>	<b>578,978</b>	<b>623,374</b>	<b>645,694</b>	<b>645,070</b>	<b>659,350</b>

**BOROUGH OF GLEN RIDGE SCHOOL DISTRICT**  
**CHANGES IN NET POSITION, LAST TEN FISCAL YEARS**  
**UNAUDITED**

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
Total District Expenses	\$ 26,259,362	\$ 27,715,825	\$ 28,696,801	\$ 28,919,072	\$ 27,711,649	\$ 29,385,565	\$ 31,461,883	\$ 32,349,513	\$ 34,971,319	\$ 38,083,803
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Instruction (Regular)			201,191	237,365	346,301	558,027	591,448	488,530	473,942	574,555
Operating Grants and Contributions	3,471,547	3,516,682	3,206,933	3,296,372	2,521,449	3,290,092	3,945,854	3,786,877	7,183,317	8,694,591
Capital Grants and Contributions	203									
Total Governmental Activities Program Revenues	3,471,750	3,516,682	3,408,124	3,533,737	2,867,750	3,848,119	4,537,302	4,275,407	7,657,259	9,269,146
Business-type Activities:										
Charges for Services:										
Food Service	379,990	416,494	416,169	401,666	364,194	336,954	344,190	350,555	332,243	350,186
After School and Summer Programs	359,094	312,462	372,149	327,454	238,787	260,948	254,362	280,242	382,748	303,206
Total Business-type Activities Revenues	739,084	745,831	788,318	729,120	602,981	597,902	598,552	630,797	714,991	653,392
Total District Program Revenues	4,210,834	4,262,513	4,196,442	4,262,857	3,470,731	4,446,021	5,135,854	4,906,204	8,372,250	9,922,538
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(22,050,166)	(23,464,234)	(24,522,013)	(24,664,342)	(24,242,076)	(24,958,468)	(26,301,207)	(27,428,412)	(26,668,990)	(28,155,307)
Business-type Activities	1,638	10,922	21,654	8,127	1,158	18,924	(24,822)	(14,897)	69,921	(5,958)
Total District-wide Net (Expense)/Revenue	(22,048,528)	(23,453,312)	(24,500,359)	(24,656,215)	(24,240,918)	(24,939,544)	(26,326,029)	(27,443,309)	(26,599,069)	(28,161,265)

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 21,227,705	\$ 22,076,813	\$ 23,244,935	\$ 24,146,288	\$ 24,933,275	\$ 25,163,894	\$ 25,667,172	\$ 26,180,515	\$ 27,169,504	\$ 27,712,894
Taxes Levied for Debt Service	949,784	940,745	926,742	726,589	877,377	866,612	676,937	677,137	672,138	671,838
Unrestricted Grants and Contributions	235,394	303,850	73,294	87,700	13,449	41,527			60,874	67,198
Tuition Charges	180,517	189,188								
Investment Earnings	164,666	122,791	24,103	21					83	268
Miscellaneous Income	168,175	106,199	184,274	233,360	408,633	331,606	189,148	169,066	219,243	209,619
Transfers	(55,998)	(58,629)								
<b>Total Governmental Activities</b>	<b>22,870,243</b>	<b>23,680,957</b>	<b>24,453,348</b>	<b>25,193,958</b>	<b>26,232,734</b>	<b>26,403,639</b>	<b>26,533,257</b>	<b>27,026,718</b>	<b>28,121,842</b>	<b>28,661,817</b>
Business-type Activities:										
Miscellaneous Income/(Expenses)			6,351							
Capital (Disposals)-Special Item				(967)				(914)		
<b>Total Business-type Activities</b>			<b>6,351</b>	<b>(967)</b>				<b>(914)</b>		
<b>Total District-wide</b>	<b>22,870,243</b>	<b>23,680,957</b>	<b>24,459,699</b>	<b>25,192,991</b>	<b>26,232,734</b>	<b>26,403,639</b>	<b>26,533,257</b>	<b>27,025,804</b>	<b>28,121,842</b>	<b>28,661,817</b>
<b>Change in Net Position</b>										
Governmental Activities	820,077	216,723	(68,665)	529,616	1,990,658	1,445,171	232,050	(401,694)	1,452,852	162,105
Business-type Activities	1,638	10,922	28,005	7,160	1,158	18,924	(24,822)	(15,811)	69,921	(5,958)
<b>Total District</b>	<b>\$ 821,715</b>	<b>\$ 227,645</b>	<b>\$ (40,660)</b>	<b>\$ 536,776</b>	<b>\$ 1,991,816</b>	<b>\$ 1,464,095</b>	<b>\$ 207,228</b>	<b>\$ (417,505)</b>	<b>\$ 1,522,773</b>	<b>\$ 156,147</b>

Source: School District Financial Reports.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
UNAUDITED

	June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Reserved	\$1,520,912	\$1,600,334	\$2,006,111	\$1,828,377						
Unreserved	394,075	457,785	498,606	447,733						
Restricted					\$2,923,456	\$3,912,321	\$2,961,173	\$2,829,301	\$3,292,294	\$3,451,187
Assigned					126,180	280,520	1,114,943	494,599	170,718	150,945
Unassigned					566,715	531,364	568,196	587,957	591,418	652,509
<b>Total General Fund</b>	<b>\$1,914,987</b>	<b>\$2,058,119</b>	<b>\$2,504,717</b>	<b>\$2,276,110</b>	<b>\$3,616,351</b>	<b>\$4,724,205</b>	<b>\$4,644,312</b>	<b>\$3,911,857</b>	<b>\$4,054,430</b>	<b>\$4,254,641</b>
All Other Governmental Funds:										
Reserved				\$ 189,410						
Unreserved/(Deficit), Reported in:										
Capital Projects Fund	\$ 207,272	\$ 207,475	\$ 189,975	(172,992)						
Debt Service Fund	7,683	5,161	736	21		\$ 1				
Debt Service - Designated for Subsequent Year's Expenditures	5,690	7,683	5,161	736						
Restricted					\$ 22				\$ 1	\$ 1
Unassigned/(Deficit)					(147,338)	(147,338)	\$ (147,338)	\$ (147,338)	(147,338)	(147,338)
<b>Total All Other Governmental Funds/(Deficit)</b>	<b>\$ 220,645</b>	<b>\$ 220,319</b>	<b>\$ 195,872</b>	<b>\$ 17,175</b>	<b>\$ (147,316)</b>	<b>\$ (147,337)</b>	<b>\$ (147,338)</b>	<b>\$ (147,338)</b>	<b>\$ (147,337)</b>	<b>\$ (147,337)</b>
Total All Governmental Funds:										
Reserved	\$1,520,912	\$1,600,334	\$2,006,111	\$2,017,787						
Unreserved	614,720	678,104	694,478	275,498						
Restricted					\$2,923,478	\$3,912,322	\$2,961,173	\$2,829,301	\$3,292,295	\$3,451,188
Assigned					126,180	280,520	1,114,943	494,599	170,718	150,945
Unassigned					419,377	384,026	420,858	440,619	444,080	505,171
<b>Total All Governmental Funds</b>	<b>\$2,135,632</b>	<b>\$2,278,438</b>	<b>\$2,700,589</b>	<b>\$2,293,285</b>	<b>\$3,469,035</b>	<b>\$4,576,868</b>	<b>\$4,496,974</b>	<b>\$3,764,519</b>	<b>\$3,907,093</b>	<b>\$4,107,304</b>

Source: School District Financial Reports.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Tax Levy	\$ 22,177,489	\$ 23,017,558	\$ 24,171,677	\$ 24,872,877	\$ 25,810,652	\$ 26,030,506	\$ 26,344,109	\$ 26,857,652	\$ 27,841,642	\$ 28,384,732
Tuition Charges	180,517	189,188	201,191	237,365	346,301	558,027	591,448	488,530	473,942	574,555
Interest Earnings			3,630							
Miscellaneous	340,911	241,999	240,859	265,488	438,389	438,593	201,217	276,299	238,363	247,036
State Sources	3,368,907	3,460,525	2,894,309	2,753,443	2,034,345	2,792,432	3,560,427	3,318,029	3,699,357	4,254,750
Federal Sources	330,167	346,998	349,806	598,522	470,797	432,200	373,358	361,615	382,599	393,153
<b>Total Revenues</b>	<b>26,397,991</b>	<b>27,256,268</b>	<b>27,861,472</b>	<b>28,727,695</b>	<b>29,100,484</b>	<b>30,251,758</b>	<b>31,070,559</b>	<b>31,302,125</b>	<b>32,635,903</b>	<b>33,854,226</b>
<b>Expenditures</b>										
<b>Instruction:</b>										
Regular Instruction	8,630,094	9,226,473	9,660,384	9,716,849	9,278,286	9,592,245	9,841,153	9,862,163	9,989,967	10,424,610
Special Education Instruction	1,496,436	1,668,212	1,795,927	2,283,545	2,137,197	2,485,282	2,607,089	2,679,951	2,423,779	2,498,702
Other Special Instruction	318,548	342,047	349,730	344,923	297,890	299,575	338,316	299,820	364,839	292,955
School Sponsored Other Instruction	615,679	718,451	810,209	843,616	694,481	771,303	770,109	776,961	829,078	840,692
<b>Support Services:</b>										
Tuition	603,765	465,624	547,777	642,026	565,261	729,571	1,257,636	1,241,988	1,774,916	1,841,300
Student & Instruction Related Services	2,055,930	2,217,858	2,418,456	2,492,648	2,535,505	2,379,373	2,782,245	2,873,593	2,861,735	2,824,295
General Administrative Services	787,456	721,372	720,091	750,230	669,635	700,292	673,822	685,365	712,547	804,247
School Administrative Services	1,275,044	1,379,083	1,431,663	1,439,063	1,336,269	1,560,548	1,562,614	1,643,665	1,709,929	1,679,582
Central Services	385,816	374,261	407,504	408,503	408,738	418,146	436,950	449,354	481,746	549,443
Administration Information Technology	157,500	194,746	206,861	214,265	244,059	265,359	309,827	290,598	301,449	301,189
Plant Operations and Maintenance	2,232,920	2,342,425	2,219,198	2,255,365	2,083,797	2,143,163	2,201,074	2,342,941	2,470,637	2,315,107
Pupil Transportation	504,278	446,865	478,176	450,326	462,047	448,921	517,870	575,069	535,573	574,498
Unallocated Benefits	5,538,502	5,874,512	5,431,852	5,885,288	5,779,795	6,317,335	6,887,184	6,536,657	7,010,082	7,940,695
Capital Outlay	73,546	195,301	27,068	769,777	619,104	166,179	287,626	1,099,318	354,915	94,862
<b>Debt Service:</b>										
Principal	535,000	550,000	565,000	580,000	640,000	665,000	490,000	500,000	510,000	525,000
Interest and Other Charges	422,755	396,435	369,425	341,725	238,112	201,633	186,938	177,137	162,137	146,838
<b>Total Expenditures</b>	<b>25,633,269</b>	<b>27,113,665</b>	<b>27,439,321</b>	<b>29,418,149</b>	<b>27,990,176</b>	<b>29,143,925</b>	<b>31,150,453</b>	<b>32,034,580</b>	<b>32,493,329</b>	<b>33,654,015</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>764,722</b>	<b>142,603</b>	<b>422,151</b>	<b>(690,454)</b>	<b>1,110,308</b>	<b>1,107,833</b>	<b>(79,894)</b>	<b>(732,455)</b>	<b>142,574</b>	<b>200,211</b>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Other Financing Sources (Uses)										
Capital Leases (non-budgeted)				\$ 283,150	\$ 65,442					
Serial Bonds Issued				(6,085,000)						
Serial Bonds Defeased				5,917,000						
Bond Issuance Costs				119,083						
Bond Premium				(204,654)						
Deferred Interest				253,571						
Transfers In	\$ 7,683	\$ 5,161	\$ 736	598,104						
Transfers Out	(63,681)	(5,161)	(736)	(598,104)						
<b>Total Other Financing Sources (Uses)</b>	<b>(55,998)</b>	<b>-0-</b>	<b>-0-</b>	<b>283,150</b>	<b>65,442</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 708,724</b>	<b>\$ 142,603</b>	<b>\$ 422,151</b>	<b>\$ (407,304)</b>	<b>\$ 1,175,750</b>	<b>\$ 1,107,833</b>	<b>\$ (79,894)</b>	<b>\$ (732,455)</b>	<b>\$ 142,574</b>	<b>\$ 200,211</b>
Debt Service as a Percentage of Noncapital Expenditures	3.9%	3.6%	3.5%	3.3%	3.3%	3.1%	2.2%	2.2%	2.1%	2.0%

Source: School District Financial Reports.



Exhibit J-5

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Tuition</u>	<u>Interest on</u> <u>Investments</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Rentals - Use</u> <u>of Facilities</u>	<u>Other</u>	<u>Total</u>
2007	\$ 180,517	\$ 156,983	\$ 43,762	\$ 17,490	\$ 106,923	\$ 505,675
2008	189,188	114,798	75	24,037	84,919	413,017
2009	201,191	24,103	59,636	6,800	117,102	408,832
2010	237,365	9,540	35,171	18,903	169,746	470,725
2011	346,301	982	49,859	4,400	353,392	754,934
2012	558,026	93	44,995	11,559	274,960	889,633
2013	591,448	81	44,582	8,630	135,855	780,596
2014	488,530	75	52,282	6,213	110,496	657,596
2015	473,942	83	14,010	21,145	184,088	693,268
2016	574,555	268	89,825	25,227	94,567	784,442

Source: Borough of Glen Ridge School District records.

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

Year Ended December 31,	Vacant Land	Residential	Commercial	Apartment	Total Assessed Value	Tax-Exempt Property	Add: Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2006	\$ 130,000	\$ 220,175,300	\$ 8,933,300	\$ 4,670,000	\$ 233,908,600	\$ 63,417,000	\$ 85,584	\$ 233,994,184	\$ 9.478	\$ 1,293,879,116
2007	130,000	220,588,900	8,142,700	5,689,000	234,550,600	24,585,900	78,885	234,629,485	9.810	1,520,605,865
2008	* 1,339,900	1,349,284,700	66,372,700	25,705,300	1,442,702,600	91,701,200	492,991	1,443,195,591	1.675	1,582,624,839
2009	815,200	1,432,728,300	67,533,800	25,705,300	1,526,782,600	91,224,700	485,429	1,527,268,029	1.731	1,577,767,832
2010	1,106,100	1,334,332,900	61,982,300	25,705,300	1,423,126,600	90,642,200	501,732	1,423,628,332	1.813	1,555,624,133
2011	605,100	1,330,347,600	62,083,000	25,705,300	1,418,741,000	90,642,200	472,439	1,419,213,439	1.834	1,496,091,333
2012	485,100	1,322,815,600	62,299,600	24,056,700	1,409,657,000	91,236,600	503,201	1,410,160,201	1.868	1,453,453,496
2013	448,900	1,236,037,100	111,991,000	20,266,700	1,368,743,700	113,202,810	537,600	1,369,281,300	1.961	1,469,148,346
2014	448,900	1,238,234,100	111,891,000	20,266,700	1,370,840,700	113,380,210	507,600	1,371,348,300	2.030	1,484,045,317
2015	448,900	1,243,644,600	111,891,000	20,266,700	1,376,251,200	113,380,210	494,800	1,376,746,000	2.062	1,508,576,458

\* - Revaluation Year

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

b - Tax rates are per \$100 of assessed valuations.

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

Source: Municipal Tax Assessor.

Exhibit J-7

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
UNAUDITED  
(Rate per \$100 of Assessed Value)

Year Ended	Borough of Glen Ridge School District Direct Rate			Overlapping Rates		Total Direct
	Basic Rate <sup>a</sup>	General	Total Direct	Borough of	Essex County	
2006	\$ 9.07	\$ 0.41	\$ 9.48	\$ 3.16	\$ 2.41	\$ 15.05
2007	9.41	0.40	9.81	3.44	2.36	15.61
2008	* 1.61	0.06	1.68	0.59	0.42	2.69
2009	1.68	0.05	1.73	0.62	0.43	2.78
2010	1.75	0.06	1.81	0.65	0.44	2.91
2011	1.77	0.06	1.83	0.67	0.46	2.97
2012	1.82	0.05	1.87	0.71	0.48	3.05
2013	1.91	0.05	1.96	0.76	0.53	3.25
2014	1.98	0.05	2.03	0.78	0.57	3.37
2015	2.01	0.05	2.06	0.79	0.57	3.43

\* - Revaluation Year

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

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

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

Source: Municipal Tax Collector and School Business Administrator.

Exhibit J-8

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

Taxpayer	2015		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
MPT Legacy of Montclair, LLC	\$ 74,503,196	1	5.41%
Glen Ridge Country Club	14,478,700	2	1.05%
Tap Property Management	10,560,000	3	0.77%
Domus Augusta Family, LP	5,077,700	4	0.37%
Mountainside Hospital	5,036,100	5	0.37%
Ko & Ko Investments	4,715,000	6	0.34%
Rey Associates	3,168,300	7	0.23%
Glenmont RR Crossing C/O Cary Heller	3,115,900	8	0.23%
Preservations Partners LLC	3,090,400	9	0.22%
855 Bloomfield, LLC	2,783,500	10	0.20%
Total	<u>\$ 126,528,796</u>		<u>9.19%</u>
Taxpayer	2006		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
NYC Controller David Jeter	\$ 3,200,000	1	1.37%
Glen Ridge Country Club	1,886,200	2	0.81%
Glen Ridge Manor	1,400,000	3	0.60%
Individual Taxpayer #1	1,300,000	4	0.56%
Just Condos LLC	897,900	5	0.38%
FUNB, Corp Re	775,700	6	0.33%
Domus Augusta Family, LP	648,600	7	0.28%
Rey Associates	630,000	8	0.27%
Bay Street Realty Company	450,000	9	0.19%
Bank of America	447,600	10	0.19%
Total	<u>\$ 11,636,000</u>		<u>4.97%</u>

Note - A revaluation was effective in 2008.

Source: Municipal Tax Assessor.

Exhibit J-9

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	\$ 22,177,489	\$ 22,177,489	100.00%	-0-
2008	23,017,558	23,017,558	100.00%	-0-
2009	24,171,677	24,171,677	100.00%	-0-
2010	24,872,877	24,872,877	100.00%	-0-
2011	25,810,652	25,810,652	100.00%	-0-
2012	26,030,506	26,030,506	100.00%	-0-
2013	26,344,109	26,344,109	100.00%	-0-
2014	26,857,652	26,857,652	100.00%	-0-
2015	27,841,642	27,841,642	100.00%	-0-
2016	28,384,732	28,384,732	100.00%	-0-

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

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

Exhibit J-10

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Capital Leases			
2007	\$ 8,387,000	\$ 33,897	\$ 8,420,897	2.60%	\$ 1,239.28
2008	7,837,000	16,603	7,853,603	2.27%	1,170.96
2009	7,272,000	-0-	7,272,000	2.06%	1,093.37
2010	6,860,000	261,136	7,121,136	2.09%	1,069.72
2011	6,220,000	228,381	6,448,381	1.64%	856.24
2012	5,555,000	117,521	5,672,521	1.36%	749.74
2013	5,065,000	26,396	5,091,396	1.21%	672.49
2014	4,565,000	154,780	4,719,780	1.12%	621.35
2015	4,055,000	77,077	4,132,077	0.93%	540.49
2016	3,530,000	6,032	3,536,032	0.79%	461.62

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

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

Source: School District Financial Reports.

Exhibit J-11

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2007	\$ 8,387,000	\$ -0-	\$ 8,387,000	3.584%	\$ 1,234.29
2008	7,837,000	-0-	7,837,000	3.340%	1,168.48
2009	7,272,000	-0-	7,272,000	0.504%	1,093.37
2010	6,860,000	-0-	6,860,000	0.449%	1,030.49
2011	6,220,000	-0-	6,220,000	0.437%	825.92
2012	5,555,000	-0-	5,555,000	0.391%	734.21
2013	5,065,000	-0-	5,065,000	0.359%	669.00
2014	4,565,000	-0-	4,565,000	0.333%	600.97
2015	4,055,000	-0-	4,055,000	0.296%	530.41
2016	3,530,000	-0-	3,530,000	0.256%	460.84

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

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

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

Source: School District Financial Reports.

Exhibit J-12

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2015  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Borough of Glen Ridge	\$ 5,748,789	100.00%	\$ 5,748,789
Essex County General Obligation Debt	463,895,104	1.82%	<u>8,460,160</u>
Subtotal, Overlapping Debt			14,208,949
Borough of Glen Ridge School District Direct Debt			<u>4,055,000</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 18,263,949</u></u>

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

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

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



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

Legal Debt Margin Calculation for Fiscal Year 2016

<u>Year Ended</u> <u>December 31,</u>	<u>Equalized</u> <u>Valuation Basis</u>
2013	\$ 1,479,882,906
2014	1,500,810,926
2015	1,558,961,486
	<u>\$ 4,539,655,318</u>
Average Equalized Valuation of Taxable Property	<u>\$ 1,513,218,439</u>
Debt Limit (4% of Average Equalization Value)	\$ 60,528,738 <sup>a</sup>
Net Bonded School Debt	<u>3,530,000</u>
Legal Debt Margin	<u>\$ 56,998,738</u>

	<u>Fiscal Year</u>				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt Limit	\$ 51,559,569	\$ 56,182,966	\$ 60,105,061	\$ 62,281,033	\$ 60,875,824
Total Net Debt Applicable to Limit	<u>8,387,000</u>	<u>7,837,000</u>	<u>7,272,000</u>	<u>6,860,000</u>	<u>6,220,000</u>
Legal Debt Margin	<u>\$ 43,172,569</u>	<u>\$ 48,345,966</u>	<u>\$ 52,833,061</u>	<u>\$ 55,421,033</u>	<u>\$ 54,655,824</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	16.27%	13.95%	12.10%	11.01%	10.22%

	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt Limit	\$ 60,371,202	\$ 58,480,252	\$ 58,960,995	\$ 59,243,961	\$ 60,528,738
Total Net Debt Applicable to Limit	<u>5,555,000</u>	<u>5,065,000</u>	<u>4,565,000</u>	<u>4,055,000</u>	<u>3,530,000</u>
Legal Debt Margin	<u>\$ 54,816,202</u>	<u>\$ 53,415,252</u>	<u>\$ 54,395,995</u>	<u>\$ 55,188,961</u>	<u>\$ 56,998,738</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	9.20%	8.66%	7.74%	6.84%	5.83%

<sup>a</sup> - Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts.

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

Exhibit J-14

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

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Essex County Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2007	6,707	\$ 345,866,576	\$ 51,568	2.70%
2008	6,651	353,407,536	53,136	3.30%
2009	6,657	341,424,216	51,288	6.70%
2010	7,531	394,052,044	52,324	6.80%
2011	7,566	416,235,924	55,014	6.50%
2012	7,571	419,463,684	55,404	6.70%
2013	7,596	423,036,432	55,692	4.60%
2014	7,645	445,848,755	58,319	3.80%
2015	7,660	446,723,540	58,319 **	3.20%
2016	7,660 *	446,723,540 ***	58,319 **	N/A

N/A - Not Available

\* - Latest Essex County population available (2015) was used for calculation purposes.

\*\* - Latest Essex County per capita personal income available (2014) was used for calculation purposes.

\*\*\* - Latest personal income data available (2015) was used for calculation purposes.

Source:

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

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

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

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

Exhibit J-15

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

Employer	2015		
	Employees	Rank	Percentage of Total Employment
St. Barnabas Health Care System	23,000	1	6.56%
Verizon	17,100	2	4.88%
Prudential Ins. Co. of America	16,850	3	4.81%
Rutgers University-Newark Campus	15,500	4	4.42%
Continental Airlines	11,000	5	3.14%
Newark Board of Education	7,050	6	2.01%
Automatic Data Processing	5,649	7	1.61%
New Jersey Transit	4,000	8	1.14%
City of Newark	4,000	9	1.14%
Essex County	3,500	10	1.00%
	<u>107,649</u>		<u>30.72%</u>
Total Employment	<u>350,404</u>		
Employer	2006		
	Employees	Rank (Optional)	Percentage of Total Employment
St. Barnabas Health Care System	22,300	1	6.36%
Verizon	18,148	2	5.18%
Prudential Ins. Co. of America	17,487	3	4.99%
Continental Airlines	11,200	4	3.20%
PSE&G	11,000	5	3.14%
Ricoh Corporation	5,500	6	1.57%
Automatic Data Processing	5,300	7	1.51%
Horizon Blue Cross/Blue Shield	4,735	8	1.35%
Essex County	4,500	9	1.28%
UMDNJ University Hospital	2,730	10	0.78%
	<u>102,900</u>		<u>29.37%</u>
Total Employment	<u>343,012</u>		

Source: Essex County Economic Development Corporation

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

<u>Function/Program</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>	<u>2016</u>
Instruction:										
Regular	121.4	128.0	134.2	133.2	133.1	136.3	134.7	128.0	127.6	129.3
Special Education	27.1	26.0	27.8	28.5	32.2	40.5	44.4	46.7	46.4	48.1
Other Special Instruction	12.4	8.7	9.4	9.4	6.5	6.0	6.5	6.0	6.0	6.0
Support Services:										
Student & Instruction Related Services	20.0	21.8	24.8	24.8	24.8	23.8	26.3	26.3	25.4	25.4
General Administrative Services	3.1	3.1	3.1	3.1	2.1	2.1	2.1	2.1	2.1	2.1
School Administrative Services	13.0	14.0	14.0	14.0	12.0	13.0	12.0	12.0	12.0	12.0
Central Services	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Plant Operations and Maintenance	18.2	18.2	19.2	18.2	17.2	17.2	17.7	17.7	17.8	17.7
Pupil Transportation	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Child Care	11.8	15.0	13.6	14.0	14.0	6.5	8.7	8.7	8.7	8.7
Total	<u>233.7</u>	<u>241.5</u>	<u>252.8</u>	<u>251.9</u>	<u>248.6</u>	<u>252.1</u>	<u>259.1</u>	<u>254.2</u>	<u>252.7</u>	<u>256.0</u>

Source: District Personnel Records.

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

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Elementary/Middle	Middle/High School	Glen Ridge				
2007	1,804	\$ 24,601,968	\$ 13,637	10.72%	141.3	16.0:1	15.7:1	13.1:1	11.1:1	1,825	1,760	1.16%	96.44%
2008	1,878	25,971,929	13,830	1.41%	143.3	14.7:1	17.0:1	13.6:1	11.4:1	1,875	1,800	2.74%	96.00%
2009	1,903	26,477,828	13,914	0.61%	147.8	16.0:1	15.9:1	12.3:1	11.7:1	1,905	1,816	1.60%	95.33%
2010	1,909	27,726,647	14,524	4.39%	147.9	14.8:1	15.4:1	12.4:1	12.1:1	1,926	1,841	1.10%	95.59%
2011	1,945	26,492,960	13,621	-6.22%	143.2	16.5:1	17.8:1	12.8:1	12.5:1	1,931	1,834	0.26%	94.98%
2012	1,950	28,111,113	14,416	5.84%	148.5	16.3:1	16.6:1	12.6:1	12.0:1	1,945	1,867	0.73%	95.99%
2013	1,959	30,185,889	15,409	6.89%	151.4	16.3:1	14.5:1	13.3:1	11.6:1	1,955	1,870	0.51%	95.65%
2014	1,934	30,258,125	15,645	1.54%	148.5	14.1:1	15.5:1	13.9:1	11.7:1	1,933	1,847	-1.13%	95.55%
2015	1,908	31,466,277	16,492	5.41%	147.4	15.4:1	16.1:1	13.7:1	11.3:1	1,908	1,822	-1.29%	95.49%
2016	1,893	32,887,315	17,373	5.34%	149.3	15.8:1	16.1:1	12.8:1	11.2:1	1,893	1,799	-0.79%	95.03%

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

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

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

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

Note: Enrollment based on annual October District count.

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b><u>District Building</u></b>										
Forest Avenue School (1928)										
Square Feet	32,093	32,093	32,093	32,093	32,093	32,093	32,093	32,093	32,093	32,093
Capacity (students)	327	327	327	327	327	327	327	327	327	327
Enrollment	254	248	262	258	262	260	261	233	241	248
Linden Avenue School (1911)										
Square Feet	31,999	31,999	31,999	31,999	31,999	31,999	31,999	31,999	31,999	31,999
Capacity (students)	333	333	333	333	333	333	333	333	333	333
Enrollment	284	287	292	284	274	280	268	260	267	250
Ridgewood Avenue School (1928)										
Square Feet	102,436	102,436	102,436	102,436	102,436	102,436	102,436	102,436	102,436	102,436
Capacity (students)	582	582	582	582	582	582	582	582	582	582
Enrollment	544	597	567	568	569	571	592	597	588	583
Glen Ridge High School (1968)										
Square Feet	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000
Capacity (students)	842	842	842	842	842	842	842	842	842	842
Enrollment	722	746	782	799	840	839	838	844	812	812
Board Office (2000)										
Square Feet	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510

Number of Schools at June 30, 2016

    Elementary (Grades Pre-K-2) = 2

    Elementary/Middle School (Grades 3-6) = 1

    Middle/High School (Grades 7-12) = 1

Other (Board Office) = 1

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

Exhibit J-19

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

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

<u>School Facilities*</u>	<u>Project # (s)</u>	<u>Fiscal Year Ended June 30,</u>				
		<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Glen Ridge High School	N/A	\$ 216,680	\$ 270,682	\$ 233,931	\$ 227,818	\$ 177,016
Forest Avenue School	N/A	109,412	105,892	86,473	109,220	81,474
Ridgewood Avenue School	N/A	303,620	337,573	205,930	223,396	153,659
Linden Avenue School	N/A	138,086	100,201	75,147	105,353	75,410
Total School Facilities		<u>767,798</u>	<u>814,348</u>	<u>601,481</u>	<u>665,787</u>	<u>487,559</u>
Board Office		6,684	11,998	12,856	9,452	4,403
Grand Total		<u>\$ 774,482</u>	<u>\$ 826,346</u>	<u>\$ 614,337</u>	<u>\$ 675,239</u>	<u>\$ 491,962</u>

<u>School Facilities*</u>	<u>Project # (s)</u>	<u>Fiscal Year Ended June 30,</u>				
		<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Glen Ridge High School	N/A	\$ 206,582	\$ 192,554	\$ 181,789	\$ 228,102	\$ 204,511
Forest Avenue School	N/A	96,010	90,171	125,774	121,323	114,399
Ridgewood Avenue School	N/A	237,079	210,828	214,949	215,362	200,038
Linden Avenue School	N/A	124,767	125,485	111,698	122,650	115,677
Total School Facilities		<u>664,438</u>	<u>619,038</u>	<u>634,210</u>	<u>687,437</u>	<u>634,625</u>
Board Office		14,215	4,461	7,779	6,497	4,474
Grand Total		<u>\$ 678,653</u>	<u>\$ 623,499</u>	<u>\$ 641,989</u>	<u>\$ 693,934</u>	<u>\$ 639,099</u>

N/A - Not Applicable.

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

Source: Glen Ridge Board of Education records.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2016  
UNAUDITED

	<u>Coverage</u>		<u>Deductible</u>
School Alliance Insurance Fund:			
Property - Blanket Building and Contents	\$ 250,000,000	(Per Occ.)	\$ 2,500
Flood Coverage:			
Per Occurrence	10,000,000		2,500
Aggregate	100,000,000		
Earthquake Coverage:			
Per Occurrence	25,000,000		5% of value at each location
Aggregate	25,000,000		5% of value at each location
Garage Keepers	5,000,000		2,500
Newly Acquired Property	25,000,000		2,500
Property at Unnamed Locations	25,000,000		2,500
Loss of Revenues	500,000		2,500
Accounts Receivable	2,500,000		2,500
Fine Arts	2,500,000		2,500
Trees/Shrubs/Plants	1,000,000		2,500
Auto Physical Damage	Per Policy		1,000
Blanket Crime	500,000		1,000
Money and Securities (Inside and Outside Premises)	50,000		1,000
Computer Fraud	50,000		1,000
Forgery and Alteration	50,000		1,000
School Board Errors and Omissions	5,000,000		15,000
Excess School Board Errors and Omissions	10,000,000		
Commercial General and Automobile Liability	5,000,000		
Medical Expense	5,000		
Abuse or Molestation Liability	10,000,000		
Excess Liability	10,000,000		
Premises Pollution Coverage:			
Per Occurrence	1,000,000		10,000
Fungi Sublimit - Bodily Injury	500,000		50,000
Terrorism	100,000,000		2,500
Builders Risk	25,000,000		2,500
Demolition and Increase Cost of Construction	25,000,000		2,500
Cyber Liability	2,000,000		10,000
Boiler and Machinery	100,000,000		2,500
Public Officials Bond - Western Surety Company:			
Board Secretary/Business Administrator	250,000		
Treasurer	250,000		



**SINGLE AUDIT SECTION**



Mount Arlington Corporate Center  
 200 Valley Road, Suite 300  
 Mt. Arlington, NJ 07856  
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center  
 11 Lawrence Road  
 Newton, NJ 07860  
 973-383-6699 | 973-383-6555 Fax

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Borough of Glen Ridge, in the County of Essex (the "District") as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 28, 2016.

**Internal Control Over Financial Reporting**

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

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

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

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

### **Compliance and Other Matters**

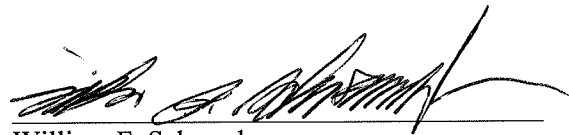
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

### **Purpose of this Report**

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

Mount Arlington, New Jersey  
October 28, 2016

NISIVOCIA LLP



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



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 200 Valley Road, Suite 300  
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Report on Compliance For Each Major State Program;  
 Report on Internal Control Over Compliance

Independent Auditors' Report

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

**Report on Compliance for Each Major State Program**

We have audited the Board of Education of the Borough of Glen Ridge's (the "District's") compliance with the types of compliance requirements described in the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on the District's major state program for the fiscal year ended June 30, 2016. The District's major state program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for the District's major state program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 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 District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

***Opinion on Each Major State Program***

In our opinion the District complied, in all material aspects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state program for the fiscal year ended June 30, 2016.

**Report on Internal Control Over Compliance**

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

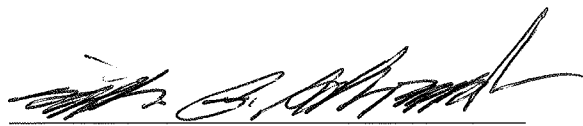
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

Mount Arlington, New Jersey  
October 28, 2016

NISIVOCCIA LLP



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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2015 Budgetary Accounts Receivable	Cash Received	Budgetary Expenditures	Balance at June 30, 2016 Budgetary Accounts Receivable	Amounts Provided to Subrecipients
<u>U.S. Department of Education:</u>									
<u>Special Revenue Fund:</u>									
Passed-through State Department of Education:									
Special Education Cluster:									
I.D.E.A. Part B, Basic	84.027	IDEA175016	7/1/15-6/30/16	\$ 360,607		\$ 360,607	\$ (360,607)		
I.D.E.A. Part B, Basic	84.027	IDEA175015	7/1/14-6/30/15	349,674	\$ (4,000)	4,000			
I.D.E.A. Preschool	84.173	IDEA175016	7/1/15-6/30/16	11,903		11,903	(11,903)		
I.D.E.A. Preschool	84.173	IDEA175015	7/1/14-6/30/15	11,510	(11,510)	11,510			
Total Special Education Cluster					(15,510)	388,020	(372,510)		
No Child Left Behind:									
Title IIA	84.367	NCLB175016	7/1/15-6/30/16	20,643		20,643	(20,643)		
Title IIA	84.367	NCLB175015	7/1/14-6/30/15	21,415	(21,415)	21,415			
Total Title IIA					(21,415)	42,058	(20,643)		
Total Special Revenue Fund					(36,925)	430,078	(393,153)		
Total U.S. Department of Education					(36,925)	430,078	(393,153)		
Total Federal Awards					\$ (36,925)	\$ 430,078	\$ (393,153)	\$ -0-	\$ -0-

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
SCHEDULE OF OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance	Cash	Budgetary	Balance	MEMO	
				June 30, 2015			June 30, 2016	Budgetary	Cumulative
				Budgetary	Received	Expenditures	GAAP	Budgetary	Total
				Accounts			Accounts	Receivable	Expenditures
				Receivable			Receivable		
<u>State Department of Education:</u>									
<u>General Fund State Aid:</u>									
Categorical Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	\$ 667,725		\$ 605,072	\$ (667,725)		\$ (62,653)	\$ 667,725
Categorical Security Aid	16-495-034-5120-084	7/1/15-6/30/16	29,268		26,522	(29,268)		(2,746)	29,268
Categorical Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	23,478		21,275	(23,478)		(2,203)	23,478
PARCC Readiness	16-495-034-5120-098	7/1/15-6/30/16	18,960		17,181	(18,960)		(1,779)	18,960
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	18,960		17,181	(18,960)		(1,779)	18,960
Extraordinary Special Education Costs Aid	16-495-034-5120-044	7/1/15-6/30/16	132,801			(132,801)	\$ (132,801)	(132,801)	132,801
Excess Nonpublic Transportation Costs	16-495-034-5120-014	7/1/15-6/30/16	6,960			(6,960)	(6,960)	(6,960)	6,960
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	7/1/15-6/30/16	1,035,694		1,035,587	(1,035,694)	(107)	(107)	1,035,694
Categorical Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	667,725	\$ (62,740)	62,740				667,725
Categorical Security Aid	15-495-034-5120-084	7/1/14-6/30/15	29,268	(2,750)	2,750				29,268
Categorical Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	23,478	(2,206)	2,206				23,478
PARCC Readiness	15-495-034-5120-098	7/1/14-6/30/15	18,960	(1,782)	1,782				18,960
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	18,960	(1,782)	1,782				18,960
Extraordinary Special Education Costs Aid	15-495-034-5120-044	7/1/14-6/30/15	84,609	(84,609)	84,609				84,609
Excess Nonpublic Transportation Costs	15-495-034-5120-014	7/1/14-6/30/15	6,786	(6,786)	6,786				6,786
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	7/1/14-6/30/15	993,650	(101,476)	101,476				993,650
<b>Total General Fund State Aid</b>				<u>(264,131)</u>	<u>1,986,949</u>	<u>(1,933,846)</u>	<u>(139,868)</u>	<u>(211,028)</u>	<u>3,777,282</u>
<u>School Development Authority:</u>									
<u>Capital Projects Fund:</u>									
School Development Authority Financing Act: High School Windows				(222,178)				(222,178)	
<b>Total Capital Projects Fund</b>				<u>(222,178)</u>				<u>(222,178)</u>	
<b>Total State Awards</b>				<u>\$ (486,309)</u>	<u>\$ 1,986,949</u>	<u>\$ (1,933,846)</u>	<u>\$ (139,868)</u>	<u>\$ (433,206)</u>	<u>\$ 3,777,282</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Borough of Glen Ridge School District under programs of the federal and state governments for the fiscal year ended June 30, 2016. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

The District has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$100 for the general fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Additionally, the schedule of expenditures of state awards does not include on-behalf TPAF Pension Contributions and Post Retirement Contributions revenue of \$1,059,378 and \$1,261,426 respectively.



BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 4,254,750	\$ 4,254,750
Special Revenue Fund	\$ 393,153		393,153
Total Financial Assistance	<u>\$ 393,153</u>	<u>\$ 4,254,750</u>	<u>\$ 4,647,903</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2016.

NOTE 7. NJ SCHOOL DEVELOPMENT AUTHORITY (SDA) GRANT

The District has an active grant awarded in the amount of \$222,178 from the School Development Authority (SDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2016, \$-0- been drawn down and the District has a \$222,178 receivable on the budgetary basis. The District realizes grants receivable on the GAAP basis as they are expended and submitted for reimbursement.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Summary of Auditors' Results:

- The Independent Auditor's Report expresses an unmodified opinion on the District's financial statements.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over the major state program disclosed during the audit as reported in the *Independent Auditors' Report on Compliance for Each Major State program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major state program for the District expresses an unmodified opinion on the major state program.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District was not subject to the single audit provisions of the Uniform Guidance for fiscal year end June 30, 2016 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Circular.
- The District's state program tested as a major state program for the current fiscal year consisted of the following:

	<u>State</u>	<u>Grant Period</u>	<u>Award</u>	<u>Budgetary</u>
<u>State:</u>	<u>Grant Number</u>		<u>Amount</u>	<u>Expenditures</u>
Reimbursed TPAF Social Security Aid	16-495-034-5094-003	7/1/15-6/30/16	\$ 1,035,694	\$ 1,035,694

- The threshold used for distinguishing between State Type A and Type B programs was \$750,000.
- The District was determined to be a "low-risk" auditee for state programs.

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Status of Prior Year Findings:

The District had no prior year audit findings.