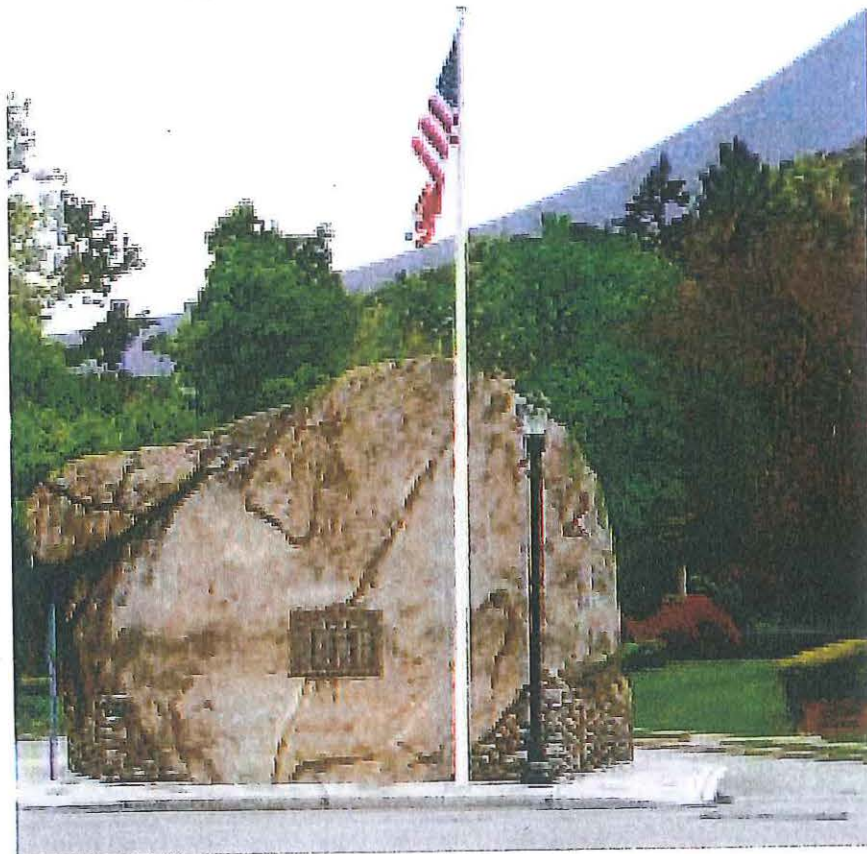


*GLEN ROCK PUBLIC SCHOOLS*  
*Glen Rock, New Jersey*

*COMPREHENSIVE ANNUAL  
FINANCIAL REPORT*

*FOR THE FISCAL YEAR ENDED  
JUNE 30, 2016*



**COMPREHENSIVE ANNUAL**

**FINANCIAL REPORT**

**of the**

**Glen Rock Public Schools**

**Glen Rock, New Jersey**

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

**Prepared by**

**Business Office**

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**INTRODUCTORY SECTION**

# GLEN ROCK PUBLIC SCHOOLS

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



620 Harristown Road  
Glen Rock, NJ 07452-2398  
(201) 445-7700 Ext. 8942  
Fax (201) 389-5019

December 5, 2016

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

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

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

**GLEN ROCK IS AN EQUAL OPPORTUNITY EMPLOYER**



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

The school district provides a full range of educational services to grade levels K through 12 for the students residing in the Borough of Glen Rock. These include regular as well as special education for special needs students. The District completed the 2015-2016 fiscal year with an enrollment of 2,462 resident students, which is 22 more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2015-16	2,462	.90%
2014-15	2,440	.57%
2013-14	2,426	1.04%
2012-13	2,401	(0%)
2011-12	2,401	(1%)
2010-11	2,439	(2.00%)
2009-10	2,482	(3.50%)
2008-09	2,570	3.00%
2007-08	2,516	.01%
2006-07	2,511	1.00%

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

**3. MAJOR INITIATIVES:** Throughout its history, the Glen Rock community has always placed a very high value on education; it is the foundation upon which the borough was built. In the late 1800s when the state of New Jersey mandated consolidation of school districts, local activists - concerned about the impact this would have on the education of their children - went door to door with a petition to create their own school district. The cosmopolitan town of Glen Rock, situated 23 miles west of New York City, and the only Bergen County town to have two NJ Transit train lines, was established September 14, 1894. Glen Rock's current population hovers at 11,838.

Currently, the public school system is comprised of six schools serving a population of approximately 2,400 students in grades K-12. The original Ridgewood-Grove School, which still stands as part of a private residence, has been replaced by four elementary schools - Richard E. Byrd, Central, Clara E. Coleman and Alexander Hamilton - plus Glen Rock Middle School and Glen Rock High School.

The district implemented its inaugural Full Day Kindergarten and Transitional Kindergarten programs during the 2015 – 2016 school year along with a revamped elementary school Basic Skills program. Curriculum reviews for Langue Arts, Math, Science and Fine, Visual and Performing Arts programs were fully underway, while the Social Studies and World Language programs completed their final curricular reviews and new cycles will begin. Glen Rock High School continues to garner national, state and local accolades for its advanced curriculum and student performance. The district has a wellness initiative, *Journey to Somewhere* that includes curricular initiatives such as yoga, homework free nights, parent programs and superintendent book studies. A new Wellness Center, located in the MS/HS, complements the Journey to Somewhere initiative. The K-12 Guidance Department offers well-rounded advisement that includes a character education component, career panels, college fairs, and the traditional post-secondary advisement and counseling. Glen Rock High School is home to a premier sports facility. The district offers an array of athletic sports and extracurricular clubs and activities for students across grade levels.

### **3. MAJOR INITIATIVES: (Continued)**

To meet the unique needs of all students, the school system employs a fully staffed Child Study Team whose members work cooperatively with families to determine the most effective combination of programs and services beginning as early as pre-kindergarten. Highly trained reading specialists are available in every elementary school to work with classroom teachers to evaluate and provide support to students. A program of academic advancement and enrichment is available across the district for qualifying students and is designed to expose them to a variety of experiences and disciplines, while challenging them to reach their greatest potential.

The Glen Rock School District has established a mission of providing each student with a world-class education based on the New Jersey Student Learning Standards provided in a safe, supportive and technology-rich environment. The board of education and staff join with parents to promote self-discipline, motivation, academic excellence to achieve its ultimate goal, which is to assist all children develop into independent, self-sufficient and productive adults who will succeed and contribute responsibly to the global community.

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

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

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

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

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

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

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

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

**9. OTHER INFORMATION:**

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

**10. AWARDS AND ACKNOWLEDGMENTS:** The Association of School Business Officials (ASBO) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Glen Rock Board of Education for its comprehensive annual financial report (CAFR) for the fiscal years ending June 30, 2008, June 30, 2009 and June 30, 2010. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

Respectfully submitted,

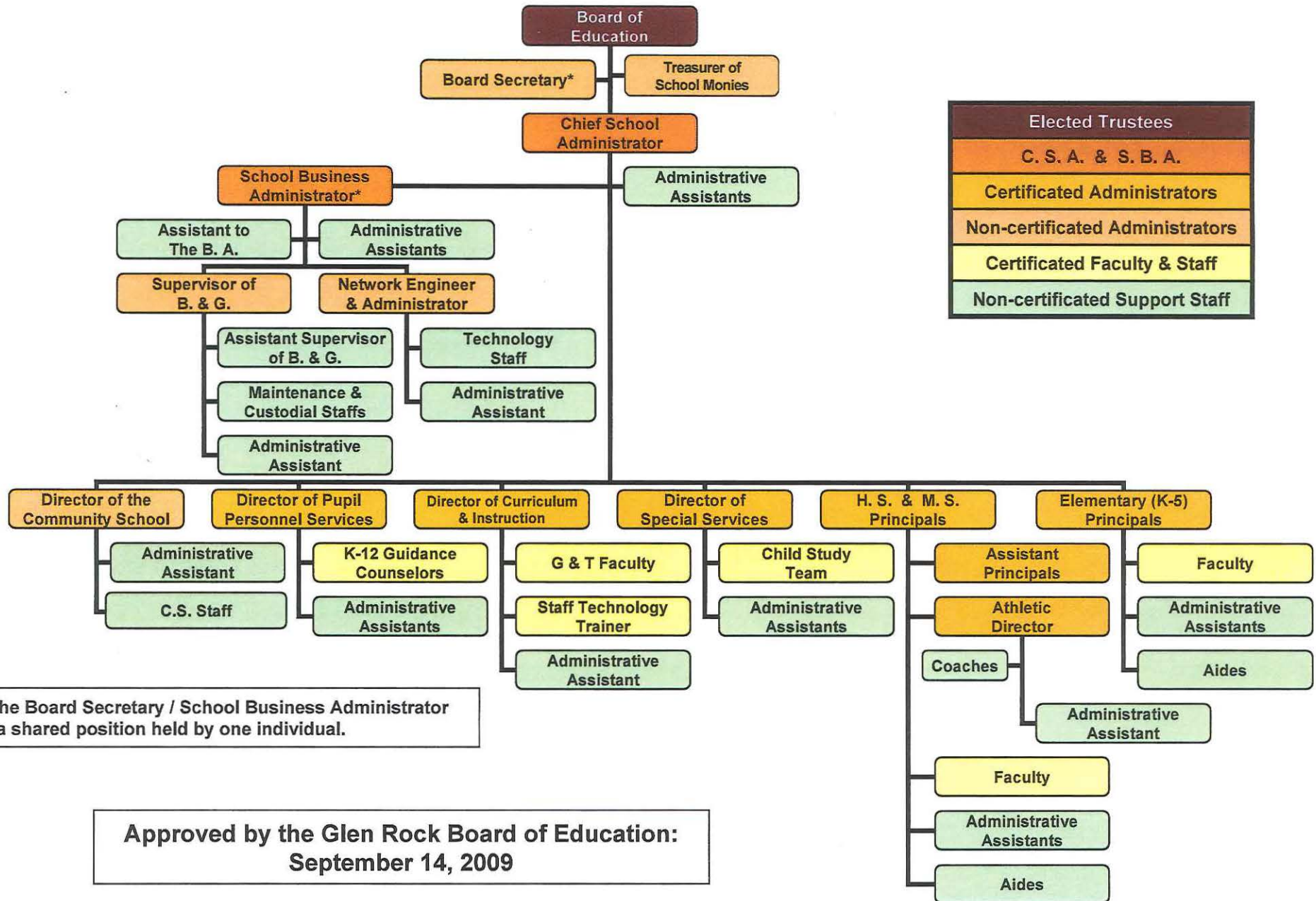


Paula Valenti, Ed.D.  
Chief School Administrator



Michael Rinderknecht  
School Business Administrator/  
Board Secretary

# GLEN ROCK PUBLIC SCHOOLS DISTRICT ORGANIZATIONAL CHART



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

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

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

**Roster of Officials  
2016**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
<b>Mr. Sheldon Hirschberg, President</b>	<b>2016</b>
<b>Ms. Elizabeth Carr, Vice President</b>	<b>2018</b>
<b>Mr. Carlo Cella, III</b>	<b>2016</b>
<b>Ms. Eileen Hillock, (unexpired term)</b>	<b>2016</b>
<b>Ms. Theodore Jadick, Jr. (unexpired term)</b>	<b>2016</b>
<b>Ms. Rona McNabola</b>	<b>2017</b>
<b>Mr. Sanjiv Ohri</b>	<b>2016</b>
<b>Ms. Sharon Scarpelli</b>	<b>2018</b>
<b>Mr. Bryon Torsiello</b>	<b>2018</b>

**Other Officials**

**Paula Valenti, Ed.D. Superintendent of Schools**

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

**Kelly Ippolito, Treasurer of School Monies**

**GLEN ROCK PUBLIC SCHOOLS**

**Consultants & Advisors**

**June 30, 2016**

**District Auditor**

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

**Attorney**

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

**Official Depositories**

Bank of America  
208 Harristown Road  
Glen Rock, NJ 07452

**FINANCIAL SECTION**





# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLosi, CPA  
ROBERT AMPONSAH, CPA

## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Glen Rock Public Schools, as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

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

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



## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Glen Rock Public Schools as of June 30, 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, budgetary comparison information, and pension information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

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

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

In accordance with Government Auditing Standards, we have also issued our report dated December 5, 2016 on our consideration of the Glen Rock Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Glen Rock Public Schools' internal control over financial reporting and compliance.



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



Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
December 5, 2016

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

This discussion and analysis of the Glen Rock Public School's financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2016. The intent of this is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and the notes to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2016 are as follows:

- District-Wide - Overall revenues were \$59,382,736. General revenues accounted for \$44,788,366 or 75 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$14,594,370 or 25 percent of total revenues of \$59,382,736.
- District-Wide - The School District had \$59,526,876 in expenses; only \$14,594,370 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$44,788,366 were adequate to provide for these programs.
- Fund Financials - As of the close of the current fiscal year, the Glen Rock Public School's governmental funds reported combined ending fund balances of \$5,069,235 a decrease of \$583,839 in comparison with the prior year.
- Fund Financials - At the end of June 30, 2016, unassigned fund balance for the General Fund was \$609,852, an increase of \$4,986 in comparison with the prior year.

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

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

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

	District-Wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Fund Net Position and Statement of Cash Flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset, deferred outflows/inflows of resources and liability information	All assets, deferred outflows/inflows of resources and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflow/inflows of resources and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

**District-wide Statements**

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

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

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

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

**District-wide Statements (Continued)**

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

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

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

**Fund Financial Statements**

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

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

The District has three kinds of funds:

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

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

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

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

**Fund Financial Statements (Continued)**

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

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

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

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

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

Table A-2 provides a summary of the school district's net position for fiscal years 2016 and 2015. For 2016 and 2015 net position were \$7,097,073 and \$7,241,213, respectively.

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



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

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

Table A-2  
Statement of Net Position  
As of June 30, 2016 and 2015

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Assets</b>						
Current and Other Assets	\$ 5,679,382	\$ 6,251,849	\$ 880,932	\$ 980,410	\$ 6,560,314	\$ 7,232,259
Capital Assets	<u>52,774,789</u>	<u>53,734,235</u>	<u>17,425</u>	<u>21,776</u>	<u>52,792,214</u>	<u>53,756,011</u>
<b>Total Assets</b>	<u>58,454,171</u>	<u>59,986,084</u>	<u>898,357</u>	<u>1,002,186</u>	<u>59,352,528</u>	<u>60,988,270</u>
<b>Deferred Outflows of Resources</b>						
Deferred Amounts on Refunding of Debt	3,690,174	-	-	-	3,690,174	-
Deferred Amounts on Net Pension Liability	<u>1,675,418</u>	<u>280,064</u>	<u>-</u>	<u>-</u>	<u>1,675,418</u>	<u>280,064</u>
<b>Total Deferred Outflows of Resources</b>	<u>5,365,592</u>	<u>280,064</u>	<u>-</u>	<u>-</u>	<u>5,365,592</u>	<u>280,064</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>63,819,763</u>	<u>60,266,148</u>	<u>898,357</u>	<u>1,002,186</u>	<u>64,718,120</u>	<u>61,268,334</u>
<b>Liabilities</b>						
Current Liabilities	1,150,629	1,135,041	505,233	449,808	1,655,862	1,584,849
Non-Current Liabilities	<u>55,693,501</u>	<u>51,795,337</u>	<u>-</u>	<u>-</u>	<u>55,693,501</u>	<u>51,795,337</u>
<b>Total Liabilities</b>	<u>56,844,130</u>	<u>52,930,378</u>	<u>505,233</u>	<u>449,808</u>	<u>57,349,363</u>	<u>53,380,186</u>
<b>Deferred Amounts on Net Pension Liability</b>	<u>271,684</u>	<u>647,235</u>	<u>-</u>	<u>-</u>	<u>271,684</u>	<u>647,235</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>57,115,814</u>	<u>53,577,613</u>	<u>505,233</u>	<u>449,808</u>	<u>57,621,047</u>	<u>54,027,421</u>
<b>Net Position:</b>						
Net Investment in Capital Assets	17,728,958	12,097,377	17,425	21,776	17,746,383	12,119,153
Restricted	1,527,503	2,110,708			1,527,503	2,110,708
Unrestricted	<u>(12,552,512)</u>	<u>(7,519,250)</u>	<u>375,699</u>	<u>530,602</u>	<u>(12,176,813)</u>	<u>(6,988,648)</u>
<b>Total Net Position</b>	<u>\$ 6,703,949</u>	<u>\$ 6,688,835</u>	<u>\$ 393,124</u>	<u>\$ 552,378</u>	<u>\$ 7,097,073</u>	<u>\$ 7,241,213</u>

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

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

**Governmental activities.** Governmental activities decreased the District's net position by \$15,114. Key elements of this increase are as follows:

**Table A-3  
Changes in Net Position  
For the Fiscal Years Ended June 30, 2016 and 2015**

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 28,724	\$ 32,088	\$ 2,117,186	\$ 2,117,574	\$ 2,145,910	\$ 2,149,662
Operating Grants and Contributions	12,407,077	10,351,346			12,407,077	10,351,346
Capital Grants and Contributions	41,383	3,712			41,383	3,712
General Revenues						
Property Taxes	43,829,611	43,033,701			43,829,611	43,033,701
Other	958,710	1,072,773	45	92	958,755	1,072,865
<b>Total Revenues</b>	<u>57,265,505</u>	<u>54,493,620</u>	<u>2,117,231</u>	<u>2,117,666</u>	<u>59,382,736</u>	<u>56,611,286</u>
<b>Expenses</b>						
Instruction						
Regular	24,119,067	22,802,265			24,119,067	22,802,265
Special Education	7,773,836	7,081,367			7,773,836	7,081,367
Other Instruction	688,326	711,206			688,326	711,206
School Sponsored Activities and Ath.	1,210,348	1,223,345			1,210,348	1,223,345
Support Services						
Student and Instruction Related Serv.	8,390,007	7,770,425			8,390,007	7,770,425
Educational Media/School Library	1,197,343	1,130,931			1,197,343	1,130,931
General Administrative Services	1,299,253	1,156,223			1,299,253	1,156,223
School Administrative Services	4,268,557	4,003,034			4,268,557	4,003,034
Plant Operations and Maintenance	4,828,108	4,813,339			4,828,108	4,813,339
Pupil Transportation	856,873	894,179			856,873	894,179
Central Services	1,522,395	1,451,301			1,522,395	1,451,301
Food Service			506,962	486,218	506,962	486,218
Community School			1,469,523	1,557,780	1,469,523	1,557,780
Interest on Long-Term Debt	1,396,278	1,903,597	-	-	1,396,278	1,903,597
<b>Total Expenses</b>	<u>57,550,391</u>	<u>54,941,212</u>	<u>1,976,485</u>	<u>2,043,998</u>	<u>59,526,876</u>	<u>56,985,210</u>
Change in Net Position	(284,886)	(447,592)	140,746	73,668	(144,140)	(373,924)
Transfers	300,000	300,000	(300,000)	(300,000)	-	-
Loss of Disposal of Assets				(12,784)	-	(12,784)
Net Position, Beginning of Year	<u>6,688,835</u>	<u>6,836,427</u>	<u>552,378</u>	<u>791,494</u>	<u>7,241,213</u>	<u>7,627,921</u>
Net Position, End of Year	<u>\$ 6,703,949</u>	<u>\$ 6,688,835</u>	<u>\$ 393,124</u>	<u>\$ 552,378</u>	<u>\$ 7,097,073</u>	<u>\$ 7,241,213</u>

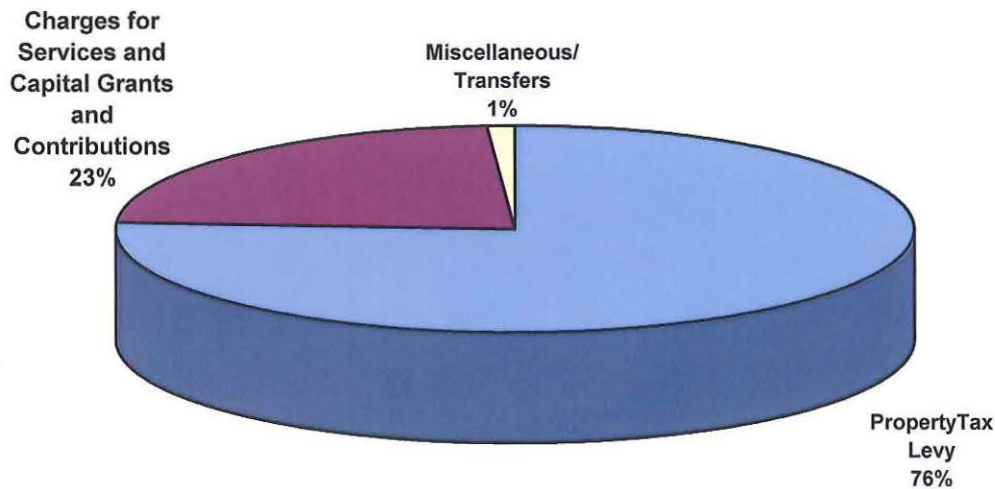
**GLEN ROCK PUBLIC SCHOOLS  
GLEN ROCK, NEW JERSEY**

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

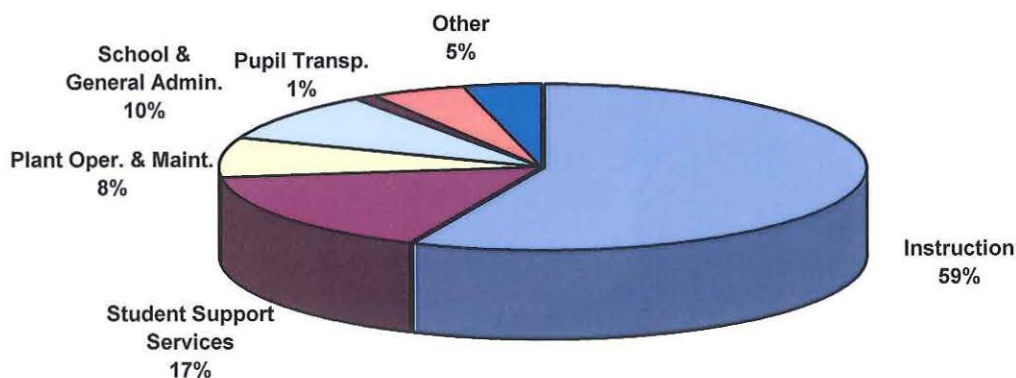
**Governmental activities.** The District's total governmental activities revenues and transfers were \$57,565,505. The local share of the revenues, that included property taxes, interest, unrestricted state aid, state aid restricted for debt service, miscellaneous revenue and transfers, amounted to \$45,088,321 or 78% of total revenues. Funding from state, federal sources charges for services and capital grants and contributions amounted to \$12,477,184 or 22%. (See Table A-3)

The District's total governmental expenses were \$57,550,391 which are predominantly related to instruction and support services. Instruction totaled \$33,791,577 (59%), student support services totaled \$22,362,536 (39%) and interest on long-term debt total \$1,396,278 (2%) of total expenses. (See Table A-3.)

Revenues by Source- Governmental Activities  
For Fiscal Year 2016



Expenses by Type- Governmental Activities  
For Fiscal Year 2016



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

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

**Table A-4  
Total and Net Cost of Governmental Activities  
For the Fiscal Years Ended June 30, 2016 and 2015**

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Governmental Activities				
Instruction				
Regular	\$ 24,119,067	\$ 22,802,265	\$ 18,344,446	\$ 18,164,170
Special Education	7,773,836	7,081,367	4,601,229	4,302,642
Other Instruction	688,326	711,206	534,740	484,371
School Sponsored Activities and Athletics	1,210,348	1,223,345	1,000,768	998,731
Student and Instruction Related Svcs.	8,390,007	7,770,425	6,875,435	6,555,989
Educational Media/School Library	1,197,343	1,130,931	907,897	899,290
General Administrative Services	1,299,253	1,156,223	1,099,005	999,258
School Administrative Services	4,268,557	4,003,034	3,205,806	3,146,408
Plant Operations and Maintenance	4,828,108	4,813,339	4,752,161	4,777,991
Pupil Transportation	856,873	894,179	833,047	870,318
Central Services	1,522,395	1,451,301	1,522,395	1,451,301
Interest on Long-Term Debt	<u>1,396,278</u>	<u>1,903,597</u>	<u>1,396,278</u>	<u>1,903,597</u>
Total Governmental Activities	<u>\$ 57,550,391</u>	<u>\$ 54,941,212</u>	<u>\$ 45,073,207</u>	<u>\$ 44,554,066</u>

**Business-Type Activities**

The cost of Business-Type Activities for the fiscal year ended June 30, 2016 was \$1,976,485. These costs were funded by charges for services (Detailed on Table A-3). The operations resulted in an increase in net position before transfers of \$140,746.

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

**Business-Type Activities (Continued)**

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

Food Service Program

- Food service expenditures exceeded revenues by \$38,970.
- Charges for services represent 100% percent of revenue.
- Revenues include lunches and ala carte meals paid for by the students and District staff.

Community School – Before and After Child Care

- Community School revenues exceeded expenses by \$101,776.
- Charges for services represent 100 percent of revenue.
- Revenues include tuition for Community School classes and child care programs.

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

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

As the District completed the 2015-2016 year, its governmental funds reported a combined fund balance of \$5,069,235. June 30, 2015 the fund balance was \$5,653,074.

**The District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$51,531,728 and expenditures were \$52,677,301.

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

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

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the governmental fund revenues for the fiscal years ended June 30, 2016 and 2015.

	<b>Fiscal Year Ended <u>June 30, 2016</u></b>	<b>Fiscal Year Ended <u>June 30, 2015</u></b>	<b>Amount of Increase <u>(Decrease)</u></b>	<b>Percent Change</b>
Local Sources	\$ 44,091,852	\$ 43,420,884	\$ 670,968	1.55%
State Sources	6,861,254	6,244,849	616,405	9.87%
Federal Sources	<u>578,622</u>	<u>566,938</u>	<u>11,684</u>	2.06%
 Total Revenues	 <u>\$ 51,531,728</u>	 <u>\$ 50,232,671</u>	 <u>\$ 1,299,057</u>	 2.6%

The following schedule represents a summary of general fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal year ended June 30, 2016 and 2015.

	<b>Fiscal Year Ended <u>June 30, 2016</u></b>	<b>Fiscal Year Ended <u>June 30, 2015</u></b>	<b>Amount of Increase <u>(Decrease)</u></b>	<b>Percent Change</b>
Instruction	\$ 27,893,860	\$ 27,041,331	\$ 852,529	3.15%
Support Services and Undistributed	19,842,685	19,117,222	725,463	3.79%
Capital Outlay	1,472,778	1,636,477	(163,699)	-10.00%
Debt Service				
Principal	1,350,000	1,295,000	55,000	4.25%
Interest and Other Charges	1,457,978	1,918,586	(460,608)	-24.01%
Payment to Escrow Agent	<u>660,000</u>	<u>-</u>	<u>660,000</u>	100.00%
 Total Expenditures	 <u>\$ 52,677,301</u>	 <u>\$ 51,008,616</u>	 <u>\$ 1,668,685</u>	 3.3%

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

**General Fund Budgetary Highlights**

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

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

**Capital Assets.** The Glen Rock Public School's investment in capital assets for its governmental and business type activities as of June 30, 2016 amounts to \$52,792,214 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and building improvements, and machinery and equipment.

**Table A-5  
Capital Assets  
(net of accumulated depreciation) at June 30, 2016 and 2015**

	Total	
	<u>2016</u>	<u>2015</u>
Land	\$ 12,022	\$ 12,022
Construction In Progress	2,669,288	1,415,693
Land Improvements	3,687,419	3,687,419
Buildings and Building Improvements	64,228,723	64,137,132
Machinery and Equipment	3,872,680	3,734,918
 Total	 74,470,132	 72,987,184
 Less: Accumulated Depreciation	 21,695,343	 19,252,949
 Total	 \$ 52,774,789	 \$ 53,734,235

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

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

**Debt Administration.** As of June 30, 2016 the school district had long-term debt and outstanding long-term liabilities in the amount of \$55,693,501 as stated in Table A-6.

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

	<u>2016</u>	<u>2015</u>
Serial Bonds Including Premium	\$ 43,587,992	\$ 41,712,000
Net Pension Liability	11,014,621	8,915,916
Compensated Absences Payable	<u>1,090,888</u>	<u>1,167,421</u>
 Total	 <u>\$ 55,693,501</u>	 <u>\$ 51,795,337</u>

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

Moody's Investors Service has assigned an Aa2 enhanced rating to the Glen Rock Public School's \$45,343,000 General Obligation School Bonds. These bonds are secured by New Jersey's Chapter 72 program. The Aa2 rating on this issue reflects: Chapter 72's highly liquid reserve that by statute is perpetually sized at 1.5% of New Jersey school district related indebtedness; significant ability to regenerate the fund in the case of a draw; and, Moody's anticipation that program mechanics will govern timely bond repayment in the case of a defaulting issuer. Additional information on this program follows:

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

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



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

**FOR THE FUTURE**

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

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

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

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

## **BASIC FINANCIAL STATEMENTS**

**GLEN ROCK PUBLIC SCHOOLS**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2016**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,953,550	\$ 2,472,245	\$ 6,425,795
Receivables, net	130,866		130,866
Internal Balances	1,594,966	(1,594,966)	-
Inventory		3,653	3,653
Capital Assets, net			
Not Being Depreciated	2,681,310		2,681,310
Being Depreciated	<u>50,093,479</u>	<u>17,425</u>	<u>50,110,904</u>
Total Assets	<u>58,454,171</u>	<u>898,357</u>	<u>59,352,528</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Refunding of Debt	3,690,174		3,690,174
Deferred Amounts on Net Pension Liability	<u>1,675,418</u>	-	<u>1,675,418</u>
Total Deferred Outflows of Resources	<u>5,365,592</u>	-	<u>5,365,592</u>
Total Assets and Deferred Outflows of Resources	<u>63,819,763</u>	<u>898,357</u>	<u>64,718,120</u>
<b>LIABILITIES</b>			
Accounts Payable	562,354	22,310	584,664
Unearned Revenue	17,437	482,923	500,360
Accrued Interest Payable	540,482		540,482
Payable to Other Governments	30,356		30,356
Noncurrent Liabilities			
Due Within One Year	1,465,000		1,465,000
Due Beyond One Year	<u>54,228,501</u>	-	<u>54,228,501</u>
Total Liabilities	<u>56,844,130</u>	<u>505,233</u>	<u>57,349,363</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>271,684</u>	-	<u>271,684</u>
Total Liabilities and Deferred Inflows of Resources	<u>57,115,814</u>	<u>505,233</u>	<u>57,621,047</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	17,728,958	17,425	17,746,383
Restricted for			
Capital Projects	1,367,512		1,367,512
Debt Service	9,991		9,991
Other Purposes	150,000		150,000
Unrestricted	<u>(12,552,512)</u>	<u>375,699</u>	<u>(12,176,813)</u>
Total Net Position	<u>\$ 6,703,949</u>	<u>\$ 393,124</u>	<u>\$ 7,097,073</u>

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

GLEN ROCK PUBLIC SCHOOLS  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 24,119,067	\$ 28,724	\$ 5,745,897		\$ (18,344,446)		\$ (18,344,446)
Special Education	7,773,836		3,172,607		(4,601,229)		(4,601,229)
Other Instruction	688,326		153,586		(534,740)		(534,740)
School Sponsored Activities and Athletics	1,210,348		209,580		(1,000,768)		(1,000,768)
Support Services							
Student and Instruction Related Services	8,390,007		1,514,572		(6,875,435)		(6,875,435)
Educational Media/School Library	1,197,343		289,446		(907,897)		(907,897)
General Administrative Services	1,299,253		200,248		(1,099,005)		(1,099,005)
School Administrative Services	4,268,557		1,062,751		(3,205,806)		(3,205,806)
Central Services	1,522,395				(1,522,395)		(1,522,395)
Plant Operations and Maintenance	4,828,108		34,564	\$ 41,383	(4,752,161)		(4,752,161)
Pupil Transportation	856,873		23,826		(833,047)		(833,047)
Interest on Long-Term Debt	1,396,278	-	-	-	(1,396,278)	-	(1,396,278)
<b>Total Governmental Activities</b>	<b>57,550,391</b>	<b>28,724</b>	<b>12,407,077</b>	<b>41,383</b>	<b>(45,073,207)</b>	<b>-</b>	<b>(45,073,207)</b>
<b>Business-Type Activities</b>							
Food Service	506,962	545,932				\$ 38,970	38,970
Community School	1,469,523	1,571,254	-	-	-	101,731	101,731
<b>Total Business-Type Activities</b>	<b>1,976,485</b>	<b>2,117,186</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>140,701</b>	<b>140,701</b>
<b>Total Primary Government</b>	<b>\$ 59,526,876</b>	<b>\$ 2,145,910</b>	<b>\$ 12,407,077</b>	<b>\$ 41,383</b>	<b>(45,073,207)</b>	<b>140,701</b>	<b>(44,932,506)</b>
<b>General Revenues and Transfers</b>							
Taxes:							
Property Taxes, Levied for General Purposes, Net					41,319,529		41,319,529
Taxes Levied for Debt Service					2,510,082		2,510,082
State Aid Restricted for Debt Service					685,570		685,570
Unrestricted State Aid					46,068		46,068
Transfers					300,000	(300,000)	-
Miscellaneous Income					227,072	45	227,117
<b>Total General Revenues and Transfers</b>					<b>45,088,321</b>	<b>(299,955)</b>	<b>44,788,366</b>
Change in Net Position					15,114	(159,254)	(144,140)
Net Position, Beginning of Year					6,688,835	552,378	7,241,213
Net Position, End of Year					<b>\$ 6,703,949</b>	<b>\$ 393,124</b>	<b>\$ 7,097,073</b>

**FUND FINANCIAL STATEMENTS**

**GLEN ROCK PUBLIC SCHOOLS**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**AS OF 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>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 2,745,389		\$ 1,200,209	\$ 7,952	\$ 3,953,550
Receivables from Other Governments		\$ 124,351			124,351
Receivables- Other		6,515			6,515
Due from Other Funds	1,671,845	-	-	2,039	1,673,884
	<u>1,671,845</u>	<u>-</u>	<u>-</u>	<u>2,039</u>	<u>1,673,884</u>
Total Assets	<u>\$ 4,417,234</u>	<u>\$ 130,866</u>	<u>\$ 1,200,209</u>	<u>\$ 9,991</u>	<u>\$ 5,758,300</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	\$ 77,442	\$ 6,194	\$ 478,718		\$ 562,354
Due to Other Funds		76,879	2,039		78,918
Payable to State Government		22,004			22,004
Payable to Federal Government		8,352			8,352
Unearned Revenue	-	17,437	-	-	17,437
	<u>-</u>	<u>17,437</u>	<u>-</u>	<u>-</u>	<u>17,437</u>
Total Liabilities	<u>77,442</u>	<u>130,866</u>	<u>480,757</u>	<u>-</u>	<u>689,065</u>
Fund Balances					
Restricted:					
Excess Surplus	1,096,323				1,096,323
Excess Surplus- Designated for Subsequent Year's Expenditures	1,065,485				1,065,485
Capital Reserve	662,411				662,411
Maintenance Reserve- Designated for Subsequent Year's Expenditures	150,000				150,000
Emergency Reserve	406,000				406,000
Capital Projects			719,452		719,452
Debt Service				\$ 9,991	9,991
Assigned:					
Year-End Encumbrances	349,721				349,721
Unassigned:					
General Fund	609,852	-	-	-	609,852
	<u>609,852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>609,852</u>
Total Fund Balances	<u>4,339,792</u>	<u>-</u>	<u>719,452</u>	<u>9,991</u>	<u>5,069,235</u>
Total Liabilities and Fund Balances	<u>\$ 4,417,234</u>	<u>\$ 130,866</u>	<u>\$ 1,200,209</u>	<u>\$ 9,991</u>	<u>\$ 5,758,300</u>

GLEN ROCK PUBLIC SCHOOLS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2016

**Total Government Fund Balances (B-1)** \$ 5,069,235

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$74,470,132 and the accumulated depreciation is \$21,695,343 52,774,789

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

Deferred Outflows of Resources	\$ 1,675,418	
Deferred Inflows of Resources	<u>(271,684)</u>	1,403,734

The District has financed capital assets through the issuance of serial bonds, loans and long term-lease obligations. The interest accrual at year end is: (540,482)

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

Bonds Payable, net of Premium	\$ (43,587,992)	
Deferred Outflows of Resources- Deferred Amounts on Refunding of Debt	3,690,174	
Net Pension Liability	(11,014,621)	
Compensated Absences	<u>(1,090,888)</u>	(52,003,327)

**Net Position of Governmental Activities (Exhibit A-1)** \$ 6,703,949

**GLEN ROCK PUBLIC SCHOOLS  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
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>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 41,319,529			\$ 2,510,082	\$ 43,829,611
Miscellaneous	255,396	\$ 6,445	\$ 400	-	262,241
Total - Local Sources	<u>41,574,925</u>	<u>6,445</u>	<u>400</u>	<u>2,510,082</u>	<u>44,091,852</u>
State Sources	5,998,671	177,013		685,570	6,861,254
Federal Sources	-	578,622	-	-	578,622
Total Revenues	<u>47,573,596</u>	<u>762,080</u>	<u>400</u>	<u>3,195,652</u>	<u>51,531,728</u>
<b>EXPENDITURES</b>					
Current					
Regular Instruction	19,495,422	6,445			19,501,867
Special Education Instruction	6,232,077	494,110			6,726,187
Other Instruction	550,362	73,696			624,058
School Sponsored Activities and Athletics	1,041,748				1,041,748
Support Services					
Student and Instructional Related Services	7,136,072	181,616			7,317,688
Educational Media/School Library	964,494				964,494
General Administrative Services	1,138,160				1,138,160
School Administrative Services	3,413,608				3,413,608
Plant Operations and Maintenance	4,740,001				4,740,001
Pupil Transportation	850,949				850,949
Central Services	1,417,785				1,417,785
Debt Service					
Principal				1,350,000	1,350,000
Interest and Other Charges	15,896			1,442,082	1,457,978
Payment to Escrow Agent				660,000	660,000
Capital Outlay	152,179	6,213	1,314,386	-	1,472,778
Total Expenditures	<u>47,148,753</u>	<u>762,080</u>	<u>1,314,386</u>	<u>3,452,082</u>	<u>52,677,301</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>424,843</u>	<u>-</u>	<u>(1,313,986)</u>	<u>(256,430)</u>	<u>(1,145,573)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from Refunding Bonds				39,845,469	39,845,469
Payments to Escrow Agent				(39,583,735)	(39,583,735)
Transfers In	300,000		1,412,800	400	1,713,200
Transfers Out	(1,412,800)	-	(400)	-	(1,413,200)
Total Other Financing Sources and Uses	<u>(1,112,800)</u>	<u>-</u>	<u>1,412,400</u>	<u>262,134</u>	<u>561,734</u>
Net Change in Fund Balances	(687,957)	-	98,414	5,704	(583,839)
Fund Balance, Beginning of Year	<u>5,027,749</u>	<u>-</u>	<u>621,038</u>	<u>4,287</u>	<u>5,653,074</u>
Fund Balance, End of Year	<u>\$ 4,339,792</u>	<u>\$ -</u>	<u>\$ 719,452</u>	<u>\$ 9,991</u>	<u>\$ 5,069,235</u>

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



**GLEN ROCK PUBLIC SCHOOLS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Total net change in fund balances - governmental funds (Exhibit B-2)** **\$ (583,839)**

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

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

Capital Outlay	\$ 1,472,778	
Depreciation Expense	<u>(2,467,394)</u>	
		(994,616)

The net effect of various miscellaneous transactions involving capital asset (i.e. sales, disposal, donations) is to increase net position. These transaction are not reported in the governmental fund financial statements.

Donated Capital Assets		35,170
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In the statement of activities, certain operating expenses - compensated absences and net pension liability are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Decrease Compensated Absences, Net	76,533	
Increase in Net Pension Expense	<u>(328,100)</u>	
		(251,567)

The issuance of long-term debt (e.g. bonds, loans, and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Refunding Bond Proceeds	(39,845,469)	
Payments to Escrow Agent	40,243,735	
Payment of Bond Principal	1,350,000	
Amortization of Bond Premium	166,477	
Amortization of Deferred Amounts on Refunding	<u>(100,561)</u>	
		1,814,182

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

The details are as follows:

Increase in Accrued Interest		<u>(4,216)</u>
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**Change in net position of governmental activities (Exhibit A-2)** **\$ 15,114**

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

**GLEN ROCK PUBLIC SCHOOLS  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2016**

<b>ASSETS</b>	<b><u>Food Service</u></b>	<b><u>Community School</u></b>	<b><u>Business-Type Activities Enterprise Fund Totals</u></b>
Current Assets:			
Cash and Cash Equivalents	\$ 69,248	\$ 2,402,997	\$ 2,472,245
Inventory	<u>3,653</u>	<u>-</u>	<u>3,653</u>
Total Current Assets	<u>72,901</u>	<u>2,402,997</u>	<u>2,475,898</u>
Non-Current Assets			
Equipment	145,330		145,330
Less: Accumulated Depreciation	<u>(127,905)</u>	<u>-</u>	<u>(127,905)</u>
Total Non-Current Assets	<u>17,425</u>	<u>-</u>	<u>17,425</u>
Total Assets	<u>90,326</u>	<u>2,402,997</u>	<u>2,493,323</u>
<b>LIABILITIES</b>			
Current Liabilities			
Due to Other Funds		1,594,966	1,594,966
Accounts Payable	21,635	675	22,310
Unearned Revenue	<u>-</u>	<u>482,923</u>	<u>482,923</u>
Total Current Liabilities	<u>21,635</u>	<u>2,078,564</u>	<u>2,100,199</u>
<b>NET POSITION</b>			
Investment in Capital Assets	17,425		17,425
Unrestricted	<u>51,266</u>	<u>324,433</u>	<u>375,699</u>
Total Net Position	<u>\$ 68,691</u>	<u>\$ 324,433</u>	<u>\$ 393,124</u>

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

**GLEN ROCK PUBLIC SCHOOLS  
 PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Food Service</u>	<u>Community School</u>	<b>Business-Type Activities Enterprise Fund Totals</b>
<b>OPERATING REVENUES</b>			
Tuition/Fees		\$ 1,571,254	\$ 1,571,254
Daily Sales	\$ 545,932	-	545,932
 Total Operating Revenues	<u>545,932</u>	<u>1,571,254</u>	<u>2,117,186</u>
<b>OPERATING EXPENSES</b>			
Salaries, Benefits and Payroll Taxes	225,131	1,045,929	1,271,060
Cost of Sales	211,656		211,656
Trips		128,255	128,255
Purchased Services	45,891	184,562	230,453
Equipment Rental		7,314	7,314
Supplies and Materials	19,933	57,561	77,494
Miscellaneous Expenditures		45,902	45,902
Depreciation Expense	4,351	-	4,351
 Total Operating Expenses	<u>506,962</u>	<u>1,469,523</u>	<u>1,976,485</u>
 Operating Income/(Loss)	<u>38,970</u>	<u>101,731</u>	<u>140,701</u>
<b>NONOPERATING REVENUES</b>			
Interest and Investment Revenue	-	45	45
 Total Non Operating Revenues	<u>-</u>	<u>45</u>	<u>45</u>
 Change in Net Position Before Transfers	<u>38,970</u>	<u>101,776</u>	<u>140,746</u>
 Transfer Out	<u>-</u>	<u>(300,000)</u>	<u>(300,000)</u>
 Net Position, Beginning of Year	<u>29,721</u>	<u>522,657</u>	<u>552,378</u>
 Net Position, End of Year	<u>\$ 68,691</u>	<u>\$ 324,433</u>	<u>\$ 393,124</u>

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

**GLEN ROCK PUBLIC SCHOOLS  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Food Service</u>	<u>Community School</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	\$ 545,932	\$ 1,614,625	\$ 2,160,557
Payments for Employees	(225,131)		(225,131)
Payments to Suppliers	<u>(267,275)</u>	<u>(173,883)</u>	<u>(441,158)</u>
Net Cash Provided By (Used For) Operating Activities	<u>53,526</u>	<u>1,440,742</u>	<u>1,494,268</u>
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>			
Payments to Other Funds	<u>-</u>	<u>(1,386,020)</u>	<u>(1,386,020)</u>
Net Cash Used for Non Capital Financing Activities	<u>-</u>	<u>(1,386,020)</u>	<u>(1,386,020)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on Investments	<u>-</u>	<u>45</u>	<u>45</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	53,526	54,767	108,293
Cash and Cash Equivalents, Beginning of Year	<u>15,722</u>	<u>2,348,230</u>	<u>2,363,952</u>
Cash and Cash Equivalents, End of Year	<u>\$ 69,248</u>	<u>\$ 2,402,997</u>	<u>\$ 2,472,245</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>			
Operating Income/(Loss)	\$ <u>38,970</u>	\$ <u>101,731</u>	\$ <u>140,701</u>
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used For) Operating Activities			
Depreciation Expense	4,351		4,351
Changes in Assets and Liabilities (Increase) Decrease in Inventories	(1,174)		(1,174)
Increase (Decrease) in Interfund Payable		1,294,965	1,294,965
Increase (Decrease) in Unearned Revenue		43,371	43,371
Increase (Decrease) in Accounts Payable	<u>11,379</u>	<u>675</u>	<u>12,054</u>
Total Adjustments	<u>14,556</u>	<u>1,339,011</u>	<u>1,353,567</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ 53,526</u>	<u>\$ 1,440,742</u>	<u>\$ 1,494,268</u>

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

**GLEN ROCK PUBLIC SCHOOLS  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2016**

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Trust Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 614,028	\$ 120,449	\$ 707,399
Due From Other Funds	<u>113,504</u>	<u>-</u>	<u>-</u>
Total Assets	<u>727,532</u>	<u>120,449</u>	<u>\$ 707,399</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings			\$ 236,953
Accrued Salary and Wages			250
Intergovernmental Payable	397		
Reserve for Flex Spending Benefits			39,411
Due to Other Funds			113,504
Due to Student Groups	<u>-</u>	<u>-</u>	<u>317,281</u>
Total Liabilities	<u>397</u>	<u>-</u>	<u>\$ 707,399</u>
<b>NET POSITION</b>			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 727,135</u>	<u>\$ 120,449</u>	

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

**GLEN ROCK PUBLIC SCHOOLS  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Trust Funds</u>
<b>ADDITIONS</b>		
Contributions		
Employee	\$ 35,160	
Investment Earnings		
Interest	-	\$ 37
Total Additions	<u>35,160</u>	<u>37</u>
<b>DEDUCTIONS</b>		
Scholarship Awards		8,500
Unemployment Compensation Claims	<u>40,724</u>	<u>-</u>
Total Deductions	<u>40,724</u>	<u>8,500</u>
Change in Net Position	(5,564)	(8,463)
Net Position, Beginning of Year	<u>732,699</u>	<u>128,912</u>
Net Position, End of Year	<u>\$ 727,135</u>	<u>\$ 120,449</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

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

**B. New Accounting Standards**

During fiscal year 2016, the District adopted the following GASB statements:

- GASB No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement applies to donated capital assets, donated works of art, donated historical treasures, and also to similar assets and capital assets received in a service concession arrangement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.



**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**B. New Accounting Standards (Continued)**

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

- GASB No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB No. 77, *Tax Abatement Disclosures*, will be effective beginning with the fiscal year ending June 30, 2017. The requirements of this Statement will improve financial reporting by providing disclosure of information about the nature and magnitude of tax abatements that will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.
- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No.67, No.68, and No.73*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pension*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

**C. Basis of Presentation - Financial Statements**

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

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**C. Basis of Presentation - Financial Statements (Continued)**

**District-Wide Financial Statements**

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

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

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

**Fund Financial Statements**

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

The District reports the following major governmental funds:

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

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

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

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

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

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

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

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

Additionally, the government reports the following fund types:

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

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

**Reclassifications**

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

**D. Measurement Focus and Basis of Accounting**

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

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

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**D. Measurement Focus and Basis of Accounting (Continued)**

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

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

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

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

***1. Cash, Cash Equivalents and Investments***

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

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

***2. Receivables***

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

***3. Inventories***

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

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

**GLEN ROCK PUBLIC SCHOOLS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

***4. Capital Assets***

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

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

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

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

***5. Deferred Outflows/Inflows of Resources***

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

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

***5. Deferred Outflows/Inflows of Resources (Continued)***

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

***6. Compensated Absences***

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

***7. Pensions***

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

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

***8. Long-Term Obligations***

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Gains resulting from debt refundings are classified as deferred inflows of resources and losses are reported as deferred outflows of resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported including the unamortized bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

***8. Long-Term Obligations (Continued)***

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

***9. Net Position/Fund Balance***

**District-Wide Statements**

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

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

**Governmental Fund Statements**

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

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

*Excess Surplus – Designated for Subsequent Year's Expenditures* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2015 audited excess surplus that was appropriated in the 2016/2017 original budget certified for taxes.

*Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2016 audited excess surplus that is required to be appropriated in the 2017/2018 original budget certified for taxes.

*Capital Reserve* – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 3D.)

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

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

**Governmental Fund Statements (Continued)**

**Restricted Fund Balance (Continued)**

*Maintenance Reserve - Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2016/2017 District budget certified for taxes

*Emergency Reserve* – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education (See Note 2.)

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

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

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

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

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

**F. Revenues and Expenditures/Expenses**

***1. Program Revenues***

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



**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**F. Revenues and Expenditures/Expenses (Continued)**

**2. *Property Taxes***

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

**3. *Tuition Revenues and Expenditures***

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

Tuition Expenditures - Tuition charges for the fiscal years 2014-2015 and 2015-2016 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**4. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses***

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

**GLEN ROCK PUBLIC SCHOOLS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**A. Budgetary Information (Continued)**

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2015/2016. Also, during 2015/2016 the Board increased the original budget by \$763,674. The increase was funded by additional surplus appropriated, grant awards and the reappropriation of prior year general fund encumbrances.

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

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

**B. Excess Expenditures Over Appropriations**

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
General Administration			
Miscellaneous Purchased Services	\$75,435	\$76,248	\$(813)
Supplies and Materials	3,132	3,290	(158)

The above variance was caused by an audit adjustment and was offset with other available resources.

**GLEN ROCK PUBLIC SCHOOLS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**C. Capital Reserve**

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2016 is as follows:

Balance, July 1, 2015		\$ 1,560,525
Increased by:		
Deposits Approved by Board Resolution	\$ 425,000	
Deposits Approved in District's Budget	<u>89,686</u>	
		<u>514,686</u>
		2,075,211
Withdrawals		
Approved in the District's Budget		<u>1,412,800</u>
Balance, June 30, 2016		<u>\$ 662,411</u>

The June 30, 2016 LRFP balance of local support costs of uncompleted capital projects is \$30,224,465. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

**D. Maintenance Reserve**

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

**GLEN ROCK PUBLIC SCHOOLS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**D. Maintenance Reserve (Continued)**

The activity of the maintenance reserve for the fiscal year ended June 30, 2016 is as follows:

Increased by	
Deposits Approved by Board Resolution	\$ <u>150,000</u>
Balance, June 30, 2016	\$ <u>150,000</u>

The District's 2016-17 budget includes a withdrawal from the maintenance reserve account of \$150,000.

The June 30, 2016 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$2,016,540.

**E. Emergency Reserve**

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

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

The activity of the emergency reserve for the fiscal year ended June 30, 2016 is as follows:

Balance, July 1, 2015	\$ <u>406,000</u>
Balance, June 30, 2016	\$ <u>406,000</u>

**F. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for 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 in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2016 is \$2,161,808. Of this amount, \$1,065,485 was designated and appropriated in the 2016/2017 original budget certified for taxes and the remaining amount of \$1,096,323 will be appropriated in the 2017/2018 original budget certified for taxes.

**GLEN ROCK PUBLIC SCHOOLS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2016, the book value of the Board's deposits were \$7,867,671 and bank and brokerage firm balances of the Board's deposits amounted to \$9,055,245. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	\$ 8,668,479
Uninsured and Collateralized	<u>386,766</u>
	<u>\$ 9,055,245</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2016 the Board's bank balance of \$386,766 was exposed to custodial credit risk as follows:

**Depository Account**

Uninsured and Collateralized

Collateral held by pledging financial institution's trust department not in the Board's name	<u>\$ 386,766</u>
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As of June 30, 2016, the Board had no outstanding investments.

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

**GLEN ROCK PUBLIC SCHOOLS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**B. Receivables**

Receivables as of June 30, 2016 for the district's individual major funds are as follows:

	Special Revenue <u>Fund</u>
Receivables:	
Accounts	\$ 6,515
Intergovernmental	<u>124,351</u>
Net Total Receivables	<u>\$ 130,866</u>

**C. Unearned Revenue**

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

Special Revenue Fund	
Unencumbered grant draw downs	<u>\$ 17,437</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 17,437</u>

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 12,022			\$ 12,022
Construction in Progress	<u>1,415,693</u>	<u>\$ 1,253,595</u>	<u>-</u>	<u>2,669,288</u>
Total capital assets, not being depreciated	<u>1,427,715</u>	<u>1,253,595</u>	<u>-</u>	<u>2,681,310</u>
Capital assets, being depreciated:				
Land Improvements	3,687,419			3,687,419
Buildings and Building Improvements	64,137,132	91,591		64,228,723
Machinery and Equipment	<u>3,734,918</u>	<u>162,762</u>	<u>(25,000)</u>	<u>3,872,680</u>
Total capital assets being depreciated	<u>71,559,469</u>	<u>254,353</u>	<u>(25,000)</u>	<u>71,788,822</u>
Less accumulated depreciation for:				
Land Improvements	(733,354)	(18,626)		(751,980)
Buildings and Building Improvements	(15,428,968)	(2,345,953)		(17,774,921)
Machinery and Equipment	<u>(3,090,627)</u>	<u>(102,815)</u>	<u>25,000</u>	<u>(3,168,442)</u>
Total accumulated depreciation	<u>(19,252,949)</u>	<u>(2,467,394)</u>	<u>25,000</u>	<u>(21,695,343)</u>
Total capital assets, being depreciated, net	<u>52,306,520</u>	<u>(2,213,041)</u>	<u>-</u>	<u>50,093,479</u>
Governmental activities capital assets, net	<u>\$53,734,235</u>	<u>\$ (959,446)</u>	<u>\$ -</u>	<u>\$52,774,789</u>

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**D. Capital Assets (Continued)**

	Balance <u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2016</u>
<b>Business-type activities:</b>				
Capital assets, being depreciated:				
Machinery and Equipment	\$ 145,330			\$ 145,330
Less accumulated depreciation for:				
Machinery and Equipment	<u>(123,554)</u>	<u>\$ (4,351)</u>	<u>-</u>	<u>(127,905)</u>
Business-type activities capital assets, net	<u>\$ 21,776</u>	<u>\$ (4,351)</u>	<u>\$ -</u>	<u>\$ 17,425</u>

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

<b>Governmental activities:</b>	
Instruction	
Regular	\$ 1,284,857
Special Education	291,536
Other Instruction	17,884
School-Sponsored Activities and Athletics	<u>46,917</u>
Total Instruction	<u>1,641,194</u>
Support Services	
Student and Instructional Related Services	298,401
Educational Media/School Library	64,796
School Administrative Services	44,828
General Administrative Services	237,912
Central Services	94,933
Plant Operations and Maintenance	79,955
Pupil Transportation	<u>5,375</u>
Total Support Services	<u>826,200</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,467,394</u>
<b>Business-Type Activities</b>	
Food Service Fund	<u>\$ 4,351</u>



**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

The composition of interfund balances as of June 30, 2016, is as follows:

**Due to/from Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue	\$ 76,879
Debt Service Fund	Capital Projects	2,039
General Fund	Community School	1,594,966
Unemployment	Payroll Agency	<u>113,504</u>
Total		<u>\$ 1,787,388</u>

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

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

**Interfund transfers**

	<u>Transfer In:</u>			
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Transfer Out:				
General Fund		\$ 1,412,800		\$ 1,412,800
Capital Projects Fund			\$ 400	400
Community School Fund	\$ 300,000	-	-	<u>300,000</u>
Total Transfers Out	<u>\$ 300,000</u>	<u>\$ 1,412,800</u>	<u>\$ 400</u>	<u>\$ 1,713,200</u>

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

**GLEN ROCK PUBLIC SCHOOLS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**F. Leases**

**Operating Leases**

The District leases laptops under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2016 were \$52,884. The future minimum lease payments for these operating leases are as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Amount</u>
2017	\$ 52,884
2018	<u>52,884</u>
Total	<u>\$ 105,768</u>

**G. Long-Term Debt**

**General Obligation Bonds**

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

Bonds payable at June 30, 2016 are comprised of the following issues:

\$3,469,000, 2002 Improvement Bonds, due in annual installments of \$284,000 to \$290,000 through April 2018, interest at 4.00%	\$ 574,000
\$45,343,000, 2008 Improvement Bonds, due in annual installments of \$1,125,00 to \$1,670,000 through September 2033, interest at 4.25%	3,995,000
\$32,910,000 2016 Refunding Bonds, due in annual installments of \$1,630,000 to \$2,925,000 through September 2033, interest at 4.25% to 4.75%	<u>32,910,000</u>
	<u>\$ 37,479,000</u>

**GLEN ROCK PUBLIC SCHOOLS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

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

**Governmental Activities:**

Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$ 1,415,000	\$ 1,648,290	\$ 3,063,290
2018	1,484,000	1,587,285	3,071,285
2019	1,670,000	1,514,937	3,184,937
2020	1,630,000	1,455,000	3,085,000
2021	1,690,000	1,396,750	3,086,750
2022-2026	9,525,000	5,892,250	15,417,250
2027-2031	11,670,000	3,599,100	15,269,100
2032-2036	<u>8,395,000</u>	<u>642,125</u>	<u>9,037,125</u>
Total	<u>\$ 37,479,000</u>	<u>\$ 17,735,737</u>	<u>\$ 55,214,737</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2016 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 98,702,448
Less: Net Debt	<u>37,479,355</u>
Remaining Borrowing Power	<u>\$ 61,223,093</u>

**Advance and Current Refundings of Debt**

On January 26, 2016, the District issued \$32,910,000 in School Refunding Bonds, Series 2016 having interest rates of 4.25% to 4.25%. These bonds were issued in order to advance refund certain principal maturities and certain interest payments of the 2008 School Bonds of the District. The total bond principal defeased was \$35,793,000 and the total interest payments defeased was \$18,742,978. The net proceeds of \$39,583,734.58 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the advance refunding met the requirements of an in-substance debt defeasance and the refunded bond liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$3,790,735. This amount has been reported as a Deferred Outflow of Resources on the financial statements and amortized over the remaining life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the current and next 19 years by \$4,058,567 and resulted in an economic gain of \$3,304,596.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2016, was as follows:

	Balance, <u>July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2016</u>	Due Within <u>One Year</u>
<b>Governmental activities:</b>					
Bonds Payable	\$ 41,712,000	32,910,000	\$ 37,143,000	\$ 37,479,000	\$ 1,415,000
Deferred Amounts					
Add: Premium	<u>-</u>	<u>\$ 6,275,469</u>	<u>166,477</u>	<u>6,108,992</u>	<u>-</u>
Total Bonds Payable	<u>41,712,000</u>	<u>39,185,469</u>	<u>37,309,477</u>	<u>43,587,992</u>	<u>1,415,000</u>
Net Pension Liability	8,915,916	2,520,552	421,847	11,014,621	
Compensated Absences	<u>1,167,421</u>	<u>29,092</u>	<u>105,625</u>	<u>1,090,888</u>	<u>50,000</u>
Governmental Activity Long-Term Liabilities	<u>\$ 51,795,337</u>	<u>\$ 41,735,113</u>	<u>\$ 37,836,949</u>	<u>\$ 55,693,501</u>	<u>\$ 1,465,000</u>

For the governmental activities, the liabilities for compensated absences, and net pension liability are generally liquidated by the general fund.

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

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

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

**GLEN ROCK PUBLIC SCHOOLS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

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

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

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

<u>Year Ended</u> <u>June 30,</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2016	\$ 35,160	\$ 40,724	\$ 727,135
2015	35,100	24,764	732,699
2014	34,437	75,759	722,363

**B. Contingent Liabilities**

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

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2016, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2016, the District has not estimated arbitrage earnings due to the IRS, if any.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

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

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

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

**Other Pension Funds**

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

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

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

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

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Basis of Accounting**

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

**Investment Valuation**

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

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

**Funding Status and Funding Progress**

As of July 1, 2014, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 35 percent with an unfunded actuarial accrued liability of \$86 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 28.71 percent and \$63.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 47.93 percent and \$22.4 billion, respectively.

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

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

**Actuarial Methods and Assumptions**

In the July 1, 2014 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 2.60-9.48 percent based on age for the PERS and varying percentages based on experience for TPAF.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.92% for PERS, 6.92% for TPAF and 5.50% for DCRP of the employee's annual compensation.

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2016 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the fiscal years ended June 30, 2016, 2015 and 2014 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2016	\$ 421,847	\$ 1,458,349	\$ 1,250
2015	392,579	1,002,623	490
2014	369,910	774,255	593

For fiscal years 2015/2016 and 2014/2015, the state contributed \$1,458,349 and \$1,002,623, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$774,255 for normal cost pension and NCGI premium.

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,323,166 during the fiscal year ended June 30, 2016 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.



**GLEN ROCK PUBLIC SCHOOLS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Public Employees Retirement System (PERS)**

At June 30, 2016, the District reported in the statement of net position (accrual basis) a liability of \$11,014,621 for its proportionate share of the PERS 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 that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the District's proportionate share was .04907 percent, which was an increase of .00145 percent from its proportionate share measured as of June 30, 2014 of .04762 percent.

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$749,947 for PERS. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>2015</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 262,770	
Changes of Assumptions	1,182,882	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 177,094
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>229,766</u>	<u>94,590</u>
Total	<u>\$ 1,675,418</u>	<u>\$ 271,684</u>

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

Fiscal Year Ending <u>June 30,</u>	
2017	\$ 259,232
2018	259,232
2019	259,232
2020	392,067
2021	<u>233,971</u>
	<u>\$ 1,403,734</u>

**GLEN ROCK PUBLIC SCHOOLS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Public Employees Retirement System (PERS) (Continued)**

*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:

	<u>PERS</u>
Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15-4.40%
Thereafter	Based on Age 3.15-5.40%
Investment Rate of Return	Based on Age 7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial	June 30, 2011
Assumptions were Based	

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

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Public Employees Retirement System (PERS) (Continued)**

*Long-Term Expected Rate of Return*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 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 US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
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 US	3.50%	-0.40%
REIT	4.25%	5.12%

*Discount Rate*

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

<u>Plan</u>	<u>Discount Rate</u>
PERS	4.90%

**GLEN ROCK PUBLIC SCHOOLS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Public Employees Retirement System (PERS) (Continued)**

***Discount Rate (Continued)***

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

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2033
Municipal Bond Rate *	From July 1, 2033 and Thereafter

\* The municipal bond return rate used is 3.80%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 4.90%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90 percent) or 1-percentage-point higher (5.90 percent) than the current rate:

	<b>1% Decrease (3.90%)</b>	<b>Current Discount Rate (4.90%)</b>	<b>1% Increase (5.90%)</b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 13,689,826</u>	<u>\$ 11,014,621</u>	<u>\$ 8,771,748</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2015. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

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

**GLEN ROCK PUBLIC SCHOOLS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Teachers Pension and Annuity Fund (TPAF)**

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

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$7,156,956 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2016 the State's proportionate share of the net pension liability attributable to the District is \$117,213,772. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2015. At June 30, 2015, the state's share of the net pension liability attributable to the District was .01854 percent, which was a decrease of .16448 percent from its proportionate share measured as of June 30, 2014 of .18302 percent.

**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.

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

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

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

**Long-Term Expected Rate of Return**

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

**GLEN ROCK PUBLIC SCHOOLS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

***Discount Rate***

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

<u>Plan</u>	<u>Discount Rate</u>
TPAF	4.13%

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

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

\* The municipal bond return rate used is 3.80%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.13%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current rate:

	<b>1% Decrease (3.13%)</b>	<b>Current Discount Rate (4.13%)</b>	<b>1% Increase (5.13%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 139,304,187</u>	<u>\$ 117,213,772</u>	<u>\$ 98,181,558</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2015. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2015 was not provided by the pension system.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

***Pension Plan Fiduciary Net Position***

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

**E. Post-Retirement Medical Benefits**

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

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2015.

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

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

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



**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Basis of Accounting**

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

**Significant Legislation**

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

**Investment Valuation**

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

**Funded Status and Funding Progress**

As of July 1, 2014, the most recent actuarial valuation date, the State had a \$65.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$24.4 billion for state active and retired members and \$40.6 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

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

**Actuarial Methods and Assumptions**

In the July 1, 2014, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Post-Retirement Medical Benefits Contributions**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 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 and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$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 Pensions and Benefits issues a publicly 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/financial/2015divisioncombined.pdf>.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2016, 2015 and 2014 were \$1,736,490, \$1,591,664 and \$1,269,487, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**BUDGETARY COMPARISON SCHEDULES**

**GLEN ROCK PUBLIC SCHOOLS  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 41,319,529		\$ 41,319,529	\$ 41,319,529	
Miscellaneous	226,550	-	226,550	255,396	\$ 28,846
Total Revenues - Local Sources	<u>41,546,079</u>	<u>-</u>	<u>41,546,079</u>	<u>41,574,925</u>	<u>28,846</u>
State Sources					
Transportation Aid	23,922		23,922	23,922	
Special Education Aid	976,359		976,359	976,359	
Security Aid	34,708		34,708	34,708	
Per Pupil Growth Aid	23,130		23,130	23,130	
PARCC Readiness Aid	23,130		23,130	23,130	
Extraordinary Aid	189,960		189,960	465,857	275,897
On Behalf TPAF Pension System Contributions-					
(Non-Budgeted)- Normal				1,389,150	1,389,150
(Non-Budgeted)- NCGI Premium				69,199	69,199
(Non-Budgeted)-Post Retirement Medical Contribution				1,736,490	1,736,490
Reimbursed TPAF Social Security Contributions-					
(Non-Budgeted)	-	-	-	1,323,166	1,323,166
Total State Sources	<u>1,271,209</u>	<u>-</u>	<u>1,271,209</u>	<u>6,065,111</u>	<u>4,793,902</u>
Total Revenues	<u>42,817,288</u>	<u>-</u>	<u>42,817,288</u>	<u>47,640,036</u>	<u>4,822,748</u>
<b>CURRENT EXPENDITURES</b>					
Instruction - Regular Programs					
Salaries of Teachers:					
Kindergarten	627,804	\$ 43,846	671,650	671,650	-
Grades 1 - 5	3,845,527	(9,720)	3,835,807	3,823,327	12,480
Grades 6 - 8	3,497,017	(42,738)	3,454,279	3,436,296	17,983
Grades 9 - 12	4,490,636	7,171	4,497,807	4,494,835	2,972
Regular Programs - Home Instruction					
Salaries of Teachers		7,020	7,020	7,020	
Purchased Professional-Educational Services	5,000	7,817	12,817	12,817	-
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	13,800	(7,007)	6,793	3,136	3,657
Purchased Technical Services	70,450	(4,990)	65,460	10,812	54,648
Other Purchased Services	229,615	(24,028)	205,587	178,485	27,102
General Supplies	1,235,223	100,331	1,335,554	1,225,391	110,163
Textbooks	149,353	(48,103)	101,250	35,774	65,476
Other Objects	17,545	412	17,957	4,068	13,889
Total Instruction Regular Programs	<u>14,181,970</u>	<u>30,011</u>	<u>14,211,981</u>	<u>13,903,611</u>	<u>308,370</u>
Special Education					
Learning/Language Disabilities					
Salaries of Teachers	314,254	-	314,254	313,186	1,068
General Supplies	3,500	(310)	3,190	3,190	-
Total Learning/Language Disabilities	<u>317,754</u>	<u>(310)</u>	<u>317,444</u>	<u>316,376</u>	<u>1,068</u>
Resource Room/Resource Center					
Salaries of Teachers	2,000,505	-	2,000,505	1,983,674	16,831
General Supplies	19,500	(770)	18,730	16,712	2,018
Textbooks	1,100	(600)	500	174	326
Other Objects	1,000	-	1,000	454	546
Total Resource Room/Resource Center	<u>2,022,105</u>	<u>(1,370)</u>	<u>2,020,735</u>	<u>2,001,014</u>	<u>19,721</u>
Preschool Disabilities - Part Time					
Salaries of Teachers	91,387	-	91,387	90,730	657
General Supplies	1,000	-	1,000	864	136
Other Objects	-	3,500	3,500	3,500	-
Total Preschool Disabilities	<u>92,387</u>	<u>3,500</u>	<u>95,887</u>	<u>95,094</u>	<u>793</u>

**GLEN ROCK PUBLIC SCHOOLS  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Home Instruction					
Salaries of Teachers	\$ 17,500	\$ 21,440	\$ 38,940	\$ 38,940	-
Purchased Professional-Educational Services	275,000	79,032	354,032	297,975	\$ 56,057
Total Home Instruction	<u>292,500</u>	<u>100,472</u>	<u>392,972</u>	<u>336,915</u>	<u>56,057</u>
Total Special Education	<u>2,724,746</u>	<u>102,292</u>	<u>2,827,038</u>	<u>2,749,399</u>	<u>77,639</u>
Basic Skills/Remedial					
Salaries of Teachers	306,226	-	306,226	298,153	8,073
General Supplies	2,935	253	3,188	3,126	62
Total Basic Skills/Remedial	<u>309,161</u>	<u>253</u>	<u>309,414</u>	<u>301,279</u>	<u>8,135</u>
Bilingual Education					
Salaries of Teachers	234,863	(17,917)	216,946	173,282	43,664
Other Purchased Services	1,000	5,000	6,000	1,711	4,289
General Supplies	5,000	(5,000)	-	-	-
Total Bilingual Education	<u>240,863</u>	<u>(17,917)</u>	<u>222,946</u>	<u>174,993</u>	<u>47,953</u>
School Sponsored Co/Extra Curricular Activities					
Salaries	138,104	17,580	155,684	152,559	3,125
Purchased Services	250	237	487	238	249
Supplies and Materials	60,500	(5,583)	54,917	38,216	16,701
Other Objects	3,825	-	3,825	3,009	816
Total School-Sponsored Co/Extra Curricular Activities	<u>202,679</u>	<u>12,234</u>	<u>214,913</u>	<u>194,022</u>	<u>20,891</u>
School Sponsored Athletics					
Salaries	481,889	-	481,889	454,582	27,307
Purchased Services	150,100	5,374	155,474	152,300	3,174
Supplies and Materials	35,650	(7,162)	28,488	22,055	6,433
Other Objects	25,900	-	25,900	25,331	569
Total School Sponsored Athletics	<u>693,539</u>	<u>(1,788)</u>	<u>691,751</u>	<u>654,268</u>	<u>37,483</u>
Total Instruction	<u>18,352,958</u>	<u>125,085</u>	<u>18,478,043</u>	<u>17,977,572</u>	<u>500,471</u>
Undistributed Expenditures					
Instruction					
Tuition to County Vocational School District - Regular	244,440	32,148	276,588	269,005	7,583
Tuition to County Vocational School District - Special	8,640	26,400	35,040	34,329	711
Tuition to Other LEAs - Within State - Special	358,068	38,141	396,209	386,049	10,160
Tuition to CSSD & Reg. Day Schools	268,890	41,391	310,281	295,822	14,459
Tuition to Private Schools for the Disabled - Within State	1,520,295	(198,350)	1,321,945	1,297,546	24,399
Tuition to Priv Sch Disabled & Oth LEAs-Spl/O/S/ St	167,664	(96,895)	70,769	62,681	8,088
Tuition - Other	120,859	81,507	202,366	198,499	3,867
Total Instruction	<u>2,688,856</u>	<u>(75,658)</u>	<u>2,613,198</u>	<u>2,543,931</u>	<u>69,267</u>
Attendance and Social Work					
Salaries	109,490	719	110,209	110,209	-
Purchased Professional and Technical Services	16,914	350	17,264	17,264	-
Other Purchased Services	400	-	400	400	-
Supplies and Materials	1,680	(560)	1,120	1,120	-
Other Objects	500	(159)	341	-	341
Total Attendance and Social Work	<u>128,984</u>	<u>350</u>	<u>129,334</u>	<u>128,993</u>	<u>341</u>

**GLEN ROCK PUBLIC SCHOOLS  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Health Services					
Salaries	\$ 411,224	-	\$ 411,224	\$ 368,172	\$ 43,052
Purchased Professional and Technical Services	183,250	\$ 10,171	193,421	186,690	6,731
Other Purchased Services	1,420	(216)	1,204	639	565
Supplies and Materials	13,730	25,688	39,418	26,835	12,583
Other Objects	700	410	1,110	910	200
Total Health Services	<u>610,324</u>	<u>36,053</u>	<u>646,377</u>	<u>583,246</u>	<u>63,131</u>
Speech, OT/PT and Related Services					
Salaries	424,844	-	424,844	401,534	23,310
Purchased Professional/Educational Services	432,850	(69,500)	363,350	355,466	7,884
Supplies and Materials	3,600	(400)	3,200	3,174	26
Other Objects	3,000	(2,800)	200	-	200
Total Speech OT/PT and Related Services	<u>864,294</u>	<u>(72,700)</u>	<u>791,594</u>	<u>760,174</u>	<u>31,420</u>
Other Supp. Svcs.-Extraord. Serv.					
Purchased Professional-Educational Services	2,022,421	55,703	2,078,124	2,008,345	69,779
Supplies and Materials	29,000	923	29,923	28,793	1,130
Total Other Support/Extraordinary Services	<u>2,051,421</u>	<u>56,626</u>	<u>2,108,047</u>	<u>2,037,138</u>	<u>70,909</u>
Guidance					
Salaries of Other Professional Staff	859,579	(12,865)	846,714	744,068	102,646
Salaries of Secretarial and Clerical Assistants	92,893	599	93,492	93,492	-
Other Salaries	2,352	2,218	4,570	3,940	630
Purchased Professional-Educational Services	93,982	8,725	102,707	102,332	375
Other Purchased Professional/Technical Services	12,500	(3,605)	8,895	6,621	2,274
Other Purchased Services	17,300	2,000	19,300	15,277	4,023
Supplies and Materials	23,600	(1,000)	22,600	14,369	8,231
Other Objects	4,500	-	4,500	3,401	1,099
Total Guidance	<u>1,106,706</u>	<u>(3,928)</u>	<u>1,102,778</u>	<u>983,500</u>	<u>119,278</u>
Undistributed Expenditures					
Child Study Team					
Salaries of Other Professional Staff	979,396	(161,405)	817,991	790,237	27,754
Salaries of Secretarial and Clerical Assistants	101,677	178	101,855	101,855	-
Other Salaries	54,500	12,461	66,961	66,961	-
Other Purchased Professional and Technical Services	86,785	(20,220)	66,565	64,282	2,283
Other Purchased Services	10,850	220	11,070	10,400	670
Supplies and Materials	36,110	(7,880)	28,230	23,195	5,035
Other Objects	6,400	(3,300)	3,100	703	2,397
Total Child Study Team	<u>1,275,718</u>	<u>(179,946)</u>	<u>1,095,772</u>	<u>1,057,633</u>	<u>38,139</u>
Improvement of Instruction					
Salaries of Secretarial Staff	72,655	-	72,655	71,596	1,059
Other Salaries	46,600	-	46,600	44,068	2,532
Other Purchased Professional and Technical Services	3,000	-	3,000	1,245	1,755
Other Purchased Services	6,000	-	6,000	1,991	4,009
Supplies and Materials	8,500	-	8,500	6,136	2,364
Other Objects	77,420	-	77,420	73,337	4,083
Total Improvement of Instruction	<u>214,175</u>	<u>-</u>	<u>214,175</u>	<u>198,373</u>	<u>15,802</u>
Educational Media Services/ School Library					
Salaries	629,430	121	629,551	627,811	1,740
Other Purchased Services	3,850	1,943	5,793	5,793	-
Supplies and Materials	82,167	(562)	81,605	62,456	19,149
Total Educational Media Services/ School Library	<u>715,447</u>	<u>1,502</u>	<u>716,949</u>	<u>696,060</u>	<u>20,889</u>

**GLEN ROCK PUBLIC SCHOOLS  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Instructional Staff Training Services					
Salaries of Other Professional Staff	\$ 95,016	\$ 50	\$ 95,066	\$ 95,066	-
Other Salaries	2,721	(50)	2,671		\$ 2,671
Purchased Professional Educational Services	66,582	(7,900)	58,682	30,418	28,264
Other Purchased Professional and Technical Services	4,000	(4,000)			-
Other Purchased Services	39,950	10,365	50,315	23,849	26,466
Supplies and Materials	200	-	200		200
Other Objects	-	4,000	4,000	1,490	2,510
Total Instructional Staff Training Services	<u>208,469</u>	<u>2,465</u>	<u>210,934</u>	<u>150,823</u>	<u>60,111</u>
Support Services General Administration					
Salaries	450,937	(16,597)	434,340	434,340	-
Legal Services	80,000	-	80,000	79,603	397
Audit Fees	41,300	32,627	73,927	43,328	30,599
Other Purchased Professional Services	26,850	100,724	127,574	106,393	21,181
Communications/Telephone	78,700	(11,898)	66,802	60,750	6,052
BOE Other Purchased Services	10,500	(846)	9,654	9,654	-
Miscellaneous Purchased Services	84,255	(8,820)	75,435	76,248	(813)
Supplies and Materials	7,500	(4,368)	3,132	3,290	(158)
Miscellaneous Expenditures	32,020	2,377	34,397	34,335	62
BOE Membership Dues and Fees	19,500	(193)	19,307	19,307	-
Total Support Services General Administration	<u>831,562</u>	<u>93,006</u>	<u>924,568</u>	<u>867,248</u>	<u>57,320</u>
Undistributed Expenditures					
Support Services School Administration					
Salaries	1,371,592	118,817	1,490,409	1,482,374	8,035
Salaries of Other Professional Staff	151,553	156,735	308,288	308,288	-
Salaries of Secretarial Staff	522,550	-	522,550	514,459	8,091
Other Salaries	3,108	-	3,108		3,108
Purchased Professional and Technical Services	13,150	(450)	12,700	8,003	4,697
Other Purchased Services	37,170	54	37,224	34,997	2,227
Supplies and Materials	62,569	382	62,951	51,540	11,411
Other Objects	34,885	292	35,177	28,345	6,832
Total Support Services School Administration	<u>2,196,577</u>	<u>275,830</u>	<u>2,472,407</u>	<u>2,428,006</u>	<u>44,401</u>
Central Services					
Salaries	529,704	3,658	533,362	526,562	6,800
Purchased Technical Services	30,925	4,272	35,197	31,597	3,600
Miscellaneous Purchased Services	23,850	(7,149)	16,701	9,200	7,501
Supplies and Materials	11,000	1,588	12,588	10,242	2,346
Miscellaneous Expenditures	4,200	113	4,313	4,313	-
Total Undistributed Expenditures - Central Services	<u>599,679</u>	<u>2,482</u>	<u>602,161</u>	<u>581,914</u>	<u>20,247</u>
Admin. Info. Tech.					
Salaries	375,920	10,517	386,437	386,437	-
Purchased Professional Services	81,907	(23,991)	57,916	57,916	-
Other Purchased Services	3,300	(3,300)			-
Supplies and Materials	2,100	141	2,241	1,759	482
Other Objects	1,900	1,892	3,792	3,580	212
Total Undistributed Expenditures - Admin. Info. Technology	<u>465,127</u>	<u>(14,741)</u>	<u>450,386</u>	<u>449,692</u>	<u>694</u>
Required Maintenance for School Facilities					
Salaries	409,801	1,516	411,317	411,317	-
Cleaning, Repair and Maintenance Services	90,500	246,987	337,487	189,896	147,591
General Supplies	84,700	(12,819)	71,881	63,479	8,402
Total Required Maint for School Facilities	<u>585,001</u>	<u>235,684</u>	<u>820,685</u>	<u>664,692</u>	<u>155,993</u>

**GLEN ROCK PUBLIC SCHOOLS  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Custodial Services					
Salaries	\$ 209,394	\$ 156,936	\$ 366,330	\$ 363,361	\$ 2,969
Salaries of Non-Instructional Aides	160,860	(160,860)			-
Purchased Professional and Technical Services	49,804	(14,952)	34,852	34,852	-
Cleaning, Repair and Maintenance Services	1,613,137	15,955	1,629,092	1,612,156	16,936
Other Purchased Property Services	43,500	923	44,423	24,105	20,318
Insurance	250,450	(566)	249,884	249,832	52
Miscellaneous Purchased Services	41,075	3,551	44,626	38,580	6,046
General Supplies	185,350	17,655	203,005	188,159	14,846
Energy (Electricity)	631,546	11,490	643,036	643,036	-
Energy (Natural Gas)	319,655	(5,186)	314,469	254,287	60,182
Other Objects	18,650	(4,302)	14,348	11,774	2,574
	<u>3,523,421</u>	<u>20,644</u>	<u>3,544,065</u>	<u>3,420,142</u>	<u>123,923</u>
Undistributed Expenditures					
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	76,000	58,989	134,989	113,713	21,276
General Supplies	18,700	(2,136)	16,564	14,751	1,813
	<u>94,700</u>	<u>56,853</u>	<u>151,553</u>	<u>128,464</u>	<u>23,089</u>
Security					
Salaries	67,000	193	67,193	64,413	2,780
Cleaning, Repair and Maintenance Services	24,350	102,607	126,957	115,104	11,853
General Supplies	30,552	2,243	32,795	21,936	10,859
	<u>121,902</u>	<u>105,043</u>	<u>226,945</u>	<u>201,453</u>	<u>25,492</u>
Student Transportation Services					
Salaries of Non-Instructional Aides		6,081	6,081	6,081	-
Salaries for Pupil Trans (Bet Home & Sch)-Sp. Ed.	34,106	11,896	46,002	46,002	-
Cleaning, Repair and Maintenance Services	6,000	(503)	5,497	1,687	3,810
Contr Serv(Bet Home &Sch)-Vend	1,100	(882)	218		218
Contr Serv(Oth. Than Bet Home &Sch)-Vend	225,000	(7,113)	217,887	206,589	11,298
Contr Serv(Sp. Ed. Stdts)-Joint Agrmnts	757,500	(7,500)	750,000	570,455	179,545
Transportation Supplies	8,000	1,550	9,550	3,123	6,427
Other Objects	18,450	(12,304)	6,146	5,466	680
	<u>1,050,156</u>	<u>(8,775)</u>	<u>1,041,381</u>	<u>839,403</u>	<u>201,978</u>
Unallocated Employee Benefits					
Social Security Contributions	466,580	15,592	482,172	419,187	62,985
Other Retirement Contributions - PERS	468,530	(39,640)	428,890	421,847	7,043
Workmens Compensation	163,082	(13,467)	149,615	149,615	-
Health Benefits	5,029,584	(277,333)	4,752,251	4,588,765	163,486
Tuition Reimbursements	75,000	(15,592)	59,408	42,505	16,903
Other Employee Benefits	150,814	49,624	200,438	142,297	58,141
	<u>6,353,590</u>	<u>(280,816)</u>	<u>6,072,774</u>	<u>5,764,216</u>	<u>308,558</u>
On Behalf TPAF Pension System Contributions-					
(Non-Budgeted)- Normal				1,389,150	(1,389,150)
(Non-Budgeted)- NCGI Premium				69,199	(69,199)
Post Retirement and Medical Contribution				1,736,490	(1,736,490)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,323,166	(1,323,166)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,518,005</u>	<u>(4,518,005)</u>
Total TPAF Pension and Social Security Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,518,005</u>	<u>(4,518,005)</u>
Total Undistributed Expenditures	<u>25,686,109</u>	<u>249,974</u>	<u>25,936,083</u>	<u>29,003,106</u>	<u>(3,067,023)</u>
Interest Earned on Current Expense Emergency Res	300	-	300	-	300
Total Current Expenditures	<u>44,039,367</u>	<u>375,059</u>	<u>44,414,426</u>	<u>46,980,678</u>	<u>(2,566,252)</u>



**GLEN ROCK PUBLIC SCHOOLS  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CAPITAL OUTLAY</b>					
Equipment					
Undistributed expenditures - Instruction		\$ 107,944	\$ 107,944	\$ 61,562	\$ 46,382
Support Serv. - Students - Regular		2,440	2,440	2,440	
Admin. Info. Tech.		6,440	6,440	6,440	
Operations and Plant Maintenance		65,857	65,857	62,257	3,600
Care and Upkeep of Grounds	-	19,480	19,480	19,480	-
Total Equipment	-	202,161	202,161	152,179	49,982
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	\$ 15,896	-	15,896	15,896	-
Total Facilities Acquisition and Construction Services	15,896	-	15,896	15,896	-
Increase in Capital Reserve	89,686	-	89,686	-	89,686
Interest Deposit to Capital Reserve	250	-	250	-	250
Total Expenditures - Capital Outlay	105,832	202,161	307,993	168,075	139,918
Total Expenditures - General Fund	44,145,199	577,220	44,722,419	47,148,753	(2,426,334)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,327,911)	(577,220)	(1,905,131)	491,283	2,396,414
Other Financing Sources/Uses					
Transfer In from Community School	300,000		300,000	300,000	-
Transfer Out- From Capital Reserve to Capital Project Fund	(1,412,800)	-	(1,412,800)	(1,412,800)	-
Total Other Financing Sources/Uses	(1,112,800)	-	(1,112,800)	(1,112,800)	-
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(2,440,711)	(577,220)	(3,017,931)	(621,517)	2,396,414
Fund Balance, Beginning of Year	5,508,225	-	5,508,225	5,508,225	-
Fund Balance, End of Year	\$ 3,067,514	\$ (577,220)	\$ 2,490,294	\$ 4,886,708	\$ 2,396,414
<b>Recapitulation of Fund Balance</b>					
<b>Restricted:</b>					
Excess Surplus				\$ 1,096,323	
Excess Surplus- Designated for Subsequent Year's Expenditures				1,065,485	
Capital Reserve				662,411	
Maintenance Reserve- Designated for Subsequent Year's Expenditures				150,000	
Emergency Reserve				406,000	
<b>Assigned:</b>					
Year-End Encumbrances				349,721	
<b>Unassigned:</b>					
				1,156,768	
Fund Balance (Budgetary Basis)				3,790,385	
<b>Reconciliation to Governmental Fund Statements (GAAP)</b>					
2015/2016 Extraordinary Aid and State Aid Payments Not Recognized on a GAAP Basis				546,916	
Fund Balance per Governmental Funds (GAAP Basis)				\$ 3,243,469	

**GLEN ROCK PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State Sources	\$ 164,041	\$ 34,976	\$ 199,017	\$ 177,013	\$ (22,004)
Federal Sources	452,059	137,247	589,306	578,622	(10,684)
Local Sources					
Miscellaneous	-	14,231	14,231	6,445	(7,786)
Total Revenues	<u>616,100</u>	<u>186,454</u>	<u>802,554</u>	<u>762,080</u>	<u>(40,474)</u>
<b>EXPENDITURES</b>					
Instruction					
Purchased Professional/Educational Services	36,455	5,844	42,299	27,763	14,536
Purchased Professional/Technical Services	25,445	4,399	29,844	28,590	1,254
Tuition	417,476	76,634	494,110	494,110	-
General Supplies	8,012	1,259	9,271	6,715	2,556
Textbooks	14,919	2,154	17,073	17,073	-
Total Instruction	<u>502,307</u>	<u>90,290</u>	<u>592,597</u>	<u>574,251</u>	<u>18,346</u>
Support Services					
Purchased Professional/Educational Services	79,425	77,066	156,491	134,369	22,122
Other Purchases Professional Services	23,978	3,414	27,392	27,386	6
General Supplies	10,390	9,471	19,861	19,861	-
Total Support Services	<u>113,793</u>	<u>89,951</u>	<u>203,744</u>	<u>181,616</u>	<u>22,128</u>
Facilities Acquisition and Construction					
Non-Instructional Equipment	-	6,213	6,213	6,213	-
Total Facilities Acquisition and Construction	<u>-</u>	<u>6,213</u>	<u>6,213</u>	<u>6,213</u>	<u>-</u>
Total Expenditures	<u>616,100</u>	<u>186,454</u>	<u>802,554</u>	<u>762,080</u>	<u>40,474</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**GLEN ROCK PUBLIC SCHOOLS  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	C-1 \$ 47,640,036	C-2 \$ 762,080
Difference - Budget to GAAP:		
State Aid and Extraordinary payment recognized for GAAP purposes, not recognized for Budgetary statements (2014/2015 State Aids).	480,476	
State Aid and Extraordinary payment not recognized for GAAP purposes, recognized for Budgetary statements (2015/2016 State Aids).	<u>(546,916)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	B-2 \$ <u>47,573,596</u>	B-2 \$ <u>762,080</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	C-1 \$ <u>47,148,753</u>	C-2 \$ <u>762,080</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	B-2 \$ <u>47,148,753</u>	B-2 \$ <u>762,080</u>

**SCHOOL LEVEL SCHEDULES**

**(General Fund)**

**NOT APPLICABLE**

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

**Public Employees Retirement System**

**Last Three Fiscal Years\***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.04907 %	0.04762 %	0.04834 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 11,014,621	\$ 8,915,916	\$ 9,238,480
District's Covered-Employee Payroll	\$ 3,322,003	\$ 3,245,483	\$ 3,314,276
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	331.6 %	274.0 %	279.0 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

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

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

GLEN ROCK PUBLIC SCHOOLS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Three Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 421,847	\$ 392,579	\$ 369,910
Contributions in Relation to the Contractually Required Contribution	<u>421,847</u>	<u>392,579</u>	<u>369,910</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 3,322,003	\$ 3,245,483	\$ 3,314,276
Contributions as a Percentage of Covered-Employee Payroll	12 %	12 %	11 %

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

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

**Teachers Pension and Annuity Fund**

**Last Three Fiscal Years\***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	%	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	%	0 %	0 %
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 117,213,772</u>	<u>\$ 97,818,837</u>	<u>\$ 94,792,233</u>
Total	<u>\$ 117,213,772</u>	<u>\$ 97,818,837</u>	<u>\$ 94,792,233</u>
District's Covered-Employee Payroll	\$ 18,765,085	\$ 17,883,876	\$ 18,064,542
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0 %	0 %	0 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%

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

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



**GLEN ROCK PUBLIC SCHOOLS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Change of Benefit Terms:** None.

**Change of Assumptions:** Assumptions use in calculating the net pension liability and statutorily required employer contribution presented in Note 4.

**SPECIAL REVENUE FUND**

**GLEN ROCK PUBLIC SCHOOLS**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>NCLB Title IIA</u>	<u>IDEA Part B Basic</u>	<u>IDEA Part B Pre-School</u>	<u>Miscellaneous</u>	<u>Totals Pg 2</u>	<u>Grand Totals</u>
<b>REVENUES</b>						
Intergovernmental						
State Sources					\$ 177,013	\$ 177,013
Federal Sources	\$ 33,736	\$ 527,830	\$ 17,056		-	578,622
Local Sources						
Miscellaneous	-	-	-	\$ 6,445	-	6,445
<b>Total Revenues</b>	<u>\$ 33,736</u>	<u>\$ 527,830</u>	<u>\$ 17,056</u>	<u>\$ 6,445</u>	<u>\$ 177,013</u>	<u>\$ 762,080</u>
<b>EXPENDITURES</b>						
Instruction:						
Tuition		\$ 477,054	\$ 17,056			\$ 494,110
Purchased Prof. Educational Services				\$ 5,250	\$ 22,513	27,763
Purchased Prof. Tech Service					28,590	28,590
General Supplies				1,195	5,520	6,715
Textbooks	-	-	-	-	17,073	17,073
<b>Total Instruction</b>	<u>-</u>	<u>477,054</u>	<u>17,056</u>	<u>6,445</u>	<u>73,696</u>	<u>574,251</u>
Support Services						
Purchased Professional Educational Services	\$ 15,000	50,776			68,593	134,369
Other Purchased Professional Services					27,386	27,386
General Supplies	18,736	-	-	-	1,125	19,861
<b>Total Support Services</b>	<u>33,736</u>	<u>50,776</u>	<u>-</u>	<u>-</u>	<u>97,104</u>	<u>181,616</u>
Facilities Acquisition and Construction Services						
Instructional Equipment	-	-	-	-	6,213	6,213
<b>Total Facilities Acq. &amp; Construction</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,213</u>	<u>6,213</u>
<b>Total Expenditures</b>	<u>\$ 33,736</u>	<u>\$ 527,830</u>	<u>\$ 17,056</u>	<u>\$ 6,445</u>	<u>\$ 177,013</u>	<u>\$ 762,080</u>

GLEN ROCK PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Chapter 192/193									Page 2 Totals
	Handicapped Services			Auxiliary Services		Non-Public				
	Supplemental Instruction	Corrective Speech	Examination/ Classification	Compensatory Education	ESL	Nursing	Textbook	Security	Technology	
<b>REVENUES</b>										
Intergovernmental										
State Sources	\$ 23,539	\$ 26,336	\$ 22,513	\$ 42,725	\$ 2,329	\$ 27,180	\$ 17,073	\$ 7,544	\$ 7,774	\$ 177,013
Federal Sources										
Local Sources										
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 23,539</u>	<u>\$ 26,336</u>	<u>\$ 22,513</u>	<u>\$ 42,725</u>	<u>\$ 2,329</u>	<u>\$ 27,180</u>	<u>\$ 17,073</u>	<u>\$ 7,544</u>	<u>\$ 7,774</u>	<u>\$ 177,013</u>
<b>EXPENDITURES</b>										
Instruction:										
Purchased Prof. Educational Services			\$ 22,513							\$ 22,513
Purchased Professional/ Technical Services		\$ 26,336							\$ 2,254	28,590
General Supplies									5,520	5,520
Textbooks	-	-	-	-	-	-	\$ 17,073	-	-	17,073
Total Instruction	-	26,336	22,513	-	-	-	17,073	-	7,774	73,696
Support Services										
Purchased Professional Educational Services	\$ 23,539			\$ 42,725	\$ 2,329					68,593
Other Purchased Professional Services						\$ 27,180		\$ 206		27,386
General Supplies	-	-	-	-	-	-	-	1,125	-	1,125
Total Support Services	23,539	-	-	42,725	2,329	27,180	-	1,331	-	97,104
Facilities Acquisition and Construction										
Non-Instructional Equipment	-	-	-	-	-	-	-	6,213	-	6,213
Total Facilities Acquisition and Construction	-	-	-	-	-	-	-	6,213	-	6,213
Total Expenditures	<u>\$ 23,539</u>	<u>\$ 26,336</u>	<u>\$ 22,513</u>	<u>\$ 42,725</u>	<u>\$ 2,329</u>	<u>\$ 27,180</u>	<u>\$ 17,073</u>	<u>\$ 7,544</u>	<u>\$ 7,774</u>	<u>\$ 177,013</u>

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**GLEN ROCK PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOT APPLICABLE**

**CAPITAL PROJECTS FUND**

**GLEN ROCK PUBLIC SCHOOLS  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance, June 30, 2016</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Central School New Kindergarten ADA Restroom, Byrd School Asbestos Abatement, Central School Water Main Replacement, Coleman School Field Renovation, High School Science Lab Gas Line Renovation and High School Football Field Lighting	\$ 1,412,800	\$ 89,049	\$ 984,985	\$ 338,766
Wireless Upgrade, Hamilton School Roof Replacement, High School Drainage, Fieldhouse and Maintenance Garage and Security Upgrades	1,961,589	1,326,644	268,610	366,335
Additions, Renovations and Alterations at the Glen Rock High School/Middle School, Central, Coleman, Byrd and Hamilton Elementary Schools	<u>45,343,355</u>	<u>45,267,858</u>	<u>60,791</u>	<u>14,706</u>
	<u>\$ 48,717,744</u>	<u>\$ 46,683,551</u>	<u>\$ 1,314,386</u>	<u>\$ 719,807</u>
		<b><u>Reconciliation to Fund Balance - GAAP</u></b>		
		Project Balances		\$ 719,807
		Less-		
		Authorized but not Issued		<u>355</u>
		Fund Balance, GAAP Basis		<u>\$ 719,452</u>
		<b><u>Recapitulation of Fund Balance - GAAP</u></b>		
		Year End Encumbrances		\$ 14,677
		Available for Capital Projects		<u>704,775</u>
		Total Fund Balance Restricted for Capital Projects		<u>\$ 719,452</u>

**GLEN ROCK PUBLIC SCHOOLS**  
**SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGETARY BASIS**  
**CAPITAL PROJECTS FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**EXHIBIT F-2**

**Revenues and Other Financing Sources**

Transfer in from Capital Reserve	\$ 1,412,800
Interest on Investments	<u>400</u>
Total Revenues and Other Financing Sources	<u>1,413,200</u>

**Expenditures and Other Financing Uses**

Purchased Prof/Tech Services	55,762
Facilities Acquisition and Construction Services	1,247,847
General Supplies	9,734
Miscellaneous Expenditures	1,043
Transfer Out- Debt Service Fund	<u>400</u>
Total Expenditures and Other Financing Uses	<u>1,314,786</u>

Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	98,414
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Fund Balance, Beginning of Year	<u>621,038</u>
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Fund Balance, End of Year - Budgetary Basis	<u>\$ 719,452</u>
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**Reconciliation to GAAP:**

Project Fund Balances	719,807
Less: Authorized But Not Issued	<u>(355)</u>
Fund Balance, End of Year - GAAP Basis	<u>\$ 719,452</u>



**GLEN ROCK PUBLIC SCHOOLS  
CAPITAL PROJECTS FUND**

EXHIBIT F-2a

**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
ADDITIONS, RENOVATIONS AND ALTERATION AT THE GLEN ROCK HIGH SCHOOL/  
MIDDLE SCHOOL, CENTRAL, COLEMAN, BYRD AND HAMILTON ELEMENTARY SCHOOLS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	\$ 45,343,000	-	\$ 45,343,000	\$ 45,343,355
Total Revenues and Other Financing Sources	45,343,000	-	45,343,000	45,343,355
 <b>Expenditures and Other Financing Uses</b>				
Salaries	55,000		55,000	55,000
Purchased Professional and Technical services	4,944,889		4,944,889	5,414,336
Rental of Land and Buildings	905,297		905,297	905,297
Construction Services	37,244,605	\$ 51,057	37,295,662	37,174,538
General Supplies	1,514,534	9,734	1,524,268	1,594,184
Miscellaneous Expenditures	108,533		108,533	200,000
Transfer Out	495,000	-	495,000	-
Total Expenditures and Other Financing Uses	45,267,858	60,791	45,328,649	45,343,355
Excess (Deficiency) of Revenues over (under) Expenditures	\$ 75,142	\$ (60,791)	\$ 14,351	\$ -

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bonds Authorization Date	3/11/2008
Bonds Authorized	\$ 45,343,355
Bonds Issued	\$ 45,343,000
Original Authorized Cost	\$ 43,343,355
Change Orders	N/A
Revised Authorized Cost	\$ 45,343,355
Change Order Percentage	N/A
Percentage Completion	100.00%
Original Target Completion Date	6/30/2012
Revised Target Completion Date	6/30/2014

**GLEN ROCK PUBLIC SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
WIRELESS UPGRADE, HAMILTON SCHOOL ROOF REPLACEMENT, HIGH SCHOOL DRAINAGE,  
FIELDHOUSE AND MAINTENANCE GARAGE AND SECURITY UPGRADES  
AND ELEMENTARY SCHOOL GYMNASIUM HVAC PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
<b>Revenues and Other Financing Sources</b>				
Transfer In From Capital Reserve	\$ 1,961,589	\$ -	\$ 1,961,589	\$ 1,961,589
Total Revenues and Other Financing Sources	<u>1,961,589</u>	<u>-</u>	<u>1,961,589</u>	<u>1,961,589</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical services	53,822	23,170	76,992	196,160
Construction Services	1,266,944	245,440	1,512,384	1,755,429
Miscellaneous Expenditures	<u>5,878</u>	<u>-</u>	<u>5,878</u>	<u>10,000</u>
Total Expenditures and Other Financing Uses	<u>1,326,644</u>	<u>268,610</u>	<u>1,595,254</u>	<u>1,961,589</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 634,945</u>	<u>\$ (268,610)</u>	<u>\$ 366,335</u>	<u>\$ -</u>

**Additional Project Information:**

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

**GLEN ROCK PUBLIC SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
COLEMAN SCHOOL ATHLETIC FIELD IMPROVEMENT, HIGH SCHOOL/MIDDLE SCHOOL  
SCIENCE WING GAS ODOR REPAIRS, CENTRAL SCHOOL WATER MAIN REPLACEMENT, BYRD  
SCHOOL ASBESTOS ABATEMENT, CENTRAL SCHOOL NEW BATHROOM AND HIGH SCHOOL  
FOOTBALL FIELD LIGHTING  
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>
<b>Revenues and Other Financing Sources</b>				
Transfer In From Capital Reserve	\$ -	\$ 1,412,800	\$ 1,412,800	\$ 1,412,800
Total Revenues and Other Financing Sources	<u>-</u>	<u>1,412,800</u>	<u>1,412,800</u>	<u>1,412,800</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical services	\$ 89,049	32,592	121,641	96,900
Construction Services	-	951,350	951,350	1,298,602
Miscellaneous Expenditures	<u>-</u>	<u>1,043</u>	<u>1,043</u>	<u>17,298</u>
Total Expenditures and Other Financing Uses	<u>89,049</u>	<u>984,985</u>	<u>1,074,034</u>	<u>1,412,800</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ (89,049)</u>	<u>\$ 427,815</u>	<u>\$ 338,766</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bonds Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,412,800
Change Orders	-
Revised Authorized Cost	\$ 1,412,800
Change Order Percentage	N/A
Percentage Completion	75.00%
Original Target Completion Date	12/31/2016
Revised Target Completion Date	12/31/2016

**PROPRIETARY FUND**

**GLEN ROCK PUBLIC SCHOOLS  
PROPRIETARY FUND  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2016**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**FIDUCIARY FUNDS**

**GLEN ROCK PUBLIC SCHOOLS  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF ASSETS AND LIABILITIES  
AS OF JUNE 30, 2016**

	<u>Student Activity</u>	<u>Payroll Agency</u>	<u>Agency Totals</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 317,281	\$ 390,118	\$ 707,399
Total Assets	<u>\$ 317,281</u>	<u>\$ 390,118</u>	<u>\$ 707,399</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 236,953	\$ 236,953
Accrued Salary and Wages		250	250
Reserve for Flex Spending Benefits		39,411	39,411
Due to Other Funds		113,504	113,504
Due to Student Groups	\$ 317,281	-	317,281
Total Liabilities	<u>\$ 317,281</u>	<u>\$ 390,118</u>	<u>\$ 707,399</u>

EXHIBIT H-2

**COMBINING STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-8

**GLEN ROCK PUBLIC SCHOOLS  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Balance</u> <u>July 1, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disburse-</u> <u>ments</u>	<u>Balance</u> <u>June 30, 2016</u>
Elementary Schools	\$ 16,348	\$ 53,743	\$ 56,116	\$ 13,975
Middle / High School	294,737	906,766	898,197	303,306
Athletic Activity	-	138,878	138,878	-
<b>TOTAL ALL SCHOOLS</b>	<u>\$ 311,085</u>	<u>\$ 1,099,387</u>	<u>\$ 1,093,191</u>	<u>\$ 317,281</u>

**PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Balance,</u> <u>July 1,</u> <u>2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance,</u> <u>June 30,</u> <u>2016</u>
Due to/from Other Funds	\$ 78,344	\$ 75,534	\$ 40,374	\$ 113,504
Due to Flex Spending	37,803	36,025	34,417	39,411
Accrued Salaries and Wages	-	14,836,525	14,836,275	250
Payroll Deductions and Withholdings	22,932	12,366,235	12,152,214	236,953
<b>Total</b>	<u>\$ 139,079</u>	<u>\$ 27,314,319</u>	<u>\$ 27,063,280</u>	<u>\$ 390,118</u>



**LONG-TERM DEBT**

**GLEN ROCK PUBLIC SCHOOLS  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Annual Date</u>	<u>Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2015</u>	<u>Increased</u>	<u>Matured</u>	<u>Balance June 30, 2016</u>
Various Improvements	10/15/2002	\$ 3,469,000	4/15/2017	\$ 290,000	4.000%				
			4/15/2018	284,000	4.000%	\$ 864,000		\$ 290,000	\$ 574,000
Various Improvements	9/2/2008	45,343,000	9/15/2016	1,125,000	4.250%				
			9/15/2017	1,200,000	4.250%				
			9/15/2018	1,670,000	4.250%	40,848,000		36,853,000	3,995,000
2016 Refunding Bonds	1/26/2016	32,910,000	9/1/2019	1,630,000	4.250%				
			9/1/2020	1,690,000	4.250%				
			9/1/2021	1,755,000	4.250%				
			9/1/2022	1,830,000	4.250%				
			9/1/2023	1,905,000	4.300%				
			9/1/2024	1,980,000	4.500%				
			9/1/2025	2,055,000	4.500%				
			9/1/2026	2,130,000	4.500%				
			9/1/2027	2,225,000	4.500%				
			9/1/2028	2,330,000	4.600%				
			9/1/2029	2,440,000	4.625%				
			9/1/2030	2,545,000	4.700%				
			9/1/2031	2,675,000	4.750%				
			9/1/2032	2,795,000	4.750%				
9/1/2033	2,925,000	4.750%			\$ -	\$ 32,910,000	\$ -	32,910,000	
						<u>\$ 41,712,000</u>	<u>\$ 32,910,000</u>	<u>\$ 37,143,000</u>	<u>\$ 37,479,000</u>
						Budget Appropriation		\$ 1,350,000	
						Bonds Refunded		<u>35,793,000</u>	
								<u>\$ 37,143,000</u>	

**GLEN ROCK PUBLIC SCHOOLS  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOT APPLICABLE

**DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 2,510,082		\$ 2,510,082	\$ 2,510,082	
State Sources					
State Aid	<u>685,570</u>	<u>-</u>	<u>685,570</u>	<u>685,570</u>	<u>-</u>
Total Revenues	<u>3,195,652</u>	<u>-</u>	<u>3,195,652</u>	<u>3,195,652</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Redemption of Principal	1,350,000	-	1,350,000	1,350,000	-
Interest	1,848,298		1,848,298	1,181,057	\$ 667,241
Payment to Escrow Agent				660,000	(660,000)
Cost of Issuance	<u>-</u>	<u>-</u>	<u>-</u>	<u>261,025</u>	<u>(261,025)</u>
Total Expenditures	<u>3,198,298</u>	<u>-</u>	<u>3,198,298</u>	<u>3,452,082</u>	<u>(253,784)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>(2,646)</u>	<u>-</u>	<u>(2,646)</u>	<u>(256,430)</u>	<u>(253,784)</u>
Other Financing Sources/(Uses)					
Proceeds from Refunding Bonds				39,845,469	39,845,469
Payment to Escrow Agent				(39,583,735)	(39,583,735)
Transfer-In	<u>-</u>	<u>-</u>	<u>-</u>	<u>400</u>	<u>400</u>
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>262,134</u>	<u>262,134</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources/(Uses)	<u>(2,646)</u>	<u>-</u>	<u>(2,646)</u>	<u>5,704</u>	<u>8,350</u>
Fund Balance, Beginning of Year	<u>4,287</u>	<u>-</u>	<u>4,287</u>	<u>4,287</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,641</u>	<u>\$ -</u>	<u>\$ 1,641</u>	<u>\$ 9,991</u>	<u>\$ 8,350</u>

Analysis of Balance

Designated for Subsequent Year Expenditures	\$ 1,641
Restricted for Debt Service	<u>8,350</u>
	<u>\$ 9,991</u>

## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

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

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

J-14 and J-15

#### **Operating Information**

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

J-16 to J-20

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

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

	2007	2008	2009	2010	Fiscal Year Ended June 30,		2013	2014 (2)	2015	2016
	(Restated)				2011	2012		(Restated)		
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 7,849,031	\$ 8,403,048	\$ 8,958,088	\$ 9,580,909	\$ 10,002,033	\$ 9,148,137	\$ 11,246,322	\$ 11,869,829	\$ 12,097,377	\$ 17,728,958
Restricted	20,435	723,112	1,635,132	1,248,379	2,297,610	3,462,618	2,860,798	2,327,742	2,110,708	1,527,503
Unrestricted	1,623,150	1,657,407	978,250	656,788	1,327,571	2,072,217	2,120,590	(7,361,144)	(7,519,250)	(12,552,512)
<b>Total Governmental Activities Net Position</b>	<u>\$ 9,492,616</u>	<u>\$ 10,783,567</u>	<u>\$ 11,571,470</u>	<u>\$ 11,486,076</u>	<u>\$ 13,627,214</u>	<u>\$ 14,682,972</u>	<u>\$ 16,227,710</u>	<u>\$ 6,836,427</u>	<u>\$ 6,688,835</u>	<u>\$ 6,703,949</u>
<b>Business-type activities</b>										
Net Investment in Capital Assets	\$ 63,645	\$ 57,773	\$ 52,011	\$ 50,277	\$ 45,326	\$ 1,476	\$ 15,116	\$ 12,780	\$ 21,777	\$ 17,425
Unrestricted	558,367	694,132	656,898	556,823	530,699	683,926	677,809	778,714	530,601	375,699
<b>Total Business-Type Activities Net Position</b>	<u>\$ 622,012</u>	<u>\$ 751,905</u>	<u>\$ 708,909</u>	<u>\$ 607,100</u>	<u>\$ 576,025</u>	<u>\$ 685,402</u>	<u>\$ 692,925</u>	<u>\$ 791,494</u>	<u>\$ 552,378</u>	<u>\$ 393,124</u>
<b>District-wide</b>										
Net Investment in Capital Assets	\$ 7,912,676	\$ 8,460,821	\$ 9,010,099	\$ 9,631,186	\$ 10,047,359	\$ 9,149,613	\$ 11,261,438	\$ 11,882,609	\$ 12,119,154	\$ 17,746,383
Restricted	20,435	723,112	1,635,132	1,248,379	2,297,610	3,462,618	2,860,798	2,327,742	2,110,708	1,527,503
Unrestricted	2,181,517	2,351,539	1,635,148	1,213,611	1,858,270	2,756,143	2,798,399	(6,582,430)	(6,988,649)	(12,176,813)
<b>Total District Net Position</b>	<u>\$ 10,114,628</u>	<u>\$ 11,535,472</u>	<u>\$ 12,280,379</u>	<u>\$ 12,093,176</u>	<u>\$ 14,203,239</u>	<u>\$ 15,368,374</u>	<u>\$ 16,920,635</u>	<u>\$ 7,627,921</u>	<u>\$ 7,241,213</u>	<u>\$ 7,097,073</u>

Source: District Financial Records

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

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

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 17,109,077	\$ 17,926,212	\$ 17,223,617	\$ 17,658,483	\$ 17,593,987	\$ 19,487,797	\$ 19,498,092	\$ 19,560,882	\$ 22,802,265	\$ 24,119,067
Special Education	5,862,512	6,005,551	6,114,569	6,502,286	6,270,198	6,164,147	6,004,684	6,359,075	7,081,367	7,773,836
Other Special Education	982,186	945,477	1,016,571	1,027,123	767,042	629,994	660,268	603,338	711,206	688,326
School Sponsored Activities and Athletics	862,765	862,371	874,532	858,564	836,969	934,726	1,016,734	1,092,729	1,223,345	1,210,348
Support Services:										
Tuition										
Student & Instruction Related Services	4,977,203	5,244,845	5,476,966	5,583,667	5,434,305	6,258,524	6,788,480	7,124,795	7,770,425	8,390,007
Educational Media/School Library	889,035	775,865	884,253	900,408	850,298	960,506	1,004,372	945,838	1,130,931	1,197,343
School Administrative Services	2,236,822	2,540,131	2,507,260	2,609,528	3,101,922	3,391,830	3,463,742	3,485,098	4,003,034	4,268,557
General Administration	1,081,862	938,860	1,059,244	1,130,141	1,126,466	1,115,575	978,317	1,034,115	1,156,223	1,299,253
Central Services	1,299,684	1,137,338	1,332,829	1,234,575	1,298,378	1,466,634	1,437,140	1,479,608	1,451,301	1,522,395
Plant Operations and Maintenance	4,190,314	4,239,060	4,528,733	4,389,404	4,325,822	4,610,578	4,536,130	4,907,607	4,813,339	4,828,108
Pupil Transportation	1,049,647	1,131,713	1,093,196	1,012,058	912,763	859,310	899,076	905,266	894,179	856,873
Special Schools										
Interest on Long-Term Debt	252,933	223,084	238,924	3,758,288	2,020,682	2,065,403	2,025,853	1,942,558	1,903,597	1,396,278
<b>Total Governmental Activities Expenses</b>	<b>40,794,040</b>	<b>41,970,507</b>	<b>42,350,694</b>	<b>46,664,525</b>	<b>44,538,832</b>	<b>47,945,024</b>	<b>48,312,888</b>	<b>49,440,909</b>	<b>54,941,212</b>	<b>57,550,391</b>
Business-Type Activities:										
Food Service	524,556	483,048	557,056	623,161	525,246	502,480	488,022	512,705	486,218	506,962
Community School	1,091,479	1,139,054	1,284,661	1,302,111	1,252,068	1,203,830	1,253,303	1,346,609	1,557,780	1,469,523
<b>Total Business-Type Activities Expense</b>	<b>1,616,035</b>	<b>1,622,102</b>	<b>1,841,717</b>	<b>1,925,272</b>	<b>1,777,314</b>	<b>1,706,310</b>	<b>1,741,325</b>	<b>1,859,314</b>	<b>2,043,998</b>	<b>1,976,485</b>
<b>Total District Expenses</b>	<b>\$ 42,410,075</b>	<b>\$ 43,592,609</b>	<b>\$ 44,192,411</b>	<b>\$ 48,589,797</b>	<b>\$ 46,316,146</b>	<b>\$ 49,651,334</b>	<b>\$ 50,054,213</b>	<b>\$ 51,300,223</b>	<b>\$ 56,985,210</b>	<b>\$ 59,526,876</b>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Regular- Tuition							\$ 39,907	\$ 35,688	\$ 32,088	\$ 28,724
Special Education- Tuition	\$ 269,546	\$ 204,770	\$ 5,701				36,500	25,000	3,712	41,383
Capital Grants and Contributions							6,879,467	6,169,032	10,351,346	12,407,077
Operating Grants and Contributions	5,854,736	5,885,781	4,932,022	\$ 5,440,855	\$ 4,290,159	\$ 5,304,368				
<b>Total Governmental Activities Program Revenues</b>	<b>6,124,282</b>	<b>6,090,551</b>	<b>4,937,723</b>	<b>5,440,855</b>	<b>4,290,159</b>	<b>5,304,368</b>	<b>6,955,874</b>	<b>6,229,720</b>	<b>10,387,146</b>	<b>12,477,184</b>
Business-Type Activities:										
Charges for Services										
Food Service	520,610	501,641	487,896	568,433	530,605	518,510	501,688	497,938	454,868	545,932
Community School	1,245,141	1,250,354	1,310,096	1,227,877	1,215,477	1,335,774	1,246,947	1,459,900	1,662,706	1,571,254
<b>Total Business Type Activities Program Revenues</b>	<b>1,765,751</b>	<b>1,751,995</b>	<b>1,797,992</b>	<b>1,796,310</b>	<b>1,746,082</b>	<b>1,854,284</b>	<b>1,748,635</b>	<b>1,957,838</b>	<b>2,117,574</b>	<b>2,117,186</b>
<b>Total District Program Revenues</b>	<b>\$ 7,890,033</b>	<b>\$ 7,842,546</b>	<b>\$ 6,735,715</b>	<b>\$ 7,237,165</b>	<b>\$ 6,036,241</b>	<b>\$ 7,158,652</b>	<b>\$ 8,704,509</b>	<b>\$ 8,187,558</b>	<b>\$ 12,504,720</b>	<b>\$ 14,594,370</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (34,669,758)	\$ (35,879,956)	\$ (37,412,971)	\$ (41,223,670)	\$ (40,248,673)	\$ (42,640,656)	\$ (41,357,014)	\$ (43,211,189)	\$ (44,554,066)	\$ (45,073,207)
Business-Type Activities	149,716	129,893	(43,725)	(128,962)	(31,232)	147,974	7,310	98,524	73,576	140,701
<b>Total District-Wide Net Expense</b>	<b>\$ (34,520,042)</b>	<b>\$ (35,750,063)</b>	<b>\$ (37,456,696)</b>	<b>\$ (41,352,632)</b>	<b>\$ (40,279,905)</b>	<b>\$ (42,492,682)</b>	<b>\$ (41,349,704)</b>	<b>\$ (43,112,665)</b>	<b>\$ (44,480,490)</b>	<b>\$ (44,932,506)</b>

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

	Fiscal Year Ended 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	\$ 33,730,381	\$ 35,338,962	\$ 36,557,380	\$ 37,738,970	\$ 39,248,529	\$ 40,033,500	\$ 40,033,500	\$ 40,033,500	\$ 40,521,909	\$ 41,319,529
Taxes Levied for Debt Service	1,131,604	1,091,430	1,051,124	2,132,346	2,157,981	2,587,336	2,537,079	2,641,786	2,511,792	2,510,082
State Aid Restricted for Debt Service				874,878	670,441	672,837			682,918	685,570
Unrestricted Grants and Contributions	365,190	413,536	19,054						43,210	46,068
Donation of Capital Assets	14,100									
Miscellaneous Income	318,594	326,979	573,316	392,082	404,601	402,741	331,983	383,120	346,645	227,072
Transfers									300,000	300,000
<b>Total Governmental Activities</b>	<u>35,559,869</u>	<u>37,170,907</u>	<u>38,200,874</u>	<u>41,138,276</u>	<u>42,481,552</u>	<u>43,696,414</u>	<u>42,902,562</u>	<u>43,058,406</u>	<u>44,406,474</u>	<u>45,088,321</u>
Business-Type Activities:										
Loss on Disposal of Assets									(12,784)	
Miscellaneous Income			729	27,153	157	302	213	45	92	45
Transfers	9,050								(300,000)	(300,000)
<b>Total Business-Type Activities</b>	<u>9,050</u>	<u>-</u>	<u>729</u>	<u>27,153</u>	<u>157</u>	<u>302</u>	<u>213</u>	<u>45</u>	<u>(312,692)</u>	<u>(299,955)</u>
<b>Total District-Wide</b>	<u>\$ 35,568,919</u>	<u>\$ 37,170,907</u>	<u>\$ 38,201,603</u>	<u>\$ 41,165,429</u>	<u>\$ 42,481,709</u>	<u>\$ 43,696,716</u>	<u>\$ 42,902,775</u>	<u>\$ 43,058,451</u>	<u>\$ 44,093,782</u>	<u>\$ 44,788,366</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ 890,111	\$ 1,290,951	\$ 787,903	\$ (85,394)	\$ 2,232,879	\$ 1,055,758	\$ 1,545,548	\$ (152,783)	\$ (147,592)	\$ 15,114
Business-Type Activities	158,766	129,893	(42,996)	(101,809)	(31,075)	148,276	7,523	98,569	(239,116)	(159,254)
<b>Total District</b>	<u>\$ 1,048,877</u>	<u>\$ 1,420,844</u>	<u>\$ 744,907</u>	<u>\$ (187,203)</u>	<u>\$ 2,201,804</u>	<u>\$ 1,204,034</u>	<u>\$ 1,553,071</u>	<u>\$ (54,214)</u>	<u>\$ (386,708)</u>	<u>\$ (144,140)</u>

Source: District Financial Records

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 1,350,402	\$ 2,347,894	\$ 2,823,169	\$ 3,191,654						
Unreserved	796,950	657,202	242,714	341,462						
Restricted					\$ 4,067,079	\$ 5,913,007	\$ 4,737,021	\$ 4,859,140	\$ 4,059,921	\$ 3,380,219
Assigned					315,728	510,896	577,242	440,959	362,962	349,721
Unassigned					603,383	541,720	581,619	588,648	604,866	609,852
<b>Total General Fund</b>	<b>\$ 2,147,352</b>	<b>\$ 3,005,096</b>	<b>\$ 3,065,883</b>	<b>\$ 3,533,116</b>	<b>\$ 4,986,190</b>	<b>\$ 6,965,623</b>	<b>\$ 5,895,882</b>	<b>\$ 5,888,747</b>	<b>\$ 5,027,749</b>	<b>\$ 4,339,792</b>
All Other Governmental Funds										
Reserved		\$ 1,903,753	\$ 26,365,521	\$ 16,092,535						
Unreserved	113,002	(2,762,566)	16,420,468	8,404,452						
Restricted					\$ 8,520,094	\$ 3,049,024	\$ 991,500	\$ 240,272	\$ 625,325	\$ 729,443
<b>Total All Other Governmental Funds</b>	<b>\$ 113,002</b>	<b>\$ (858,813)</b>	<b>\$ 42,785,989</b>	<b>\$ 24,496,987</b>	<b>\$ 8,520,094</b>	<b>\$ 3,049,024</b>	<b>\$ 991,500</b>	<b>\$ 240,272</b>	<b>\$ 625,325</b>	<b>\$ 729,443</b>

Source: District Financial Records

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



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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Tax Levy	\$ 34,861,985	\$ 36,430,392	\$ 37,608,504	\$ 39,871,316	\$ 41,406,510	\$ 42,620,836	\$ 42,570,579	\$ 42,675,286	\$ 43,033,701	\$ 43,829,611
Tuition Charges										
Miscellaneous	588,140	489,144	579,017	398,082	396,048	402,741	372,513	421,669	387,183	262,241
State Sources	5,638,979	5,742,361	4,369,411	5,448,542	4,034,449	5,277,340	6,292,964	5,619,280	6,244,849	6,861,254
Federal Sources	580,947	579,281	581,665	858,012	910,727	646,862	585,070	546,871	566,938	578,622
<b>Total Revenue</b>	<b>41,670,051</b>	<b>43,241,178</b>	<b>43,138,597</b>	<b>46,575,952</b>	<b>46,747,734</b>	<b>48,947,779</b>	<b>49,821,126</b>	<b>49,263,106</b>	<b>50,232,671</b>	<b>51,531,728</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	16,750,489	17,696,636	16,908,894	17,440,552	17,417,002	18,190,510	18,313,945	18,212,373	19,042,630	19,501,867
Special Education Instruction	5,773,453	5,957,257	6,048,773	6,455,998	6,237,548	5,951,220	5,805,814	6,105,429	6,358,458	6,726,187
Other Instruction	958,653	933,307	998,530	1,014,282	759,343	591,386	611,099	564,264	600,723	624,058
School Sponsored Activities and Athletics	844,303	852,509	860,548	849,365	829,393	882,065	961,281	1,025,616	1,039,520	1,041,748
<b>Support Services:</b>										
Tuition										
Student & Inst. Related Services	4,867,907	5,181,942	5,387,889	5,521,487	5,385,897	5,987,005	6,532,007	6,816,480	6,902,786	7,317,688
Educational Media/School Library	867,404	765,777	868,020	889,083	841,583	898,123	931,080	878,847	941,358	964,494
General Administration	1,065,829	932,405	1,050,316	1,123,381	1,120,170	1,071,493	948,430	992,209	1,027,762	1,138,160
School Administrative Services	2,181,104	2,505,952	2,459,610	2,575,454	3,069,102	3,162,277	3,242,716	3,238,353	3,301,966	3,413,608
Central Services	1,268,237	1,122,510	1,312,526	1,219,903	1,286,189	1,378,946	1,354,106	1,380,704	1,353,706	1,417,785
Plant Operations and Maintenance	4,118,230	4,199,386	4,472,874	4,352,096	4,295,719	4,494,701	4,432,883	4,768,437	4,700,478	4,740,001
Pupil Transportation	1,048,911	1,131,106	1,092,206	1,011,495	912,343	856,339	895,023	900,275	889,166	850,949
<b>Special Schools</b>										
Capital Outlay	378,318	1,005,313	2,125,894	17,902,401	15,793,847	5,641,289	5,579,501	1,793,363	1,636,477	1,472,778
<b>Debt Service:</b>										
Principal	1,251,737	873,013	876,514	875,071	1,208,898	1,257,925	1,312,259	1,371,812	1,295,000	1,350,000
Interest and Other Charges	279,789	218,416	203,325	3,167,153	2,114,519	2,076,137	2,028,247	1,973,287	1,918,586	1,457,978
Payments to Escrow Agent										660,000
<b>Cost of Issuance</b>	<b>-</b>	<b>-</b>	<b>110,089</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>41,654,364</b>	<b>43,375,529</b>	<b>44,776,008</b>	<b>64,397,721</b>	<b>61,271,553</b>	<b>52,439,416</b>	<b>52,948,391</b>	<b>50,021,469</b>	<b>51,008,616</b>	<b>52,677,301</b>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>15,687</b>	<b>(134,351)</b>	<b>(1,637,411)</b>	<b>(17,821,769)</b>	<b>(14,523,819)</b>	<b>(3,491,637)</b>	<b>(3,127,265)</b>	<b>(758,363)</b>	<b>(775,945)</b>	<b>(1,145,573)</b>
<b>Other Financing sources (uses)</b>										
Proceeds from Refunding Bonds										39,845,469
Payments to Escrow Agent										(39,583,735)
Proceeds from Borrowing			45,343,000							
Premium on Issuance of Temporary Note		43,605								
Cancel Prior Year SDA Revenue		(23,325)								
Transfers in	182,402	149,672	494,515	515,513	643,644	26,650	3,413,709	2,289,384	2,263,228	1,713,200
Transfers out	(182,402)	(149,672)	(494,515)	(515,513)	(643,644)	(26,650)	(3,413,709)	(2,289,384)	(1,963,228)	(1,413,200)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>20,280</b>	<b>45,343,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>300,000</b>	<b>561,734</b>
<b>Net change in fund balances</b>	<b>\$ 15,687</b>	<b>\$ (114,071)</b>	<b>\$ 43,705,589</b>	<b>\$ (17,821,769)</b>	<b>\$ (14,523,819)</b>	<b>\$ (3,491,637)</b>	<b>\$ (3,127,265)</b>	<b>\$ (758,363)</b>	<b>\$ (475,945)</b>	<b>\$ (583,839)</b>
Debt service as a percentage of noncapital expenditures	3.03%	2.06%	2.31%	1.88%	2.66%	2.69%	2.77%	2.84%	2.62%	2.64%

\* Noncapital expenditures are total expenditures less capital outlay.

Source: District Financial Records

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

<b>Fiscal Year Ended June 30,</b>	<b>Interest Earned</b>	<b>Tuition</b>	<b>Insurance Refund</b>	<b>Prior Year Refunds</b>	<b>Solar SREC</b>	<b>Activity Fees</b>	<b>E-Rate</b>	<b>Miscellaneous</b>	<b>Total</b>
2007	\$ 290,294	\$ 269,546						\$ 28,300	\$ 588,140
2008	235,272	204,770						31,712	471,754
2009	45,899	5,701						32,902	84,502
2010	9,507		\$ 10,772	\$ 108,015				66,275	194,569
2011	7,010		5,506	201,367				29,521	243,404
2012	10,028		25,283	53,590	\$ 45,277	\$ 154,200	\$ 39,600	48,113	376,091
2013	9,429	39,097	65,866	47,366	4,820	151,800	24,370	25,352	368,100
2014	1,881	35,668	49,628	66,036	14,695	151,355	87,412	9,469	416,144
2015	3,342	32,088	26,963	46,133	11,389	136,190	86,854	34,135	377,094
2016	2,344	28,724	4,559	747	34,720	113,592	34,346	36,364	255,396

Source: District Financial Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2007	\$ 13,634,300	\$ 2,074,105,200	\$ 165,440,900	\$ 27,477,000		\$ 2,280,657,400	N/A	\$ 2,282,055,921	\$ 2,486,732,404	\$ 1.562
2008	14,024,400	2,088,397,700	162,754,700	28,148,200		2,293,325,000	\$ 1,323,041	2,294,648,041	2,599,165,134	2.313
2009	12,902,000	2,101,360,200	162,882,300	26,261,400		2,303,405,900	1,777,910	2,305,183,810	2,679,812,741	1.684
2010	12,801,000	2,098,317,800	161,034,800	26,161,400		2,298,315,000	1,865,954	2,300,180,954	2,602,698,275	1.770
2011	11,580,800	2,104,036,300	155,178,900	24,843,000		2,295,639,000	1,691,075	2,297,330,075	2,507,253,486	1.825
2012	11,677,700	2,105,596,000	153,928,000	25,970,400		2,297,172,100	1,691,075	2,298,863,175	2,490,809,889	1.856
2013	11,321,200	2,110,565,600	153,657,500	25,970,400		2,301,514,700	1,691,075	2,303,205,775	2,476,715,916	1.849
2014	9,891,200	2,120,538,000	151,245,000	24,655,400		2,306,329,600	1,762,273	2,308,091,873	2,442,816,653	1.860
2015	8,273,500	2,133,332,200	148,802,100	26,470,400		2,316,878,200	958	2,316,879,158	2,477,507,512	1.875
2016	11,232,800	2,142,483,700	145,085,700	26,076,500		2,324,878,700	938	2,324,879,638	2,532,591,324	1.906

Source: County Abstract of Ratables

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

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

Calendar Year		Total Direct School Tax Rate	Overlapping Rates		Total Direct and Overlapping Tax Rate
			Municipality	County	
2007	*	\$ 1.562	\$ 0.471	\$ 0.197	\$ 2.230
2008		1.613	0.490	0.210	2.313
2009		1.684	0.504	0.223	2.411
2010		1.770	0.527	0.222	2.519
2011		1.825	0.543	0.227	2.595
2012		1.856	0.516	0.235	2.607
2013		1.849	0.584	0.247	2.680
2014		1.860	0.604	0.246	2.710
2015		1.875	0.613	0.258	2.746
2016		1.906	0.616	0.268	2.790

Source: County Abstract of Ratables

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

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

Taxpayer	2016		Taxpayer	2007	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Opeachy Ltd, L.P.	\$ 12,500,000	0.54%	Heritage Plaza I & II	\$ 8,715,000	0.47%
Bank of America	11,000,000	0.47%	Nat West Bank	6,251,500	0.34%
Hajjar Medical Office LLC	8,315,000	0.36%	McBride Enterprises	6,300,000	0.34%
Glen Rock Property, LLC	7,634,000	0.33%	Motorola, Inc.	4,000,000	0.22%
Glen Rock Mall, LLC	7,605,000	0.33%	Sinibaldo Leone, Inc.	3,460,000	0.19%
333 Realty LLC	7,333,000	0.32%	Connecticut Gen. Life Insurance	3,300,000	0.18%
Financial Services, Inc.	6,375,000	0.28%	Financial Services	3,200,000	0.17%
201 Roack Road LLC	5,369,000	0.23%	Harristown Rd. LTD Partners	3,097,500	0.17%
Rock Glen Assoc. LLC	4,800,000	0.21%	Jomac Inc.	2,500,000	0.14%
Joan Ree Realty LLC	4,432,500	0.19%	MSO Inc.	2,175,000	0.12%
	<u>\$ 75,363,500</u>	<u>3.25%</u>		<u>\$ 42,999,000</u>	<u>2.34%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	\$ 34,861,985	\$ 34,861,985	100.00%	N/A
2008	36,430,392	36,430,392	100.00%	N/A
2009	37,608,504	37,608,504	100.00%	N/A
2010	39,871,316	39,871,316	100.00%	N/A
2011	41,406,510	40,890,042	98.75%	\$ 516,468
2012	42,620,836	42,620,836	100.00%	N/A
2013	42,570,579	42,570,579	100.00%	N/A
2014	42,675,286	42,675,286	100.00%	N/A
2015	43,033,701	43,033,701	100.00%	N/A
2016	43,829,611	43,829,611	100.00%	N/A

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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population	Per Capita
	General Obligation Bonds	Intergovernmental Loans	Capital Leases			
2007	\$ 4,604,000	\$ 835,492		\$ 5,439,492	11,115	\$ 489
2008	3,839,000	727,479		4,566,479	11,087	412
2009	48,417,000	615,965		49,032,965	11,130	4,405
2010	47,657,000	500,894		48,157,894	11,618	4,145
2011	46,567,000	381,996		46,948,996	11,700	4,013
2012	45,432,000	259,071		45,691,071	11,797	3,873
2013	44,247,000	131,812		44,378,812	11,860	3,742
2014	43,007,000	-		43,007,000	11,943	3,601
2015	41,712,000	-		41,712,000	11,999	3,476
2016	37,479,000			37,479,000	11,999	3,124

Source: District financial records

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2007	\$ 4,604,000		\$ 4,604,000	0.20%	\$ 9,408
2008	3,839,000	\$ 59,996	3,779,004	0.16%	9,175
2009	48,417,000	525,796	47,891,204	2.08%	10,871
2010	47,657,000	6,309	47,650,691	2.07%	11,496
2011	46,567,000	154,958	46,412,042	2.02%	11,566
2012	45,432,000	119,302	45,312,698	1.97%	11,699
2013	44,247,000	10,692	44,236,308	1.92%	11,822
2014	43,007,000	5,628	43,001,372	1.86%	11,941
2015	41,712,000	4,287	41,707,713	1.80%	11,998
2016	37,749,000	9,991	37,739,009	1.62%	12,082

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

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.



**GLEN ROCK PUBLIC SCHOOLS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**DECEMBER 31, 2015**  
**(Unaudited)**

**Total**

Municipal Debt: (1)	
Glen Rock Board of Education	\$ 40,652,355
Borough of Glen Rock	<u>15,052,375</u>
	<u>55,704,730</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	<u>14,516,232</u>
	<u>14,516,232</u>
 Total Direct and Overlapping Debt	 <u>\$ 70,220,962</u>

## Source:

(1) Glen Rock's 2015 Annual Debt Statement

(A) The debt for this entity was apportioned to Glen Rock by dividing the municipality's 2015 equalized value by the total 2015 equalized value for Bergen County.

(B) The debt was computed based upon flow

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 88,777,330	\$ 96,577,951	\$ 102,492,283	\$ 104,417,266	\$ 103,422,137	\$ 101,043,795	\$ 99,235,108	\$ 98,270,729	\$ 97,989,183	\$ 98,702,448
Total net debt applicable to limit	5,439,492	49,909,834	49,033,320	48,158,249	46,949,351	45,691,426	44,669,167	43,297,355	42,002,355	40,652,355
Legal debt margin	<u>\$ 83,337,838</u>	<u>\$ 46,668,117</u>	<u>\$ 53,458,963</u>	<u>\$ 56,259,017</u>	<u>\$ 56,472,786</u>	<u>\$ 55,352,369</u>	<u>\$ 54,565,941</u>	<u>\$ 54,973,374</u>	<u>\$ 55,986,828</u>	<u>\$ 58,050,093</u>
Total net debt applicable to the limit as a percentage of debt limit	6.13%	51.68%	47.84%	46.12%	45.40%	45.22%	45.01%	44.06%	42.86%	41.19%

**Legal Debt Margin Calculation for Fiscal Year 2015**

Equalized valuation basis	
2013	2,428,014,242
2014	2,458,511,459
2015	<u>2,516,157,906</u>
	<u>\$ 7,402,683,607</u>
Average equalized valuation of taxable property	\$ 2,467,561,202
Debt limit (4% of average equalization value)	\$ 98,702,448
Total Net Debt Applicable to Limit	<u>40,652,355</u>
Legal debt margin	<u>\$ 58,050,093</u>

Source: Annual Debt Statements

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2007	11,115	\$ 67,544	2.50%
2008	11,087	67,331	3.30%
2009	11,130	63,874	6.00%
2010	11,618	63,885	6.10%
2011	11,700	67,248	6.00%
2012	11,797	69,281	6.10%
2013	11,860	70,498	7.40%
2014	11,943	73,536	4.10%
2015	11,999	73,536	3.50%
2016	11,999 Est.	73,536 Est.	3.50%

Source: New Jersey State Department of Education

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

<u>Employer</u>	<u>2016</u>		<u>2007</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

NOT AVAILABLE

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

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<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	176	177	180	174	175	197	179	181	185	189
Special education	28	28	29	32	26	30	30	32	32	32
Support Services:										
General administration	2	2	2	2	2	2	2	2	2	2
School administrative services	9	9	9	9	8	8	8	8	8	8
Central services	1	1	1	1	1	1	1	1	1	1
Plant operations and maintenance	32	32	33	32	31	12	12	12	8	8
Food Service	12	12	-	-	-	-	-	-	-	-
<b>Total</b>	<b>260</b>	<b>261</b>	<b>254</b>	<b>250</b>	<b>243</b>	<b>250</b>	<b>232</b>	<b>236</b>	<b>236</b>	<b>240</b>

Source: District Personnel Records

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

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2007	2,511	\$ 39,744,520	\$ 15,828	6.75%	203.80	104.0	104.0	10.38	2490.4	2372.8	0.78%	95.28%
2008	2,479	41,278,787	16,651	5.20%	217.50	13.3	10.0	10.28	2482.6	2379.5	-0.31%	95.85%
2009	2,570	41,460,186	16,132	0.44%	183.50				2528.9	2407.9	1.86%	95.22%
2010	2,482	42,453,096	17,104	2.40%	224.60	12.0	11.1	9.82	2482.0	2377.2	-1.85%	95.78%
2011	2,439	42,154,289	17,283	1.05%					2433.6	2339.3	-1.95%	96.13%
2012	2,401	43,464,065	18,102	4.73%	206.9	84.5	55.7	66.7	2,409.9	2316.2	-0.97%	96.11%
2013	2,401	44,028,384	18,338	1.30%	209	86	56	67	2,374.6	2280.8	-1.46%	96.05%
2014	2,426	44,883,007	18,501	1.10%	213	89	56	68	2,393.9	2301.1	0.81%	96.12%
2015	2,440	46,158,553	18,917	2.25%	217	91	56	68	2,408.0	2338.0	0.59%	97.09%
2016	2,462	47,736,545	19,389	2.50%	219	94	56	69	2,434.0	2340.0	1.08%	96.14%

Sources: District records

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

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
<b><u>Hamilton</u></b>										
Square Feet	29,895	31,080	31,080	31,080	31,080	31,080	31,080	31,080	31,080	31,080
Capacity (students)	240	240	240	240	240	240	240	240	240	240
Enrollment	276	280	272	272	247	247	247	256	264	271
<b><u>Central</u></b>										
Square Feet	45,400	43,200	43,200	43,200	43,200	43,200	43,200	43,200	43,200	43,200
Capacity (students)	344	344	344	344	344	344	344	344	344	344
Enrollment	308	318	347	347	328	328	328	314	307	317
<b><u>Coleman</u></b>										
Square Feet	38,280	36,360	36,360	36,360	36,360	36,360	36,360	36,360	36,360	36,360
Capacity (students)	308	308	308	308	308	308	308	308	308	308
Enrollment	332	317	297	297	283	273	273	288	273	293
<b><u>Byrd</u></b>										
Square Feet	33,062	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200
Capacity (students)	245	245	245	245	245	245	245	245	245	245
Enrollment	220	236	235	235	238	238	238	244	256	265
<b><u>Middle School/High School</u></b>										
Square Feet	197,385	203,402	203,402	203,402	262,098	262,098	262,098	262,098	262,098	262,098
Capacity (students)	1,451	1,451	1,451	1,451	1,451	1,451	1,451	1,451	1,451	1,451
Enrollment	1,328	1,330	1,333	1,333	1,307	1,307	1,307	1,284	1,320	1,341

Number of Schools at June 30, 2016  
 Elementary = 4  
 Middle School/High School = 1

Source: District Records

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

UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES

<u>Project # (s)</u>	<u>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>
<b>School Facilities</b>										
Glen Rock Senior High School	\$ 179,095	\$ 177,543	\$ 192,735	\$ 172,310	\$ 142,373	\$ 173,150	\$ 184,184	\$ 185,309	\$ 193,058	\$ 199,407
Glen Rock Middle School	155,216	159,788	173,463	155,079	128,137	155,835	165,766	164,278	173,752	179,467
Richard E. Byrd Elem.School	53,728	59,181	64,245	57,437	47,458	57,717	61,395	63,436	64,353	66,469
Central Elementary School	71,639	76,935	83,519	74,668	61,697	69,260	73,674	74,124	77,223	79,763
Clara E. Coleman Elem. School	77,607	65,099	70,670	63,180	52,204	63,488	67,534	68,780	70,788	73,116
Hamilton Elementary School	59,698	53,262	57,821	51,693	42,711	57,717	61,395	61,402	64,351	66,470
Total School Facilities	<u>\$ 596,983</u>	<u>\$ 591,808</u>	<u>\$ 642,453</u>	<u>\$ 574,367</u>	<u>\$ 474,580</u>	<u>\$ 577,167</u>	<u>\$ 613,948</u>	<u>\$ 617,329</u>	<u>\$ 643,525</u>	<u>\$ 664,692</u>

Source: District Records



**GLEN ROCK PUBLIC SCHOOLS**  
**INSURANCE SCHEDULE**  
**JUNE 30, 2016**  
**(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
<b>Commercial Property</b>		
Property - Blanket Buildings & Grounds		
School Limit per Statement of Values	\$ 126,017,899	\$ 5,000
Flood:		
Outside Zones A, V, or B	5,000,000	50,000
Zone B	2,000,000	100,000
Zones A or V	1,000,000	500,000
Earthquake	5,000,000	50,000
Business Income & Extra Expense	250,000	5,000
Contractors Equipment	250,000	1,000
Athletic Equipment	250,000	1,000
Musical Instruments	100,000	5,000
Valuable Papers	5,000,000	1,000
Electronic Data Processing Equipment	2,500,000	5,000
Accounts Receivable	100,000	1,000
<b>Boiler and Machinery</b>		
Property Damage (Blanket)	126,017,899	5,000
<b>General Liability</b>		
General Aggregate	2,000,000	
Each Occurrence	1,000,000	
<b>Commercial Automobile</b>		
Combined Single Limit	1,000,000	
Comprehensive		1,000
Collision		1,000
<b>Commercial Umbrella</b>	9,000,000	10,000
<b>Commercial Umbrella - Fireman's Fund</b>		
Per Occurrence	50,000,000	
General Aggregate	50,000,000	
<b>Workers Compensation</b>		
Per Occurrence	1,000,000	
Policy Limit	1,000,000	
Aggregate	1,000,000	
<b>Environmental Legal Liability</b>		
Per Occurrence	4,000,000	15,000
General Aggregate	20,000,000	
<b>Crime</b>		
Primary (Per Employee)	100,000	5,000
Blanket Employee Dishonesty - Excess	400,000	
Forgery and Alterations	50,000	
<b>Educators Legal Liability</b>	1,000,000	
Educators Legal Deductible		25,000
Employment Practices Deductible		25,000
Cyber Liability	2,000,000	

**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-1

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
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ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLosi, CPA  
ROBERT AMPONSAH, CPA

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

### INDEPENDENT AUDITOR’S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Glen Rock Public Schools as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Glen Rock Public Schools’ basic financial statements and have issued our report thereon dated December 5, 2016.

#### **Internal Control Over Financial Reporting**

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

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

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

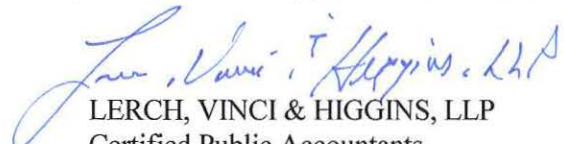
### **Compliance and Other Matters**

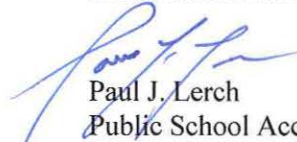
As part of obtaining reasonable assurance about whether the Glen Rock Public Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Glen Rock Public Schools in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 5, 2016.

### **Purpose of this Report**

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

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

  
Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
December 5, 2016





# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
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**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
ON THE SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

**INDEPENDENT AUDITOR’S REPORT**

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

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

We have audited the Glen Rock Public Schools’ compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Glen Rock Public Schools’ major state programs for the fiscal year ended June 30, 2016. The Glen Rock Public Schools’ major state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility***

Management is responsible for compliance with the requirements of state statutes, regulations, and the terms and conditions of its state financial assistance applicable to its state programs.

***Auditor’s Responsibility***

Our responsibility is to express an opinion on compliance for each of the Glen Rock Public Schools’ major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Glen Rock Public Schools’ compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the Glen Rock Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2016.

### **Report on Internal Control Over Compliance**

Management of the Glen Rock Public Schools is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Glen Rock Public Schools' internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Glen Rock Public Schools' internal control over compliance.

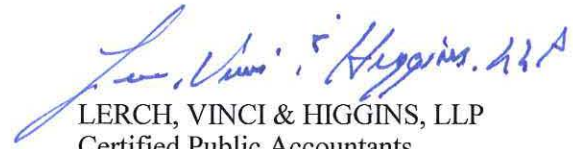
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 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 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 New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Glen Rock Public Schools, as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated December 5, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
December 5, 2016

GLEN ROCK PUBLIC SCHOOLS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	FAIN Number	Grant Period	Award Amount	Balance July 1, 2015	Carryover Amount	Cash Received	Budgetary Expenditures	Balance June 30, 2016			Memo GAAP Receivable
									(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education												
Passed Through State Department of Education												
I.A.S.A. Consolidated Grant / NCLB												
Title IIA	84.367A	S367A150029	7/1/15-6/30/16	\$ 33,736			\$ 13,874	\$ 33,736	\$ (19,862)			\$ (19,862)
Title IIA, Carryover	84.367A		7/1/14-6/30/15	33,987	\$ (22,987)		22,987					
Title IIA, Carryover	84.367A		7/1/13-6/30/14	33,398	8,352	-	-	-	-	\$ -	\$ 8,352	\$ -
I.D.E.A. Part B, Basic	84.027	H027A150100	7/1/15-6/30/16	528,821	-		432,992	527,830	(95,289)	\$ 451		(95,289)
I.D.E.A. Part B, Basic , Carryover	84.027		7/1/14-6/30/15	509,241	(207,628)		207,628		(2,781)	2,781		(2,781)
I.D.E.A. Part B, Basic , Carryover	84.027		7/1/13-6/30/14	490,473	-		-		(1,033)	1,033		(1,033)
I.D.E.A. Part B, Preschool	84.173	H173A150114	7/1/15-6/30/16	22,442			17,056	17,056	(5,386)	5,386		(5,386)
I.D.E.A. Part B, Preschool, Carryover	84.173		7/1/14-6/30/15	21,845	(4,646)	-	4,646	-	-	-		-
<i>IDEA Cluster</i>												
					-	-	-	544,886	-	-	-	-
Total Special Revenue Fund					(226,909)	-	699,183	578,622	(124,351)	9,651	8,352	(124,351)
Total Federal Financial Assistance					\$ (226,909)	\$ -	\$ 699,183	\$ 578,622	\$ (124,351)	\$ 9,651	\$ 8,352	\$ (124,351)

Note: This schedule is not subject to a single audit in accordance with the U.S. Uniform Guidance  
 Note: The FAIN numbers pertain to the current year grant awards.



GLEN ROCK PUBLIC SCHOOLS  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Department of Education	Grant or State Project Number	Grant	Award Amount	Balance June 30, 2015	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balance	Balance June 30, 2016			Memorandum	
										(Accts. Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Budgetary Expenditures
<b>General Fund</b>														
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	\$ 976,359			\$ 902,595	\$ 976,359			\$ (73,764)				\$ 976,359
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	976,359	(69,395)		69,395								
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	34,708			32,276	34,708			(2,432)				34,708
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	34,708	(2,288)		2,288								
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	23,130			21,509	23,130			(1,621)				23,130
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	23,130	(1,525)		1,525								
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	23,130			21,509	23,130			(1,621)				23,130
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	23,130	(1,525)		1,525								
<i>State Aid Public Cluster</i>														
				-	-	-	1,057,327	-	-	-	-	-	-	-
Transpiration Aid	16-495-034-5120-014	7/1/15-6/30/16	23,922			22,301	23,922			(1,621)				23,922
Transpiration Aid	15-495-034-5120-014	7/1/14-6/30/15	23,922	(1,525)		1,525								
Extraordinary Aid	16-100-034-5120-044	7/1/15-6/30/16	465,857			-	465,857			(465,857)				465,857
Extraordinary Aid	15-100-034-5120-044	7/1/14-6/30/15	404,218	(404,218)		404,218								
<i>On -Behalf TPAF Pension System Contr.</i>														
<i>(Non-Budgeted)-Normal</i>														
(Non-Budgeted)-Normal	16-495-034-5094-006	7/1/15-6/30/16	1,389,150			1,389,150	1,389,150							1,389,150
(Non-Budgeted)-NCGI Premium	16-495-034-5094-007	7/1/15-6/30/16	69,199			69,199	69,199							69,199
Post Retirement Medical Contribution	16-495-034-5094-001	7/1/15-6/30/16	1,736,490			1,736,490	1,736,490							1,736,490
<i>Reimbursed TPAF Social Security Contributions</i>														
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	7/1/15-6/30/16	1,323,166			1,323,166	1,323,166							1,323,166
<i>Reimbursed TPAF Social Security Contributions</i>														
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	7/1/14-6/30/15	1,286,924	(63,929)		63,929								
<b>Total General Fund</b>				<b>(544,405)</b>	<b>-</b>	<b>6,062,600</b>	<b>6,065,111</b>	<b>-</b>	<b>-</b>	<b>(546,916)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,065,111</b>
<b>Special Revenue Fund</b>														
<i>New Jersey Non-Public Aid:</i>														
Textbook	15-100-034-5120-064	7/1/15-6/30/16	17,073	4,260		17,073	17,073		\$ 4,260					17,073
Nursing	15-100-034-5120-070	7/1/15-6/30/16	27,180			27,180	27,180							27,180
Technology	15-100-034-5120-373	7/1/15-6/30/16	7,774			7,774	7,774							7,774
Security	N/A	7/1/15-6/30/16	7,550			7,550	7,544					\$ 6		7,544
<i>Auxiliary Services:</i>														
<i>Compensatory Education</i>														
Compensatory Education	14-100-034-5120-067	7/1/14-6/30/15	37,265	3,314					3,314					-
Compensatory Education	15-100-034-5120-067	7/1/15-6/30/16	46,277			46,277	42,725					3,552		42,725
ESL	14-100-034-5120-067	7/1/14-6/30/15	2,741	1,827					1,827					-
ESL	15-100-034-5120-067	7/1/15-6/30/16	2,589			2,589	2,329					260		2,329
<i>Auxiliary Services: Cluster</i>				-	-	-	45,054	-	-	-	-	-	-	-
<i>Handicapped Services:</i>														
<i>Examination</i>														
Examination	14-100-034-5120-066	7/1/14-6/30/15	48,088	4,332					4,332					-
Examination	15-100-034-5120-066	7/1/15-6/30/16	36,994			36,994	22,513					14,481		22,513
Supplemental Instruction	14-100-034-5120-066	7/1/14-6/30/15	29,976	3,845					3,845					-
Supplemental Instruction	15-100-034-5120-066	7/1/15-6/30/16	25,990			25,990	23,539					2,451		23,539
Corrective Speech	14-100-034-5120-066	7/1/14-6/30/15	31,806	4,418					4,418					-
Corrective Speech	15-100-034-5120-066	7/1/15-6/30/16	27,590			27,590	26,336					1,254		26,336
<i>Handicapped Services: Cluster</i>				-	-	-	72,388	-	-	-	-	-	-	-
<b>Total Special Revenue Fund</b>				<b>21,996</b>	<b>-</b>	<b>199,017</b>	<b>177,013</b>	<b>-</b>	<b>21,996</b>	<b>-</b>	<b>-</b>	<b>22,004</b>	<b>-</b>	<b>177,013</b>
<b>Debt Service Fund</b>														
Debt Service Aid	16-495-034-5120-075	7/1/15-6/30/16	685,570			685,570	685,570							685,570
				-	-	685,570	685,570	-	-	-	-	-	-	685,570
<b>Total State Financial Assistance- Determination for Single Audit</b>				<b>\$ (522,409)</b>	<b>\$ -</b>	<b>\$ 6,947,187</b>	<b>\$ 6,927,694</b>	<b>\$ -</b>	<b>\$ 21,996</b>	<b>\$ (546,916)</b>	<b>\$ -</b>	<b>\$ 22,004</b>	<b>\$ -</b>	<b>\$ 6,927,694</b>
Less: On -Behalf TPAF Pension System Contributions							3,194,839							
<i>Amount Utilized to Determine Major Programs</i>							<b>\$ 3,732,855</b>							

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**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, “Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid”. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$66,440 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 5,998,671	\$ 5,998,671
Special Revenue Fund	\$ 578,622	177,013	755,635
Debt Service Fund	-	685,570	685,570
Total Financial Assistance	<u>\$ 578,622</u>	<u>\$ 6,861,254</u>	<u>\$ 7,439,876</u>

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

**NOTE 5 OTHER INFORMATION**

TPAF Social Security contributions in the amount of \$1,323,166 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2016. The amount reported as TPAF Pension System Contributions in the amount of \$1,458,349 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,736,490 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2016.

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

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

**NOTE 7 DE MINIMIS INDIRECT COST RATE**

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

**GLEN ROCK PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

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

**Federal Awards Section**

**Not Applicable**



**GLEN ROCK PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part 2 – Schedule of Financial Statement Findings*

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

**There are none.**

**GLEN ROCK PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

**CURRENT YEAR FEDERAL AWARDS**

Not Applicable.

**CURRENT YEAR STATE AWARDS**

There are none.

**GLEN ROCK PUBLIC SCHOOLS  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**STATUS OF PRIOR YEAR FINDINGS**

There were none.