

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

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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018**

**Comprehensive Annual
Financial Report**

of the

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

Glen Ridge, New Jersey

For the Fiscal Year Ended June 30, 2018

Prepared by

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

Finance Department

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INTRODUCTORY SECTION



Glen Ridge Public Schools
BOARD OF EDUCATION

January 18, 2019

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

Dear Board Members:

The comprehensive annual financial report of the Borough of Glen Ridge School District (the "District") for the fiscal year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These services are provided for regular, vocational and special education youngsters. The District completed the 2017-2018 fiscal year with an average daily enrollment of 1,927 students, which is twenty two students above the previous year's average daily enrollment.

2) MAJOR INITIATIVES: The Glen Ridge Board of Education finalized the purchase of the Central School building, located at the corner of Bloomfield Avenue and High Street. The structure, purchased from the Wells Fargo Bank, will be renovated and become Borough's third lower elementary school, housing grades PreK-2. The acquisition of Central School comes after nearly four years of research, planning, outreach and negotiations. The \$5.1 million purchase price was financed through the sale of bonds, following a successful public referendum in March 2017. If renovations proceed according to plan, the new Central School should be ready for students in September 2019. Other construction financed by the referendum is underway, including the renovation of restrooms at all four schools, new windows at Forest Avenue School, drainage at Linden Avenue School, and HVAC renovations at Forest Avenue School, Linden Avenue School and Ridgewood Avenue School.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and/or assignments of fund balance at June 30, 2018.

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

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


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


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

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

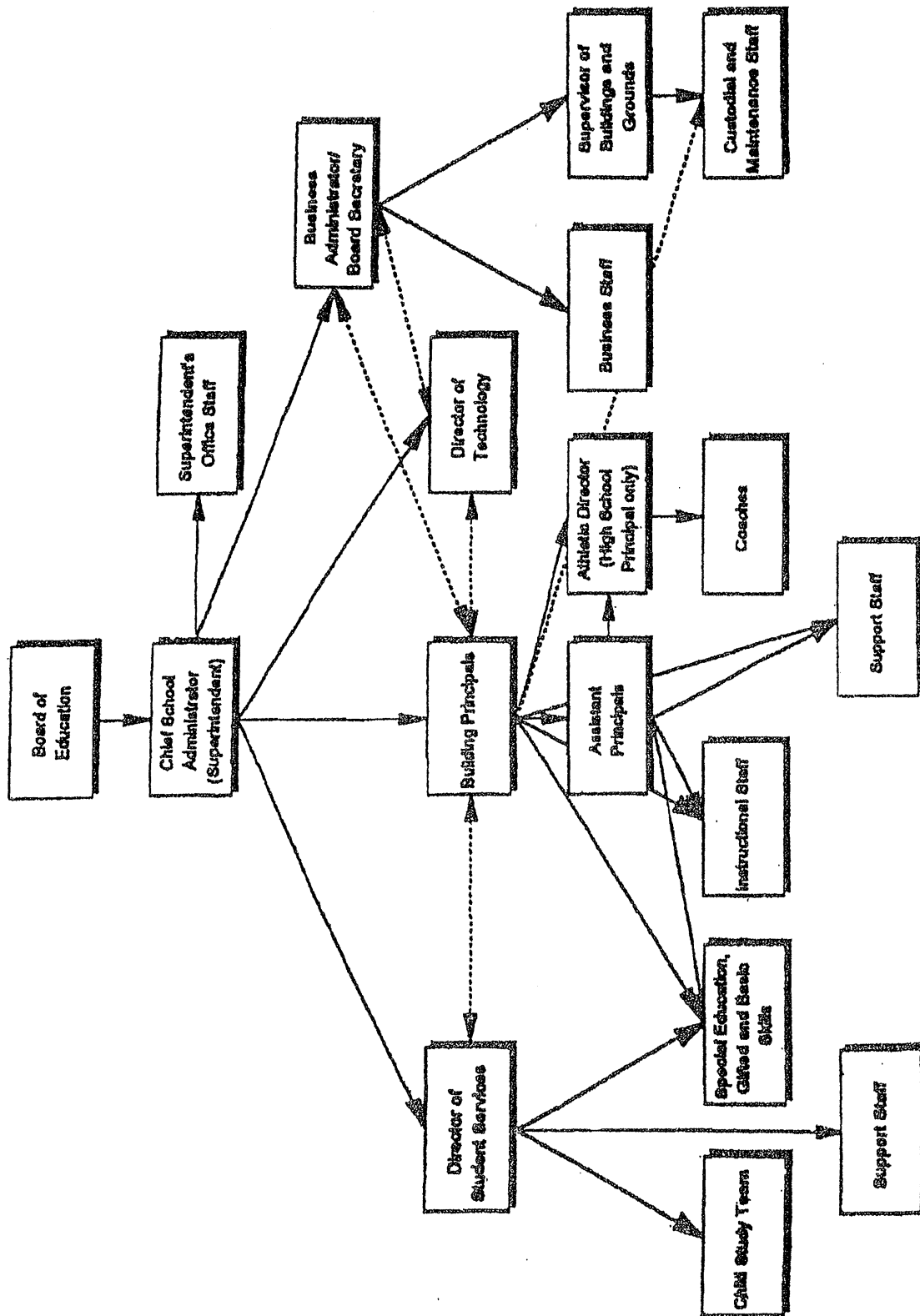
9) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Glen Ridge Borough School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance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

Respectfully submitted,


Dirk Phillips
Superintendent of Schools


Peter R. Caprio
Board Secretary/Business Administrator

GLEN RIDGE BOARD OF EDUCATION ORGANIZATIONAL CHART



**BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
 ROSTER OF OFFICIALS
 JUNE 30, 2018**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mrs. Elisabeth Ginsburg, President	2019
Mr. Timothy Keppel, 1st Vice President	2018
Mr. Michael de Leeuw, 2nd Vice President	2019
Mr. David Campbell	2018
Ms. Alexandra Hilberth	2018
Ms. Alison Lang	2020
Mr. Paul Romano	2020
Ms. Tracey St. Auburn	2020
Dr. Heather Yaros-Ramos	2019

<u>Other Officials</u>	<u>Title</u>
Dirk Phillips	Superintendent of Schools
Peter R. Caprio	School Business Administrator/Board Secretary
John Calavano	Treasurer of School Monies

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
Consultants and Advisors

Architects

Design Resource Group, Architects, AIA
200 Franklin Square Drive #402
Somerset, NJ 08873

Audit Firm

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

Attorney

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

Official Depositories

Boiling Springs Savings Bank
Ridgewood Avenue
Glen Ridge, NJ 07028

State Street Bank and Trust
State of New Jersey Cash Management Fund
Boston, MA 02206-5994

Fidelity Investments
Albuquerque, NM 87125-8007

PNC Bank
Bloomfield Avenue
Glen Ridge, NJ 07028

Investors Bank
Broad Street
Bloomfield, NJ 07003

Wells Fargo Bank NA
Bloomfield Avenue
Glen Ridge, NJ 07028

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Borough of Glen Ridge School District (the "District") in the County of Essex, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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 District, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 9 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, during the fiscal year ended June 30, 2018. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, which follows this report, the pension and post-employment benefits schedules in Exhibits L-1 through L-5 and the related notes and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The accompanying supplementary schedules such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The Honorable President and Members
of the Board of Education
Borough of Glen Ridge School District
Page 3

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in

the United States of America. In our opinion, the supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

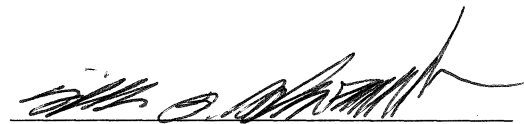
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
January 18, 2019

NISIVOCCIA LLP



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

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

**BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(UNAUDITED)**

This section of Borough of Glen Ridge School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2018. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

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

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

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

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

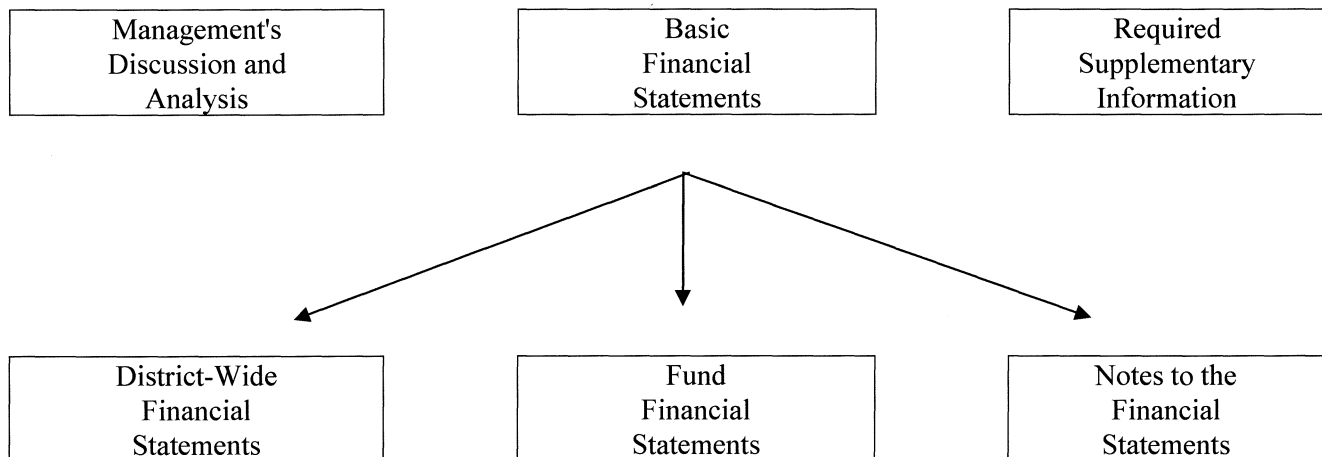


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

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

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

Fund Financial Statements

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

Notes to the Basic Financial Statements

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

Financial Analysis of the District as a Whole

Net Position. The District's combined net position increased by 12.04%. Net position from governmental activities increased by \$644,414 and net position from business-type activities increased by \$99,166. Net investment in capital assets increased by \$507,600, restricted net position increased by \$450,339, and unrestricted net position decreased by \$214,359.

Figure A-3
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018
Current and Other Assets	\$ 23,458,417	\$ 5,136,550	\$ 278,975	\$ 227,692	\$ 23,737,392	\$ 5,364,242	
Capital Assets, Net	18,291,935	12,676,973	51,247	23,327	18,343,182	12,700,300	
Total Assets	<u>41,750,352</u>	<u>17,813,523</u>	<u>330,222</u>	<u>251,019</u>	<u>42,080,574</u>	<u>18,064,542</u>	132.95%
Deferred Outflows of Resources	<u>2,203,329</u>	<u>3,126,445</u>			<u>2,203,329</u>	<u>3,126,445</u>	-29.53%
Other Liabilities Long-Term Liabilities	825,873	894,623	15,816	35,779	841,689	930,402	
Total Liabilities	<u>34,641,647</u>	<u>13,891,433</u>	<u>15,816</u>	<u>35,779</u>	<u>34,641,647</u>	<u>13,891,433</u>	139.40%
Deferred Inflows of Resources	<u>1,881,416</u>	<u>193,581</u>			<u>1,881,416</u>	<u>193,581</u>	871.90%
Net Position:							
Net Investment in Capital Assets	9,914,865	9,435,185	51,247	23,327	9,966,112	9,458,512	
Restricted	4,342,022	3,891,683			4,342,022	3,891,683	
Unrestricted/(Deficit)	<u>(7,652,142)</u>	<u>(7,366,537)</u>	<u>263,159</u>	<u>191,913</u>	<u>(7,388,983)</u>	<u>(7,174,624)</u>	
Total Net Position	<u>\$ 6,604,745</u>	<u>\$ 5,960,331</u>	<u>\$ 314,406</u>	<u>\$ 215,240</u>	<u>\$ 6,919,151</u>	<u>\$ 6,175,571</u>	12.04%

Changes in Net Position. The District's combined net position was \$6,919,151 on June 30, 2018, an increase of 12.04% greater than the prior year (See Figure A-3). Net investment in capital assets increased \$507,600 primarily due to \$421,327 of capital asset additions and the payment of \$565,000 in bond principal; offset by the net decrease of \$148,866 of capital lease payable, and \$582,505 in depreciation. Restricted net position increased by \$450,339 primarily due to an increase in excess surplus of \$234,439 and an increase in capital reserve of \$75,516. Unrestricted net position decreased by \$214,359 primarily due to an increase in compensated absences payable of \$124,379, an increase in accrued interest payable of \$294,956, a decrease in unamortized bond premium of \$15,743, a net decrease in deferred outflows and inflows related to pensions of \$2,594,656 and an increase in unrestricted net position in business-type activities of \$71,246; offset by a decrease in net pension liability of \$2,402,556. (See Figure A-3).

Figure A-4
Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018
Revenue:							
Program Revenue:							
Charges for Services	\$ 564,119	\$ 528,379	\$ 856,669	\$ 709,356	\$ 1,420,788	\$ 1,237,735	
Grants and Contributions:							
Operating	11,961,284	11,584,083			11,961,284	11,584,083	
General Revenue:							
Property Taxes	29,893,889	29,042,089			29,893,889	29,042,089	
Federal and State Aid Not Restricted	89,413	88,121			89,413	88,121	
Other	410,688	214,900			410,688	214,900	
Total Revenue	42,919,393	41,457,572	856,669	709,356	43,776,062	42,166,928	3.82%
Expenses:							
Instruction	27,673,329	27,169,316			27,673,329	27,169,316	
Pupil and Instruction Services	6,014,485	5,747,502			6,014,485	5,747,502	
Administrative and Business	4,736,873	5,149,794			4,736,873	5,149,794	
Maintenance and Operations	2,645,234	2,440,698			2,645,234	2,440,698	
Transportation	767,666	660,513			767,666	660,513	
Other	437,392	124,724	758,044	687,342	1,195,436	812,066	
Total Expenses	42,274,979	41,292,547	758,044	687,342	43,033,023	41,979,889	2.51%
Disposal of Capital Assets, Net			541	(1,932)	541	(1,932)	100.00%
Increase/(Decrease) in Net Position	\$ 644,414	\$ 165,025	\$ 99,166	\$ 20,082	\$ 743,580	\$ 185,107	301.70%

Governmental Activities

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

Figure A-5 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

Figure A-5
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2017/2018	2016/2017	2017/2018	2016/2017
Instruction	\$ 26,265,310	\$ 27,169,316	\$16,983,453	\$16,607,628
Pupil and Instruction Services	5,956,836	5,747,502	5,230,343	5,041,200
Administrative and Business	4,614,156	5,149,794	3,946,279	4,339,478
Maintenance and Operations	2,645,234	2,440,698	2,423,056	2,440,698
Transportation	767,666	660,513	729,053	626,357
Other	437,392	124,724	437,392	124,724
	<u>\$ 40,686,594</u>	<u>\$ 41,292,547</u>	<u>\$ 29,749,576</u>	<u>\$ 29,180,085</u>

Business-Type Activities

Net position from the District's business-type activities increased by \$99,166. This is comprised of an increase in Food Service of \$69,431, an increase in After School and Summer Programs of \$30,478, offset by the disposal of \$541 of capital assets net of depreciation. (Refer to Figure A-4)

Financial Analysis of the District's Funds

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

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

General Fund Budgetary Highlights

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

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

Capital Asset and Debt Administration

Figure A-6

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2017/2018
	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	
Sites (Land)	\$ 736,853	\$ 736,853			\$ 736,853	\$ 736,853	
Construction in Progress	6,475,330	645,687			6,475,330	645,687	
Site Improvements	105,279	120,267			105,279	120,267	
Buildings and Building Improvements	9,966,932	10,260,253			9,966,932	10,260,253	
Machinery and Equipment	1,007,541	913,913	\$ 51,247	\$ 23,327	1,058,788	937,240	
Total Capital Assets (Net of Depreciation)	\$ 18,291,935	\$ 12,676,973	\$ 51,247	\$ 23,327	\$ 18,343,182	\$ 12,700,300	44.43%

The District’s overall capital assets (net of depreciation) increased by \$5,642,882 due to capital deletions of \$25,583, net of accumulated depreciation, and \$582,505 in depreciation; offset by capital additions of \$6,250,970.

Long-term Liabilities

At year-end, the District had \$26,183,000 in net general obligation bonds – an increase of \$23,193,000 from last year – as shown in Figure A-7. (More detailed information about the District’s long-term liabilities is presented in Note 7 to the basic financial statements.)

Figure A-7

Long-Term Liabilities

	Total School District		Total Percentage Change 2017/2018
	2017/2018	2016/2017	
General Obligation Bonds, Net (Financed with Property Taxes)	\$ 26,183,000	\$ 2,990,000	
Unamortized Bond Issuance Premium	62,967	78,710	
Net Pension Liability	7,707,972	10,110,528	
Other Long-term Liabilities	687,708	712,195	
	\$ 34,641,647	\$ 13,891,433	149.37%

The District continued to pay down its debt, retiring \$565,000 of outstanding bonds and \$148,866 of outstanding capital leases payable. In fiscal year 2018, the District issued school bonds of \$23,758,000 primarily for the acquisition and renovation of the prior Central School. There was a net increase of \$124,379 in compensated absences, a decrease of \$15,743 in unamortized bond issuance premium and a decrease of \$2,402,556 in the net pension liability.

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

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

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

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 22,238,810	\$ 265,304	\$ 22,504,114
Internal Balances	3,379	(3,379)	
Receivables from State Government	164,449		164,449
Receivables from Federal Government	178,135		178,135
Other Receivables	59,662	8,954	68,616
Inventory		8,096	8,096
Prepaid Expenses	1,811		1,811
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	812,171		812,171
Capital Assets, Net:			
Sites (Land) and Construction in Progress	7,212,183		7,212,183
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	11,079,752	51,247	11,130,999
Total Assets	<u>41,750,352</u>	<u>330,222</u>	<u>42,080,574</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
Deferred Amount on Refunding	78,026		78,026
Deferred Outflows Related to Pensions	2,125,303		2,125,303
Total Deferred Outflows of Resources	<u>2,203,329</u>		<u>2,203,329</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accrued Interest Payable	339,451		339,451
Accounts Payable	379,376	2,088	381,464
Unearned Revenue	107,046	13,728	120,774
Noncurrent Liabilities:			
Due Within One Year	762,966		762,966
Due Beyond One Year	33,878,681		33,878,681
Total Liabilities	<u>35,467,520</u>	<u>15,816</u>	<u>35,483,336</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Related to Pensions	1,881,416		1,881,416
Total Deferred Inflows of Resources	<u>1,881,416</u>		<u>1,881,416</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	9,914,865	51,247	9,966,112
Restricted for:			
Capital Projects	721,930		721,930
Debt Service	230,626		230,626
Excess Surplus	3,389,466		3,389,466
Unrestricted/(Deficit)	<u>(7,652,142)</u>	<u>263,159</u>	<u>(7,388,983)</u>
Total Net Position	<u>\$ 6,604,745</u>	<u>\$ 314,406</u>	<u>\$ 6,919,151</u>

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Functions/Programs	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 20,536,521	\$ 564,119	\$ 6,866,935		\$ (13,105,467)		\$ (13,105,467)
Special Education	5,121,929		2,640,841		(2,481,088)		(2,481,088)
Other Special Instruction	542,403		186,282		(356,121)		(356,121)
School Sponsored/Other Instruction	1,472,476		431,700		(1,040,776)		(1,040,776)
Support Services:							
Tuition	1,920,100		342,636		(1,577,464)		(1,577,464)
Student & Instruction Related Services	4,094,385		441,506		(3,652,879)		(3,652,879)
General Administrative Services	872,772				(872,772)		(872,772)
School Administrative Services	2,832,803		790,593		(2,042,210)		(2,042,210)
Central Services	675,714				(675,714)		(675,714)
Administration Information Technology	355,584				(355,584)		(355,584)
Plant Operations and Maintenance	2,645,234		222,178		(2,423,056)		(2,423,056)
Pupil Transportation	767,666		38,613		(729,053)		(729,053)
Interest on Long-Term Debt	437,392				(437,392)		(437,392)
Total Governmental Activities	42,274,979	564,119	11,961,284		(29,749,576)		(29,749,576)
Business-Type Activities:							
Food Service	434,418	502,565				\$ 68,147	68,147
After School and Summer Programs	323,626	354,104				30,478	30,478
Total Business-Type Activities	758,044	856,669				98,625	98,625
Total Primary Government	\$ 43,033,023	\$ 1,420,788	\$ 11,961,284	\$ -0-	\$ (29,749,576)	\$ 98,625	\$ (29,650,951)

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Net (Expenses)/Revenues and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues and Other Item:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 29,069,101		\$ 29,069,101
Taxes Levied for Debt Service	824,788		824,788
Federal and State Aid Not Restricted	89,413		89,413
Investment Earnings	174,303		174,303
Miscellaneous Income	236,385		236,385
Other Item		\$ 541	541
Total General Revenues and Other Item	30,393,990	541	30,394,531
Change in Net Position	644,414	99,166	743,580
Net Position - Beginning	5,960,331	215,240	6,175,571
Net Position - Ending	6,604,745	\$ 314,406	\$ 6,919,151

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

FUND FINANCIAL STATEMENTS

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 3,857,649		\$ 18,150,535	\$ 230,626	\$ 22,238,810
Interfund Receivable	378,460				378,460
Receivable from State Government	164,449				164,449
Receivable from Federal Government		\$ 178,135			178,135
Other Receivables	59,662				59,662
Prepaid Expenses		1,811			1,811
Restricted Cash and Cash Equivalents	812,171				812,171
Total Assets	<u>\$ 5,272,391</u>	<u>\$ 179,946</u>	<u>\$ 18,150,535</u>	<u>\$ 230,626</u>	<u>\$ 23,833,498</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable		\$ 137,502	237,579		\$ 375,081
Accounts Payable	\$ 42,200	15,220			57,420
Unearned Revenue	79,822	27,224			107,046
Total Liabilities	<u>122,022</u>	<u>179,946</u>	<u>237,579</u>		<u>539,547</u>
Fund Balances:					
Restricted:					
Excess Surplus - 2019-2020	1,557,944				1,557,944
Excess Surplus - 2018-2019	1,831,522				1,831,522
Capital Reserve Account	812,171				812,171
Debt Service				\$ 230,626	230,626
Capital Projects			\$ 17,838,116		17,838,116
Committed:					
Capital Projects			74,840		74,840
Assigned:					
Year-End Encumbrances	115,992				115,992
Designated for Subsequent Year's Expenditures	140,744				140,744
Unassigned	691,996				691,996
Total Fund Balances	<u>5,150,369</u>		<u>17,912,956</u>	<u>230,626</u>	<u>23,293,951</u>
Total Liabilities and Fund Balances	<u>\$ 5,272,391</u>	<u>\$ 179,946</u>	<u>\$ 18,150,535</u>	<u>\$ 230,626</u>	
Amounts Reported for <i>Governmental Activities</i> in the Statement of Net Position (A-1) are Different Because:					
Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds.					18,291,935
Long-Term Liabilities, Including Bonds Payable, are not due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds (see Note 7).					(26,870,708)
Accrued Interest on Long-Term Liabilities, Including Bonds Payable, is not due and Payable in the Current Period and Therefore is not Reported as a Liability in the Funds.					(339,451)
Deferred Amount on Refunding is not Reported as Expenditure in the Governmental Funds in the Year of the Expenditure					78,026
Bond Issuance Premiums are Reported as Revenue in the Governmental Funds in the Year the Bonds are Sold. The Amount is \$204,654 and the Accumulated Amortization is \$141,687.					(62,967)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.					(7,707,972)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:					
Deferred Outflows					1,803,347
Deferred Inflows					<u>(1,881,416)</u>
Net Position of Governmental Activities					<u>\$ 6,604,745</u>

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 29,069,101			\$ 824,788	\$ 29,893,889
Tuition from Individuals	564,119				564,119
Miscellaneous	301,176	\$ 50,943	\$ 109,512		461,631
Total - Local Sources	29,934,396	50,943	109,512	824,788	30,919,639
State Sources	5,473,099		222,178		5,695,277
Federal Sources		539,416			539,416
Total Revenues	35,407,495	590,359	331,690	824,788	37,154,332
EXPENDITURES					
Current:					
Regular Instruction	10,921,536	165,613			11,087,149
Special Education Instruction	2,680,410	12,005			2,692,415
Other Special Instruction	284,398				284,398
School-Sponsored/Other Instruction	874,560				874,560
Support Services and Undistributed Costs:					
Tuition	1,577,464	342,636			1,920,100
Student & Instruction Related Services	2,844,795	70,105			2,914,900
General Administrative Services	785,045				785,045
School Administrative Services	1,612,473				1,612,473
Central Services	567,321				567,321
Administration Information Technology	313,113				313,113
Plant Operations and Maintenance	2,341,187				2,341,187
Pupil Transportation	713,266				713,266
Unallocated Benefits	9,265,515				9,265,515

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES					
Debt Service:					
Principal				\$ 565,000	\$ 565,000
Interest and Other Charges				138,675	138,675
Capital Outlay	\$ 318,789		\$ 5,829,643		6,148,432
Total Expenditures	\$ 35,099,872	\$ 590,359	5,829,643	703,675	42,223,549
Excess/(Deficit) of Revenues Over/(Under) Expenditures	307,623	-0-	(5,497,953)	121,113	(5,069,217)
OTHER FINANCING SOURCES/(USES)					
Serial Bonds Issued			23,758,000		23,758,000
Transfers In				109,512	109,512
Transfers Out			(109,512)		(109,512)
Total Other Financing Sources/(Uses)		-0-	23,648,488	109,512	23,758,000
Net Change in Fund Balances	307,623		18,150,535	230,625	18,688,783
Fund Balance/(Deficit)—July 1	4,842,746		(237,579)	1	4,605,168
Fund Balance—June 30	\$ 5,150,369	\$ -0-	\$ 17,912,956	\$ 230,626	\$ 23,293,951

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Total Net Change in Fund Balances - Governmental Funds (from B-2)		\$ 18,688,783
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation and deletion of capital assets differs from capital outlays in the period.		
	Depreciation expense	\$ (579,984)
	Deletion of Capital Assets, net of Accumulated Depreciation	(26,124)
	Capital outlays	<u>6,221,070</u>
		5,614,962
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+).		
		(124,379)
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.		
		(23,758,000)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).		
		(294,956)
Also, the governmental funds report the effect of the deferred amount on refunding when debt is first issued, whereas this amount is deferred and amortized in the statement of activities.		
		(19,505)
The governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
		15,743
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+)		
		148,866
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+)		
		565,000
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
	Change in Net Pension Liability	2,402,556
	Change in Deferred Outflows	(906,821)
	Change in Deferred Inflows	<u>(1,687,835)</u>
Change in Net Position of Governmental Activities (Exhibit A-2)		<u>\$ 644,414</u>

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>		
	<u>Food Service</u>	<u>Non-Major Funds</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents		\$ 265,304	\$ 265,304
Other Accounts Receivable		8,954	8,954
Inventory	\$ 8,096		8,096
Total Current Assets	<u>8,096</u>	<u>274,258</u>	<u>282,354</u>
Non-Current Assets:			
Capital Assets	134,955		134,955
Less: Accumulated Depreciation	<u>(83,708)</u>		<u>(83,708)</u>
Total Non-Current Assets	<u>51,247</u>		<u>51,247</u>
Total Assets	<u>59,343</u>	<u>274,258</u>	<u>333,601</u>
LIABILITIES:			
Current Liabilities:			
Interfund Payable - General Fund	3,379		3,379
Accounts Payable	2,088		2,088
Unearned Revenue	<u>13,728</u>		<u>13,728</u>
Total Current Liabilities	<u>19,195</u>		<u>19,195</u>
Total Liabilities	<u>19,195</u>		<u>19,195</u>
NET POSITION:			
Investment in Capital Assets	51,247		51,247
Unrestricted/(Deficit)	<u>(11,099)</u>	<u>274,258</u>	<u>263,159</u>
Total Net Position	<u>\$ 40,148</u>	<u>\$ 274,258</u>	<u>\$ 314,406</u>

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>		
	<u>Food Service</u>	<u>Non-Major Funds</u>	<u>Totals</u>
Operating Revenue:			
Charges for Services:			
Daily Sales - Non-Reimbursable Programs	\$ 493,048		\$ 493,048
Special Events	9,517		9,517
Program Fees		\$ 354,104	354,104
Total Operating Revenue	<u>502,565</u>	<u>354,104</u>	<u>856,669</u>
Operating Expenses:			
Cost of Sales - Non-Reimbursable Programs	194,817		194,817
Salaries	150,357	239,795	390,152
Payroll Taxes		18,344	18,344
Employee Benefits		48,229	48,229
Contracted Services	25,252		25,252
Purchased Professional Services	20,681		20,681
Miscellaneous Expenditures	7,017		7,017
Supplies and Materials	33,773	17,258	51,031
Depreciation Expense	2,521		2,521
Total Operating Expenses	<u>434,418</u>	<u>323,626</u>	<u>758,044</u>
Operating Income	68,147	30,478	98,625
Disposal of Capital Assets, Net of Depreciation	<u>541</u>		<u>541</u>
Change in Net Position	68,688	30,478	99,166
Net Position/(Deficit) - Beginning of Year	<u>(28,540)</u>	<u>243,780</u>	<u>215,240</u>
Net Position - End of Year	<u>\$ 40,148</u>	<u>\$ 274,258</u>	<u>\$ 314,406</u>

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>		
	<u>Food Service</u>	<u>Non-Major Fund</u>	<u>Totals</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 527,672	\$ 374,202	\$ 901,874
Payments to Employees		(239,795)	(239,795)
Payments to Food Service Vendor	(449,143)		(449,143)
Payments to Suppliers	(11,751)	(17,258)	(29,009)
Payments to Other Vendors	(528)	(66,573)	(67,101)
Net Cash Provided by Operating Activities	<u>66,250</u>	<u>50,576</u>	<u>116,826</u>
Cash Flows from Noncapital Financing Activities:			
Interfund Advanced - General Fund	(36,350)		(36,350)
Net Cash Used for Noncapital Financing Activities	<u>(36,350)</u>		<u>(36,350)</u>
Cash Flows from Capital and Related Financing Activities:			
Purchases of Capital Assets	(29,900)		(29,900)
Net Cash Used for Capital and Related Financing Activities	<u>(29,900)</u>		<u>(29,900)</u>
Net Increase in Cash and Cash Equivalents		50,576	50,576
Cash and Cash Equivalents, July 1		<u>214,728</u>	<u>214,728</u>
Cash and Cash Equivalents, June 30	<u>\$ 0</u>	<u>\$ 265,304</u>	<u>\$ 265,304</u>
Adjustment to Reconcile Operating Income			
Net Cash Provided by Operating Activities:			
Operating Income	\$ 68,147	\$ 30,478	\$ 98,625
Depreciation	2,521		2,521
Changes in Assets and Liabilities:			
Decrease in Other Accounts Receivable	21,055	20,448	41,503
(Decrease) in Accounts Payable	(23,665)		(23,665)
(Increase) in Inventory	(5,860)		(5,860)
Increase/(Decrease) in Unearned Revenue	4,052	(350)	3,702
Net Cash Provided by Operating Activities	<u>\$ 66,250</u>	<u>\$ 50,576</u>	<u>\$ 116,826</u>

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2018

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>
ASSETS:		
Cash and Cash Equivalents	\$ 545,989	\$ 151,605
Interfund Receivable - Payroll Agency		11,733
	<u>545,989</u>	<u>163,338</u>
Total Assets		
LIABILITIES:		
Payroll Deductions and Withholdings	367,445	
Due to Student Groups	166,811	
Interfund Payable:		
Unemployment Compensation Trust	11,733	
	<u>545,989</u>	
Total Liabilities		
NET POSITION:		
Held in Trust for Unemployment Claims		<u>163,338</u>
Total Net Position	<u>\$ -0-</u>	<u>\$ 163,338</u>

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Employee Contributions	<u>\$ 28,884</u>
Total Contributions	<u>28,884</u>
Total Additions	<u>28,884</u>
DEDUCTIONS:	
Quarterly Contribution Reports and Claims	<u>25,113</u>
Total Deductions	<u>25,113</u>
Change in Net Position	3,771
Net Position - Beginning of the Year	<u>159,567</u>
Net Position - End of the Year	<u><u>\$ 163,338</u></u>

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

The District reports the following proprietary fund:

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

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budget for the fiscal year ended June 30, 2018 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 35,417,833	\$ 590,359
Difference - Budget to GAAP:		
Current Year State Aid Payments Recognized for GAAP Statements, Not Recognized for Budgetary Purposes	(79,699)	
Prior Year State Aid Payments Recognized for Budgetary Purposes, Not Recognized for GAAP Statements	69,361	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 35,407,495	\$ 590,359
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 35,099,872	\$ 590,359
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 35,099,872	\$ 590,359
		Capital Projects Fund
		Revenue
Revenue and Other Financing Sources per Summary Schedule of Revenue, Expenditures and Changes in Fund Balance (Budgetary Basis) (per Exhibit F-1)		\$ 23,867,512
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Recognized on GAAP Basis		222,178
Revenue and Other Financing Sources per Governmental Funds (GAAP Basis) (per Exhibit B-2)		\$ 24,089,690

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

E. Cash and Cash Equivalents and Investments:

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

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

H. Encumbrances: (Cont'd)

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2018.

K. Capital Assets:

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

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

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

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

L. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year; therefore, there are no accrued salaries and wages as of June 30, 2018.

N. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

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

O. Unearned Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the \$5,150,369 General Fund fund balance at June 30, 2018, \$115,992 is assigned for encumbrances; \$812,171 is restricted in the capital reserve account; \$1,557,944 is restricted as current year excess surplus and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2020; \$1,831,522 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2019; \$140,744 is assigned fund balance and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2019 and unassigned fund balance is \$691,996, which is \$79,699 less than the calculated maximum unassigned fund balance due to the final two State Aid payments that are not recognized on GAAP basis until the fiscal year ending June 30, 2019.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

P. Fund Balance Appropriated: (Cont'd)

Capital Projects Fund: Of the \$17,912,956 fund balance in the Capital Projects Fund at June 30, 2018, \$74,840 is committed and \$17,838,116 is restricted.

Debt Service Fund: The Debt Service Fund has a \$230,626 fund balance at June 30, 2018 that is restricted.

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

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$79,699 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, Districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school Districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school District cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

Q. Deficit Fund Balance/Net Position:

The District has a deficit in unrestricted net position of \$7,652,142 in governmental activities, which is primarily due to compensated absences payable and the deferred inflows, deferred outflows and liabilities related to pensions.

The deficit in Governmental Activities net position does not indicate that the District is facing financial difficulties and is a permitted practice by generally accepted accounting principles.

R. Net Position:

Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District has deferred outflows of resources at June 30, 2018 for the deferred amount on refunding of debt related to the District's refunding bonds and pensions. The District had deferred inflows of resources at June 30, 2018 for pensions.

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

R. Net Position: (Cont'd)

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

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

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

S. Fund Balance Restrictions, Commitments and Assignments:

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

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had \$74,840 of committed resources in the Capital Projects Fund on the GAAP basis at June 30, 2018.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2018.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

T. Revenue - Exchange and Nonexchange Transactions:

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

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

U. Operating Revenue and Expenses:

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

V. Management Estimates:

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

W. Pensions

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

GASB requires disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

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

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

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

Deposits:

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

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

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

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

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Continued)

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.). ;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed;
or

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

Investments: (Cont'd)

New Jersey statutes permit the Board to purchase the following types of securities: (Cont'd)

- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2018, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents Capital Reserve Account	Total
Checking and Savings Accounts	\$ 23,096,543	\$ 812,171	\$ 23,908,714
New Jersey Cash Management Fund	105,165		105,165
	\$ 23,201,708	\$ 812,171	\$ 24,013,879

During the period ended June 30, 2018, the District did not hold any investments.

The carrying amount of the Board's cash and cash equivalents at June 30, 2018, was \$24,013,879 and the bank balance was \$25,321,166. The \$105,165 in the New Jersey Cash Management Fund is uninsured and unregistered.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Beginning Balance, July 1, 2017	\$ 736,655
Add:	
Deposit by Board Resolution - June 2018	<u>75,516</u>
Ending Balance, June 30, 2018	<u><u>\$ 812,171</u></u>

The balance in the capital reserve account at June 30, 2018 does not exceed the LRFP balance of local support costs of uncompleted capital projects.

NOTE 5: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2018, the District transferred a total of \$74,034 to the capital outlay account. The total transfer was for equipment and the district was not required to obtain an approval from the County Superintendent.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2018 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 736,853			\$ 736,853
Construction in Progress	645,687	\$ 5,829,643		6,475,330
Total Capital Assets Not Being Depreciated	<u>1,382,540</u>	<u>5,829,643</u>		<u>7,212,183</u>
Capital Assets Being Depreciated:				
Site Improvements	423,903	2,115		426,018
Buildings and Building Improvements	18,058,893	105,661		18,164,554
Machinery and Equipment	2,315,088	283,651	\$ (83,149)	2,515,590
Total Capital Assets Being Depreciated	<u>20,797,884</u>	<u>391,427</u>	<u>(83,149)</u>	<u>21,106,162</u>
Governmental Activities Capital Assets	<u>22,180,424</u>	<u>6,221,070</u>	<u>(83,149)</u>	<u>28,318,345</u>
Less Accumulated Depreciation for:				
Site Improvements	(303,636)	(24,973)	7,870	(320,739)
Buildings and Building Improvements	(7,798,640)	(398,982)		(8,197,622)
Machinery and Equipment	(1,401,175)	(156,029)	49,155	(1,508,049)
	<u>(9,503,451)</u>	<u>(579,984)</u>	<u>57,025</u>	<u>(10,026,410)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 12,676,973</u>	<u>\$ 5,641,086</u>	<u>\$ (26,124)</u>	<u>\$ 18,291,935</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 107,345	\$ 29,900	\$ (2,290)	\$ 134,955
Less Accumulated Depreciation	<u>(84,018)</u>	<u>(2,521)</u>	<u>2,831</u>	<u>(83,708)</u>
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 23,327</u>	<u>\$ 27,379</u>	<u>\$ 541</u>	<u>\$ 51,247</u>

The District expended \$5,829,643 towards construction projects in progress during the fiscal year. As of June 30, 2017, the District has \$6,475,330 in active construction in progress. Additionally, the District expended \$391,427 from its current year capital budget and depreciated \$579,984 from its governmental activities. The District expended \$29,900 from its business-type activities and depreciated \$2,521 during the fiscal year.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 90,156
Student and Instruction Related Services	178,204
General Administrative Services	160,470
School Administrative Services	49,925
Plant Operations and Maintenance	66,559
Pupil Transportation	<u>34,670</u>
	<u>\$ 579,984</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2018, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2017	Accrued	Retired	Balance 6/30/2018
Serial Bonds Payable	\$ 2,990,000	\$23,758,000	\$ 565,000	\$26,183,000
Capital Leases Payable	349,319		148,866	200,453
Net Pension Liability	10,110,528		2,402,556	7,707,972
Compensated Absences Payable	362,876	131,557	7,178	487,255
Unamortized Bond Issuance Premium	78,710		15,743	62,967
	<u>\$ 13,891,433</u>	<u>\$23,889,557</u>	<u>\$3,139,343</u>	<u>\$ 34,641,647</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds and will be liquidated by the Debt Service fund.

On January 20, 2010, the Borough of Glen Ridge School District issued \$6,085,000 refunding bonds with interest rates ranging from 2.75% to 4.00% to advance refund \$5,917,000 school bonds with interest rates of 4.60%. The refunding bonds mature on February 1, 2011 through 2022 and February 1, 2011 was the first optional redemption date at 102.27% of par. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the school bonds are called on February 1, 2022. The advance refunding met the requirements of an in-substance debt defeasance and the school bonds were removed from the District's financial statements.

As a result of the advance refunding, the District reduced its total debt service requirements by \$367,254, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$309,054. The deferred amount on the refunding was \$253,571 upon issuance and \$78,026 is deferred at June 30, 2018.

On February 14, 2018, the District issued school bonds in the amount of \$23,758,000 with interest rates ranging from 2.50% to 3.25% with consent of the taxpayers through a referendum to upgrade and improve various schools and for the acquisition and renovation of the prior Central School. The bonds mature on August 15, 2019 through 2037.

The District had bonds outstanding as of June 30, 2018 as follows:

<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
Refunding Bonds	02/01/2022	3.00%-4.00%	\$ 2,425,000
School Bonds	8/15/2037	2.50%-3.25%	23,758,000
			<u>\$26,183,000</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

A. Bonds Payable: (Cont'd)

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 575,000	\$ 812,683	\$ 1,387,683
2020	1,270,000	784,935	2,054,935
2021	1,295,000	742,635	2,037,635
2022	1,325,000	697,635	2,022,635
2023	1,360,000	641,235	2,001,235
2024-2028	6,800,000	2,594,175	9,394,175
2029-2033	6,800,000	1,574,175	8,374,175
2034-2038	6,758,000	537,858	7,295,858
	<u>\$26,183,000</u>	<u>\$ 8,385,331</u>	<u>\$ 34,568,331</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2018, the Board had \$854 of bonds authorized but not issued.

C. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance is \$18,891 and the long-term liability balance of compensated absences is \$468,364.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2018, no liability existed for compensated absences in the Enterprise Funds.

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

D. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2018 is \$-0- and the long-term portion is \$7,605,816. See Note 8 for further information on the PERS.

The Board of Education Employee's Pension Fund of Essex County's (the "Plan") net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2018 is \$-0- and the long-term portion is \$102,156. See Note 8 for further information on the Plan.

E. Unamortized Bond Premium

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$15,743 and is separated from the long-term liability balance of \$47,224.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

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

F. Capital Leases Payable:

The District is leasing photocopiers. The lease term is for four years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2018.

Year Ending June 30,	Amount
2019	\$ 157,478
2020	47,658
	205,136
Less: Amount Representing Interest	(4,683)
Present Value of Net Minimum Lease Payments	\$ 200,453

The current portion of Capital Leases payable at June 30, 2018 is \$153,332 and the long-term portion is \$47,121. Capital leases will be liquidated by the General Fund.

NOTE 8. PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$309,864 for fiscal year 2018.

The employee contribution rate was 7.34% effective July 1, 2017. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2018, the District reported a liability of \$7,605,816 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2017, the District's proportion was 0.033%, which was a decrease of 0.001% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the District recognized pension expense of \$480,458. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	6.44	\$ 86,280	
	2015	5.72	363,434	
	2016	5.57	1,082,596	
	2017	5.48		\$ (1,526,692)
			<u>1,532,310</u>	<u>(1,526,692)</u>
Difference Between Expected and Actual Experience	2015	5.72	100,833	
	2016	5.57	32,854	
	2017	5.48	45,404	
			<u>179,091</u>	
Changes in Proportion	2014	6.44	12,199	
	2015	5.72	24,326	
	2016	5.57		(151,222)
	2017	5.48		(203,502)
			<u>36,525</u>	<u>(354,724)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5.00	(91,141)	
	2015	5.00	77,748	
	2016	5.00	325,985	
	2017	5.00	(260,802)	
			<u>51,790</u>	
Contribution Made Subsequent to the Measurement Date	2017	1.00	321,956	
			<u>\$ 2,121,672</u>	<u>\$ (1,881,416)</u>

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

Fiscal Year Ending June 30,	Total
2018	\$ 179,048
2019	270,188
2020	163,720
2021	(217,748)
2022	(158,709)
	\$ 236,499

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Discount Rate (Cont'd)

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2017 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2017		
	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
District's proportionate share of the Net Pension Liability	\$ 9,435,531	\$ 7,605,816	\$ 6,081,437

Pension Plan Fiduciary Net Position

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2018, the State's pension contribution was less than the actuarial determined amount.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2018, the State of New Jersey contributed \$2,052,207 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$6,228,885.

The employee contribution rate was 7.34% effective July 1, 2017. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2018, the State's proportionate share of the net pension liability associated with the District was \$89,915,422. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2017, the District's proportion was 0.133%, which was a decrease of 0.001% from its proportion measured as of June 30, 2016.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		89,915,422
Total	\$	89,915,422

For the fiscal year ended June 30, 2018, the State recognized pension expense on behalf of the District in the amount of \$6,228,885 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2017 financial statements.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.5	\$ 1,383,974,317	
	2015	8.3	3,776,126,119	
	2016	8.3	8,218,154,928	
	2017	8.3		\$ 11,684,858,458
				<u>13,378,255,364</u>
Difference Between Expected and Actual Experience	2014	8.5		\$ 13,181,413
	2015	8.3	233,218,057	
	2016	8.3		102,199,790
	2017	8.3	207,898,332	
			<u>441,116,389</u>	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5.0	(435,309,142)	
	2015	5.0	385,284,122	
	2016	5.0	1,295,565,574	
	2017	5.0	(904,033,050)	
			<u>341,507,504</u>	
			<u>\$ 14,160,879,257</u>	<u>\$ 11,800,239,661</u>

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

Fiscal Year Ending June 30,	Total
2018	\$ 740,341,056
2019	1,175,650,200
2020	983,008,137
2021	551,152,948
2022	624,850,883
Thereafter	<u>(1,714,363,628)</u>
	<u>\$ 2,360,639,596</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.25%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.00%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60 years average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2017 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

	June 30, 2017		
	1% Decrease (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
Total Net Pension Liability	\$ 106,822,342	\$ 89,915,422	\$ 75,987,428

Pension Plan Fiduciary Net Position

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$31,609 for the fiscal year ended June 30, 2018. Employee contributions to DCRP amounted to \$52,243 for the year ended June 30, 2018.

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

Plan Description

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Plan Description (Cont'd)

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

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

Benefits Provided

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

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

Contributions

Contributions are made by the members at 3%, the maximum contribution rate required by statute, of their annual compensation. Contributions made by the Boards are determined annually based upon actuarial valuations. The Boards are required to reimburse the Plan for administrative expenses and cost of living increases associated with its retirees. Plan provisions and contribution requirements are established by New Jersey state statute assets. District contributions to the Plan amounted to \$12,753 for fiscal year 2018.

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

At June 30, 2018, the District reported a liability of \$102,156 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2018, the District's proportion was 0.325%, which was an increase of 0.03% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2018, the District recognized pension expense of \$35,990. At June 30, 2018, the District reported deferred outflows of resources related to pension from the sources noted in the below table.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

For the fiscal year ended June 30, 2018 we amortized the deferred outflow of resources at June 30, 2017 by the amount to be amortized for the fiscal year ended June 30, 2018. There were no deferred inflows of resources.

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources
Net Difference Between Projected and Actual	2015	5	\$ 1,580
Investment Earnings on Pension Plan Investments	2016	5	13,924
	2017	5	(9,983)
	2018	5	(1,890)
			<u>3,631</u>
District Contribution Subsequent to the Measurement Date	2019	1	5,795
			<u>\$ 9,426</u>

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

Fiscal Year Ending June 30,	Total
2019	\$ 2,558
2020	2,558
2021	1,768
2022	(2,874)
2023	(379)
	<u>\$ 3,631</u>

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.00%
Salary Increases	4.50%
Investment Rate of Return, net of Plan investment expense, including inflation	6.00%
Cost of Living Adjustments ("COLA")	2.00%

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

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

Long Term Expected Rate of Return

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class including in the Plan's target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
U.S. Fixed Income	50.00%	1.75%
U.S. Large CAP Equities	40.00%	6.40%
U.S. Small CAP Equities	10.00%	6.40%

* - Net of 2.0% inflation assumption

Discount Rate

The discount rate used to measure the total pension liability was 6.00% as of June 30, 2018.

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2018 calculated using the discount rate of 6.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2018		
	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
District's proportionate share of the Net Pension Liability	\$ 139,401	\$ 102,156	\$ 69,764

Pension Plan Fiduciary Net Position

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

Note 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Statement No. 75, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

Note 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

General Information about the OPEB Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd)

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, if any, is the responsibility of the individual education employers.

Employees Covered by Benefit Terms

At June 30, 2016, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	142,331
Active Plan Members	223,747
Total	366,078

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

Note 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%		
	TPAF/ABP	PERS	PFRS
Salary Increases:			
Through 2026	1.55 - 4.55%	2.15 - 4.15%	2.10 - 8.98%
	based on years of service	based on age	based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15%	3.10 - 9.98%
	based on years of service	based on age	based on age

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2010 – June 30, 2013, and July 1, 2011 – June 30, 2014 for TPAF, PFRS and PERS, respectively.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long term trend rate after nine years. For self-insured post 65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long term rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% and decreases to a 5.0% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

Note 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Discount Rate

The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. 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.

Changes in the State's Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2016	\$57,831,784,184
Changes for Year:	
Service Cost	2,391,878,884
Interest on the Total OPEB Liability	1,699,441,736
Changes of Assumptions	(7,086,599,129)
Gross Benefit Payments by the State	(1,242,412,566)
Contributions from Members	45,748,749
Net Changes	(4,191,942,326)
Balance at June 30, 2017	\$53,639,841,858

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2017 and 2016, respectively, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2017		
	At 1% Decrease (2.58%)	At Discount Rate (3.58%)	At 1% Increase (4.58%)
Total OPEB Liability Attributable to the District	\$ 64,925,190	\$ 54,693,550	\$ 46,577,716

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

Note 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate (Cont'd)

	June 30, 2016		
	At 1% Decrease (1.85%)	At Discount Rate (2.85%)	At 1% Increase (3.85%)
	Total OPEB Liability Attributable to the District	\$ 70,494,471	\$ 58,842,422

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2017 and 2016, respectively, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2017		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 44,980,158	\$ 54,693,550	\$ 67,592,821

	June 30, 2016		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 48,281,846	\$ 58,842,422	\$ 72,960,906

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018 the District recognized OPEB expense of \$3,640,592 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Statement 75, in which there is a special funding situation.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

Note 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

In accordance with GASB Statement 75, as the District's proportionate share of the OPEB liability is \$-0, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2017 the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Assumption Changes		\$ (6,343,769,032)
Contributions Made in Fiscal Year Ending 2018 After June 30, 2017 Measurement Date	\$ 1,190,373,242	
	\$ 1,190,373,242	\$ (6,343,769,032)

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

Fiscal Year Ending June 30,	Total
2018	\$ (742,830,097)
2019	(742,830,097)
2020	(742,830,097)
2021	(742,830,097)
2022	(742,830,097)
Thereafter	(2,629,618,547)
	\$ (6,343,769,032)

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 10. RISK MANAGEMENT

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

Property and Liability Insurance

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

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

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

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

The June 30, 2018 financial information for the Group and the Fund were not available as of the date of this audit report. Selected, and summarized financial information for the Group and the Fund as of June 30, 2017 are as follows:

	<u>Morris-Essex</u> <u>Insurance Group</u>	<u>School Alliance</u> <u>Insurance Fund</u>
Total Assets	<u>\$ 10,087,866</u>	<u>\$ 41,637,320</u>
Net Position	<u>\$ 7,503,025</u>	<u>\$ 10,127,373</u>
Total Revenue	<u>\$ 3,384,095</u>	<u>\$ 41,896,275</u>
Total Expenses	<u>\$ 1,932,089</u>	<u>\$ 41,231,917</u>
Change in Net Position	<u>\$ 1,452,006</u>	<u>\$ 664,358</u>
Member Dividends	<u>\$ 961,773</u>	<u>\$ -0-</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

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

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

New Jersey Unemployment Compensation Insurance

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017-2018	\$ -0-	\$ -0-	\$ 28,884	\$ 25,113	\$ 163,338
2016-2017	-0-	-0-	28,796	26,994	159,567
2015-2016	30,000	-0-	31,433	20,609	157,765

NOTE 11. ECONOMIC DEPENDENCY

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

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2018 there were interfund receivables and payables as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 378,460	
Special Revenue Fund		\$ 137,502
Capital Projects Fund		237,579
Proprietary Fund - Food Service Fund		3,379
Fiduciary Fund - Unemployment Compensation Trust	11,733	
Fiduciary Fund - Agency		11,733
	<u>\$ 390,193</u>	<u>\$ 390,193</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES (Cont'd)

The interfund receivable in the General Fund is comprised of prior year interfund due from the Capital Projects Fund for cash advanced awaiting SDA grants reimbursement and an interfund from the Food Service Fund for a loan to cover the deficit in the Food Service Fund cash balance due to increased costs. The interfund in the Special Revenue Fund is due to General Fund for cash advanced awaiting grant reimbursements in Special Revenue Fund. The interfund receivable in the Unemployment Compensation Trust is due from Agency for current year unemployment employee contributions.

NOTE 13. DEFERRED COMPENSATION

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

The plan administrators are as follows:

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

NOTE 14. TAX CALENDAR

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

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

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 15. COMMITMENTS AND CONTINGENCIES (Cont'd)

Grant Programs

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

Encumbrances

At June 30, 2018, the District had \$115,992 of encumbrances in the General Fund. The \$3,271,416 in the Capital Projects Fund are included in the total restricted fund balance of \$17,838,116 in the GAAP financial statements.

NOTE 16. ACCOUNTS PAYABLE

Payables as of June 30, 2018 were:

	<u>Governmental Funds</u>		District Contri- bution Subsequent to the Measure- ment Date	Total Governmental Activities	<u>Business-Type</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>			<u>Activities</u>
					<u>Food Service Fund</u>
Due to State of New Jersey			\$ 316,161	\$ 316,161	
Due to Essex County Pension Plan			5,795	5,795	
Vendors	\$ 42,200	\$ 15,220		57,420	\$ 2,088
	<u>\$ 42,200</u>	<u>\$ 15,220</u>	<u>\$ 321,956</u>	<u>\$ 379,376</u>	<u>\$ 2,088</u>

**SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION**

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

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
District's proportion of the net pension liability	0.0347371434%	0.0350028926%	0.0338150417%	0.0326732756%
District's proportionate share of the net pension liability	\$ 6,503,743	\$ 7,857,448	\$ 10,015,045	\$ 7,605,816
District's covered employee payroll	\$ 2,279,184	\$ 2,288,641	\$ 2,211,007	\$ 2,152,424
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	285.35%	343.32%	452.96%	353.36%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%

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

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

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
Contractually required contribution	\$ 286,368	\$ 300,931	\$ 306,778	\$ 309,864
Contributions in relation to the contractually required contribution	(286,368)	(300,931)	(306,778)	(309,864)
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 2,233,600	\$ 2,279,184	\$ 2,288,641	\$ 2,211,007
Contributions as a percentage of covered employee payroll	12.82%	13.20%	13.40%	14.01%

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

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

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
State's proportion of the net pension liability attributable to the District	0.1285972766%	0.1330879187%	0.1323166965%	0.1333589635%
State's proportionate share of the net pension liability attributable to the District	\$ 71,785,249	\$ 84,117,248	\$ 104,008,738	\$ 89,915,422
District's covered employee payroll	\$ 13,351,970	\$ 13,573,769	\$ 13,887,854	\$ 13,989,917
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	537.64%	619.70%	748.92%	642.72%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%

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

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

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
Contractually required contribution	\$ 3,862,720	\$ 5,136,115	\$ 7,820,820	\$ 6,228,885
Contributions in relation to the contractually required contribution	(719,522)	(1,059,378)	(1,447,577)	(2,052,207)
Contribution deficiency/(excess)	<u>\$ 3,143,198</u>	<u>\$ 4,076,737</u>	<u>\$ 6,373,243</u>	<u>\$ 4,176,678</u>
District's covered employee payroll	\$ 13,351,970	\$ 13,573,769	\$ 13,887,854	\$ 13,989,917
Contributions as a percentage of covered employee payroll	5.39%	7.80%	10.42%	14.67%

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

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

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
District's Proportion of the Net Pension Liability	0.2341794%	0.2637753%	0.2930178%	0.3250640%
District's Proportionate Share of the Net Pension Liability	\$ 90,203	\$ 95,483	\$ 83,745	\$ 102,156
District's Covered Employee Payroll	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position (*) as a Percentage of the Total Pension Liability	76.05%	75.39%	79.52%	77.36%

* Fiduciary Net Position Excludes an Amount Designated for Insurance Benefits of \$19,628,046 for fiscal year ending June 30, 2015, \$19,972,514 for fiscal year ending June 30, 2016, \$21,556,614 for the fiscal year ending June 30, 2017, and \$22,656,498 for the fiscal year ending June 30, 2018.

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

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

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
Contractually Required Contribution	\$ 13,706	\$ 13,717	\$ 12,081	\$ 12,753
Contributions in Relation to the Contractually Required Contribution	<u>(13,706)</u>	<u>(13,717)</u>	<u>(12,081)</u>	<u>(12,753)</u>
Contribution Deficiency (Excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's Covered Employee Payroll	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Contributions as a Percentage of Covered Employee Payroll	0.00%	0.00%	0.00%	0.00%

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TWO FISCAL YEARS
UNAUDITED

	Fiscal Years Ending	
	June 30, 2016	June 30, 2017
Total OPEB Liability		
Service Cost	\$ 1,723,999,319	\$ 2,391,878,884
Interest Cost	1,823,643,792	1,699,441,736
Changes in Assumptions	8,611,513,521	(7,086,599,129)
Member Contributions	46,273,747	45,748,749
Gross Benefit Payments	(1,223,298,019)	(1,242,412,566)
Net Change in Total OPEB Liability	10,982,132,360	(4,191,942,326)
Total OPEB Liability - Beginning	46,849,651,824	57,831,784,184
Total OPEB Liability - Ending	\$ 57,831,784,184	\$ 53,639,841,858
State's Covered Employee Payroll *	\$ 13,493,400,208	\$ 13,493,400,208
Total OPEB Liability as a Percentage of Covered Employee Payroll	429%	398%

* - Covered payroll for the fiscal years ending June 30, 2016 and June 30, 2017 is based on the payroll on the June 30, 2016 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(UNAUDITED)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 3.98% as of June 30, 2016 to 5.00% as of June 30, 2017. The municipal bond rate changed from 2.85% to 3.58%. The long-term expected rate of return on pension plan investments changed from 7.65% to 7.00%.

The inflation rate changed from 3.08% as of June 30, 2016 to 2.25% as of June 30, 2017.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 3.22% as of June 30, 2016 to 4.25% as of June 30, 2017. The municipal bond rate changed from 2.85% to 3.58%. The long-term expected rate of return on pension plan investments changed from 7.65% to 7.00%.

The inflation rate changed from 2.50% as of June 30, 2016 to 2.25% as of June 30, 2017.

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

Benefit Changes

There were none known.

Changes of Assumptions

The long-term expected rate of return on pension plan investments changed from 6.50% to 6.00%.

D. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 29,069,101		\$ 29,069,101	\$ 29,069,101	
Tuition from Individuals	517,206		517,206	564,119	\$ 46,913
Rentals	8,000		8,000	11,284	3,284
Unrestricted Miscellaneous Revenue	96,000		96,000	289,892	193,892
Total - Local Sources	<u>29,690,307</u>		<u>29,690,307</u>	<u>29,934,396</u>	<u>244,089</u>
State Sources:					
Categorical Special Education Aid	663,097		663,097	738,613	75,516
Categorical Security Aid	33,353		33,353	33,353	
Categorical Transportation Aid	28,002		28,002	28,002	
PARCC Readiness Aid	18,960		18,960	18,960	
Per Pupil Growth Aid	18,960		18,960	18,960	
Professional Learning Community Aid	18,520		18,520	18,520	
Extraordinary Special Education Costs Aid				148,327	148,327
Nonpublic School Transportation Costs				10,730	10,730
On-Behalf TPAF Post Retirement Contributions (Non-Budgeted)				1,325,477	1,325,477
On-Behalf TPAF Pension Contributions (Non-Budgeted)				2,052,207	2,052,207
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				48,622	48,622
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				2,691	2,691
TPAF Social Security (Reimbursed - Non-Budgeted)	780,892		780,892	1,038,975	1,038,975
Total State Sources	<u>1,525,169</u>		<u>1,525,169</u>	<u>5,483,437</u>	<u>4,702,545</u>
TOTAL REVENUES	<u>30,471,199</u>		<u>30,471,199</u>	<u>35,417,833</u>	<u>4,946,634</u>
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	208,958		208,958	203,718	5,240
Kindergarten - Salaries of Teachers	432,936		432,936	430,327	2,609

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Grades 1-5 - Salaries of Teachers	\$ 3,287,435	\$ 44,650	\$ 3,332,085	\$ 3,332,078	\$ 7
Grades 6-8 - Salaries of Teachers	1,990,416	17,845	2,008,261	1,984,625	23,636
Grades 9-12 - Salaries of Teachers	3,784,376	(93,995)	3,690,381	3,684,050	6,331
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000	(3,300)	1,700	360	1,340
Purchased Professional - Educational Services	10,650	37,000	47,650	46,514	1,136
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	510,754	63,170	573,924	512,822	61,102
General Supplies	686,934	(53,649)	633,285	505,858	127,427
Textbooks	331,553	(100,575)	230,978	218,496	12,482
Other Objects	7,537		7,537	2,688	4,849
Total Regular Programs - Instruction	11,256,549	(88,854)	11,167,695	10,921,536	246,159
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	227,504		227,504	220,387	7,117
Other Salaries for Instruction	128,578		128,578	115,984	12,594
General Supplies	5,162	(660)	4,502	3,493	1,009
Textbooks	1,000		1,000	756	244
Total Learning and/or Language Disabilities	362,244	(660)	361,584	340,620	20,964
Resource Room/Resource Center:					
Salaries of Teachers	1,787,695	33,655	1,821,350	1,821,345	5
Other Salaries for Instruction	450,484		450,484	405,725	44,759
General Supplies	14,200	4,065	18,265	16,168	2,097
Textbooks	8,000		8,000	7,226	774
Total Resource Room/Resource Center	2,260,379	37,720	2,298,099	2,250,464	47,635

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Preschool Disabilities - Full-time:					
Salaries of Teachers	\$ 64,341		\$ 64,341	\$ 49,455	\$ 14,886
Other Salaries for Instruction	44,300		44,300	39,799	4,501
General Supplies	600		600	72	528
Total Preschool Disabilities - Full-time	109,241		109,241	89,326	19,915
Total Special Education Instruction	2,731,864	\$ 37,060	2,768,924	2,680,410	88,514
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	324,290		324,290	282,091	42,199
General Supplies	2,400		2,400	2,307	93
Total Basic Skills/Remedial - Instruction	326,690		326,690	284,398	42,292
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	210,000	15,000	225,000	213,068	11,932
Purchased Services (300-500 series)	3,000		3,000	3,000	
Supplies and Materials	41,540	16,700	58,240	50,049	8,191
Total School-Sponsored Cocurricular Activities - Instruction	254,540	31,700	286,240	266,117	20,123
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	435,022	5,645	440,667	440,665	2
Purchased Services (300-500 series)	45,500		45,500	29,807	15,693
Supplies and Materials	47,250		47,250	37,971	9,279
Transfer to Cover Deficit (Agency Funds)	121,169		121,169	100,000	21,169
Total School-Sponsored Cocurricular Athletics - Instruction	648,941	5,645	654,586	608,443	46,143
Community Service Programs:					
Supplies and Materials	2,500		2,500		2,500
Total Community Service Programs	2,500		2,500		2,500
Total Instruction	15,221,084	(14,449)	15,206,635	14,760,904	445,731

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	\$ 352,631	\$ (141,000)	\$ 211,631	\$ 203,170	\$ 8,461
Tuition to County Vocational Schools - Regular	9,104	(9,000)	104		104
Tuition to County Vocational Schools - Special	41,812	(22,000)	19,812	19,492	320
Tuition to Private Schools for the Disabled - Within the State	1,154,793	257,860	1,412,653	1,354,802	57,851
Total Undistributed Expenditures - Instruction:	<u>1,558,340</u>	<u>85,860</u>	<u>1,644,200</u>	<u>1,577,464</u>	<u>66,736</u>
Health Services:					
Salaries	320,915		320,915	283,216	37,699
Purchased Professional and Technical Services	25,200	15,260	40,460	40,456	4
Supplies and Materials	4,996	560	5,556	4,859	697
Total Health Services	<u>351,111</u>	<u>15,820</u>	<u>366,931</u>	<u>328,531</u>	<u>38,400</u>
Speech, OT, PT and Related Services:					
Salaries	217,933	85,000	302,933	301,202	1,731
Supplies and Materials	2,600	295	2,895	2,003	892
Total Speech, OT, PT and Related Services	<u>220,533</u>	<u>85,295</u>	<u>305,828</u>	<u>303,205</u>	<u>2,623</u>
Other Support Services - Students - Extraordinary Services:					
Salaries	34,715		34,715	33,971	744
Purchased Professional - Educational Services	565,400	(106,000)	459,400	339,941	119,459
Total Other Support Services - Students - Extraordinary Services	<u>600,115</u>	<u>(106,000)</u>	<u>494,115</u>	<u>373,912</u>	<u>120,203</u>
Guidance:					
Salaries of Other Professional Staff	444,937	5,050	449,987	449,983	4
Salaries of Secretarial and Clerical Assistants	105,100		105,100	100,291	4,809
Supplies and Materials	11,000		11,000	6,716	4,284
Total Guidance	<u>561,037</u>	<u>5,050</u>	<u>566,087</u>	<u>556,990</u>	<u>9,097</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Child Study Team:					
Salaries of Other Professional Staff	\$ 584,520	\$ 30,415	\$ 614,935	\$ 614,934	\$ 1
Salaries of Secretarial and Clerical Assistants	63,730		63,730	62,424	1,306
Miscellaneous Purchased Services	900	300	1,200	911	289
Supplies and Materials	15,200		15,200	10,463	4,737
Total Child Study Team	664,350	30,715	695,065	688,732	6,333
Improvement of Instructional Services:					
Salaries of Other Professional Staff	35,000		35,000	22,950	12,050
Other Purchased Professional and Technical Services	3,000		3,000		3,000
Supplies and Materials	1,200	115	1,315	1,311	4
Total Improvement of Instructional Services	39,200	115	39,315	24,261	15,054
Educational Media Services/School Library:					
Salaries	294,156	3,855	298,011	298,010	1
Salaries of Technology Coordinators	246,717		246,717	227,249	19,468
Supplies and Materials	49,078		49,078	34,820	14,258
Total Educational Media Services/School Library	589,951	3,855	593,806	560,079	33,727
Instructional Staff Training Services:					
Other Purchased Services (400-500 series)	43,615	4,090	47,705	9,085	38,620
Total Instructional Staff Training Services	43,615	4,090	47,705	9,085	38,620
Support Services - General Administration:					
Salaries	288,920	5,520	294,440	294,431	9
Legal Services	67,500	54,800	122,300	106,447	15,853
Audit Fees	70,200	(6,160)	64,040	63,780	260
Architectural/Engineering Services	4,500		4,500		4,500
Other Purchased Professional Services	22,900	20,060	42,960		42,960

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - General Administration: (Cont'd)					
Communications/Telephone	\$ 242,175	\$ 5,630	\$ 247,805	\$ 232,329	\$ 15,476
BOE Other Purchased Services	3,000		3,000	3,000	3,000
Miscellaneous Purchased Services (400-500 Series)	39,670	(3,000)	36,670	30,742	5,928
General Supplies	10,475		10,475	5,637	4,838
Miscellaneous Expenditures	51,200	1,535	52,735	36,235	16,500
BOE Membership Dues and Fees	19,600		19,600	15,444	4,156
Total Support Services - General Administration	820,140	78,385	898,525	785,045	113,480
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	1,190,603	8,125	1,198,728	1,197,219	1,509
Salaries of Secretarial and Clerical Assistants	262,940	(8,125)	254,815	247,137	7,678
Other Purchased Services (400-500 series)	143,024	2,520	145,544	124,615	20,929
Supplies and Materials	44,540		44,540	29,627	14,913
Other Objects	24,125	500	24,625	13,875	10,750
Total Support Services - School Administration	1,665,232	3,020	1,668,252	1,612,473	55,779
Central Services:					
Salaries	428,495	5,270	433,765	426,313	7,452
Purchased Technical Services	48,750	51,665	100,415	100,323	92
Miscellaneous Purchased Services	41,300	(17,310)	23,990	9,716	14,274
Supplies and Materials	18,000	(3,500)	14,500	11,201	3,299
Miscellaneous Expenditures	2,900	19,775	22,675	19,768	2,907
Total Central Services	539,445	55,900	595,345	567,321	28,024
Administration Information Technology:					
Salaries	168,541		168,541	167,040	1,501
Purchased Technical Services	155,488		155,488	146,073	9,415
Supplies and Materials	1,000		1,000		1,000

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Administration Information Technology:					
Other Objects	\$ 3,000		\$ 3,000		\$ 3,000
Total Administration Information Technology	<u>328,029</u>		<u>328,029</u>	<u>313,113</u>	<u>14,916</u>
Required Maintenance of School Facilities:					
Salaries	224,042	\$ (15,000)	209,042	207,162	1,880
Cleaning, Repair and Maintenance Services	443,190	25,000	468,190	401,412	66,778
General Supplies	86,716	5,175	91,891	59,834	32,057
Total Required Maintenance of School Facilities	<u>753,948</u>	<u>15,175</u>	<u>769,123</u>	<u>668,408</u>	<u>100,715</u>
Custodial Services:					
Salaries	856,231	48,000	904,231	869,878	34,353
Salaries of Non-Instructional Aides	8,801		8,801	6,391	2,410
Rental of Land and Buildings - Other Than Lease Purchase Agreements	75,000		75,000	75,000	
Other Purchased Property Services	29,500	3,860	33,360	29,136	4,224
Insurance	118,395	(7,700)	110,695	110,652	43
Miscellaneous Purchased Services	4,500	27,105	31,605	30,622	983
General Supplies	137,800	100	137,900	109,310	28,590
Energy (Natural Gas)	203,500	(26,485)	177,015	168,536	8,479
Energy (Electricity)	299,300	(39,790)	259,510	221,987	37,523
Energy (Gasoline)	20,625	(10,600)	10,025	1,171	8,854
Other Objects	1,700	1,300	3,000	1,283	1,717
Total Custodial Services	<u>1,735,352</u>	<u>(4,210)</u>	<u>1,731,142</u>	<u>1,623,966</u>	<u>127,176</u>
Care & Upkeep of Grounds:					
Salaries	44,000	(32,135)	11,865	521	11,344
Purchased Professional and Technical Services	2,600		2,600	1,175	1,425
Cleaning, Repair, and Maintenance Services	15,000	19,310	34,310	26,811	7,499
General Supplies	18,100	(3,600)	14,500	9,743	4,757
Total Care & Upkeep of Grounds	<u>79,700</u>	<u>(16,425)</u>	<u>63,275</u>	<u>38,250</u>	<u>25,025</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Security:					
Purchased Professional and Technical Services	\$ 12,695		\$ 12,695	\$ 6,653	\$ 6,042
Cleaning, Repair, and Maintenance Services	56,000	(51,340)	4,660	3,060	1,600
General Supplies	4,000		4,000	850	3,150
Total Security	<u>72,695</u>	<u>(51,340)</u>	<u>21,355</u>	<u>10,563</u>	<u>10,792</u>
Student Transportation Services:					
Salaries of Non-Instructional Aides	25,012		25,012	22,014	2,998
Salaries for Pupil Transportation:					
Between Home and School - Regular	29,311		29,311	5,891	23,420
Between Home and School - Special	44,410	8,000	52,410	49,692	2,718
Cleaning, Repair, & Maintenance Services	25,460		25,460	11,399	14,061
Contracted Services:					
Other Than Between Home and School - Vendors	102,817		106,142	106,138	4
Special Education Students - Joint Agreements	10,000	850	10,850	10,826	24
Special Education Students - ESC's and CSTA's	370,000	150,000	520,000	468,970	51,030
Aid in Lieu - Non-public Schools	34,380		34,380	33,806	574
Supplies and Materials	550		550	550	550
Transportation Supplies	3,000		3,000	765	2,235
Miscellaneous Expenditures		3,765	3,765	3,765	
Total Student Transportation Services	<u>644,940</u>	<u>165,940</u>	<u>810,880</u>	<u>713,266</u>	<u>97,614</u>
Unallocated Benefits:					
Social Security Contributions	349,645	38,850	388,495	370,149	18,346
Other Retirement Contributions - PERS	352,500	(42,635)	309,865	309,864	1
Other Retirement Contributions - Regular	42,000	13,285	55,285	31,609	23,676
Unemployment Compensation	15,000		15,000		15,000
Workmen's Compensation	241,500	(40,000)	201,500	201,021	479
Health Benefits	4,165,471	(453,315)	3,712,156	3,659,184	52,972
Tuition Reimbursement	35,000		35,000	29,740	5,260

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Unallocated Benefits:					
Other Employee Benefits	\$ 142,995	\$ 52,985	\$ 195,980	\$ 195,976	\$ 4
Total Unallocated Benefits	<u>5,344,111</u>	<u>(430,830)</u>	<u>4,913,281</u>	<u>4,797,543</u>	<u>115,738</u>
On-Behalf Contributions:					
On-Behalf TPAF Post Retirement Contributions (Non-Budgeted)				1,325,477	(1,325,477)
On-Behalf TPAF Pension Contributions (Non-Budgeted)				2,052,207	(2,052,207)
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				48,622	(48,622)
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				2,691	(2,691)
TPAF Social Security (Reimbursed - Non-Budgeted)				1,038,975	(1,038,975)
Total On-Behalf Contributions				<u>4,467,972</u>	<u>(4,467,972)</u>
Total Personal Services - Employee Benefits	<u>5,344,111</u>	<u>(430,830)</u>	<u>4,913,281</u>	<u>9,265,515</u>	<u>(4,352,234)</u>
Total Undistributed Expenses	<u>16,631,844</u>	<u>(59,585)</u>	<u>16,572,259</u>	<u>20,020,179</u>	<u>(3,447,920)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>31,852,928</u>	<u>(74,034)</u>	<u>31,778,894</u>	<u>34,781,083</u>	<u>(3,002,189)</u>
CAPITAL OUTLAY					
Regular Programs - Instruction:					
Grades 1-5	35,000	8,499	43,499	20,000	23,499
Grades 6-8	35,000		35,000	20,000	15,000
Grades 9-12	24,834		24,834	22,330	2,504
Undistributed Expenditures:					
General Administration	12,000	14,000	26,000	23,305	2,695
Required Maintenance for School Facilities	43,675		43,675	43,675	
Custodial Services	13,500		13,500	8,240	5,260
Security		51,535	51,535	51,337	198
Total Equipment	<u>164,009</u>	<u>74,034</u>	<u>238,043</u>	<u>188,887</u>	<u>49,156</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services:					
Construction Services	\$ 121,241		\$ 121,241	\$ 105,661	\$ 15,580
Assessment for Debt Service on SDA Funding	24,241		24,241	24,241	
Total Facilities Acquisition and Construction Services	<u>145,482</u>		<u>145,482</u>	<u>129,902</u>	<u>15,580</u>
TOTAL CAPITAL OUTLAY	309,491	\$ 74,034	383,525	318,789	64,736
TOTAL EXPENDITURES	32,162,419		32,162,419	35,099,872	(2,937,453)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	<u>(1,691,220)</u>		<u>(1,691,220)</u>	317,961	2,009,181
Fund Balance, July 1	4,912,107		4,912,107	4,912,107	
Fund Balance, June 30	<u>\$ 3,220,887</u>	\$ -0-	<u>\$ 3,220,887</u>	<u>\$ 5,230,068</u>	<u>\$ 2,009,181</u>
Recapitulation:					
Restricted:					
Excess Surplus - Restricted For 2019-20				\$ 1,557,944	
Excess Surplus - Restricted For 2018-19				1,831,522	
Capital Reserve				812,171	
Assigned:					
Year-End Encumbrances				115,992	
Designated for Subsequent Year's Expenditures				140,744	
Unassigned				771,695	
				<u>5,230,068</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last Two State Aid Payments not Recognized on GAAP Basis				(79,699)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 5,150,369</u>	

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 476,558	\$ 76,357	\$ 76,357	\$ 50,943	\$ (25,414)
Federal Sources		78,960	555,518	539,416	(16,102)
Total Revenues	476,558	155,317	631,875	590,359	(41,516)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	111,191	(15,622)	95,569	95,569	
Purchased Professional and Technical Services		11,505	11,505	11,505	
Other Purchased Services		7,942	7,942	6,951	991
Tuition	350,000	(7,364)	342,636	342,636	
General Supplies		84,423	84,423	62,509	21,914
Other Objects		12,662	12,662	1,084	11,578
Total Instruction	461,191	93,546	554,737	520,254	34,483
Support Services:					
Personal Services - Employee Benefits		27,545	27,545	24,762	2,783
Purchased Professional and Educational Services		5,000	5,000	750	4,250
Other Purchased Services	15,367	29,226	44,593	44,593	
Total Support Services	15,367	61,771	77,138	70,105	7,033
Total Expenditures	\$ 476,558	\$ 155,317	\$ 631,875	\$ 590,359	\$ 41,516

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 35,417,833	\$ 590,359
Difference - Budget to GAAP:		
Current Year State Aid Payments Recognized for Budgetary Purposes, Not Recognized for GAAP Statements	(79,699)	
Prior Year State Aid Payments Recognized for GAAP Statements, Not Recognized for Budgetary Purposes	69,361	
	\$ 35,407,495	\$ 590,359
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 35,407,495	\$ 590,359
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 35,099,872	\$ 590,359
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 35,099,872	\$ 590,359
<u>Budgets/Budgetary Control:</u>		

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2018 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

**SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)**

SPECIAL REVENUE FUND

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Local Donations	I.D.E.A.		E.S.E.A.		Totals
		Basic	Preschool	Title I	Title IIA	
REVENUES:						
Local Sources	\$ 50,943					\$ 50,943
Federal Sources		\$ 342,636	\$ 12,005	\$ 140,182	\$ 44,593	\$ 539,416
Total Revenues	50,943	342,636	12,005	140,182	44,593	590,359
EXPENDITURES:						
Instruction:						
Salaries of Teachers				95,569		95,569
Purchased Professional and Technical Services			11,505			11,505
Other Purchased Services	6,951					6,951
Tuition		342,636				342,636
General Supplies	42,908		500	19,101		62,509
Other Objects	1,084					1,084
Total Instruction	50,943	342,636	12,005	114,670		520,254
Support Services:						
Personal Services - Employee Benefits				24,762		24,762
Purchased Professional and Educational Services				750		750
Other Purchased Services					44,593	44,593
Total Support Services				25,512	44,593	70,105
Total Expenditures	\$ 50,943	\$ 342,636	\$ 12,005	\$ 140,182	\$ 44,593	\$ 590,359

CAPITAL PROJECTS FUND

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Revenue and Other Financing Sources:	
Bond Proceeds and Transfers	\$ 23,758,000
Interest Revenue	109,512
	<hr/>
Total Revenue and Other Financing Sources	23,867,512
	<hr/>
Expenditures and Other Financing Uses:	
Legal Services	169,195
Purchased Professional and Technical Services	305,717
Land and Improvements	5,100,000
Construction Services	254,731
Transfers Out:	
Debt Service Fund - Interest Earned	109,512
	<hr/>
Total Expenditures and Other Financing Uses	5,939,155
	<hr/>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	17,928,357
	<hr/>
Fund Balance/(Deficit) - Beginning	(15,401)
	<hr/>
Fund Balance - Ending	\$ 17,912,956
	<hr/> <hr/>
Recapitulation:	
Restricted - Year End Encumbrances	\$ 3,271,416
Restricted	14,566,700
Committed	74,840
	<hr/>
Fund Balance per Governmental Funds (GAAP)	\$ 17,912,956
	<hr/> <hr/>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL WINDOWS AND DOOR PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
UPGRADES AND IMPROVEMENTS TO FOREST AVENUE SCHOOL, LINDEN AVENUE SCHOOL,
RIDGEWOOD AVENUE SCHOOL AND GLEN RIDGE HIGH SCHOOL AND THE ACQUISITION AND
RENOVATION OF THE PRIOR CENTRAL SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Bond Proceeds and Transfers		\$23,758,000	\$23,758,000	\$ 23,758,854
Total Revenue and Other Financing Sources	\$ -0-	23,758,000	23,758,000	23,758,854
Expenditures and Other Financing Uses:				
Legal Services	10,926.00	169,195	180,121	267,125
Purchased Professional and Technical Services	79,315.00	305,717	385,032	1,939,587
Construction Services		254,731	254,731	15,952,142
Land and Improvements		5,100,000	5,100,000	5,600,000
Total Expenditures and Other Financing Uses	90,241	5,829,643	5,919,884	23,758,854
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	\$ (90,241)	\$17,928,357	\$17,838,116	\$ -0-
Additional Project Information:				
Project Number(s)		1750-050-17-1000		
Project Number(s)		1750-070-16-2000		
Project Number(s)		1750-075-16-1000		
Project Number(s)		1750-080-16-1000		
Project Number(s)		1750-X01-16-1000		
Grant Date		N/A		
Bond Authorization Date		3/14/2017		
Bonds Authorized		\$23,758,854		
Bonds Issued		\$23,758,000		
Original Authorized Cost		\$23,758,854		
Percentage Increase over Original Authorized Cost		0%		
Percentage Completion		24.92%		
Original Target Completion Date		8/31/2019		
Revised Target Completion Date		N/A		

PROPRIETARY FUNDS

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
PROPRIETARY FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018

	<u>Major Fund</u>	<u>Non-Major Funds</u>		<u>Totals</u>
	<u>Food Service</u>	<u>After School and Summer Programs</u>	<u>Consortium</u>	
ASSETS:				
Current Assets:				
Cash and Cash Equivalents		\$ 261,059	\$ 4,245	\$ 265,304
Other Accounts Receivable		8,954		8,954
Inventory	\$ 8,096			8,096
Total Current Assets	<u>8,096</u>	<u>270,013</u>	<u>4,245</u>	<u>282,354</u>
Non-Current Assets:				
Capital Assets	134,955			134,955
Less: Accumulated Depreciation	<u>(83,708)</u>			<u>(83,708)</u>
Total Non-Current Assets	<u>51,247</u>			<u>51,247</u>
Total Assets	<u>59,343</u>	<u>270,013</u>	<u>4,245</u>	<u>333,601</u>
LIABILITIES:				
Current Liabilities:				
Interfund Payable - General Fund	3,379			3,379
Accounts Payable	2,088			2,088
Unearned Revenue	<u>13,728</u>			<u>13,728</u>
Total Current Liabilities	<u>19,195</u>			<u>19,195</u>
Total Liabilities	<u>19,195</u>			<u>19,195</u>
NET POSITION:				
Investment In Capital Assets	51,247			51,247
Unrestricted/ (Deficit)	<u>(11,099)</u>	<u>270,013</u>	<u>4,245</u>	<u>263,159</u>
Total Net Position	<u>\$ 40,148</u>	<u>\$ 270,013</u>	<u>\$ 4,245</u>	<u>\$ 314,406</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
PROPRIETARY FUND
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Major Fund	Non-Major Funds		Totals
	Food Service	After School and Summer Programs	Consortium	
Operating Revenue:				
Charges for Services:				
Daily Sales - Non-Reimbursable Programs	\$ 493,048			\$ 493,048
Special Events	9,517			9,517
Program Fees		\$ 354,104		354,104
Total Operating Revenue	<u>502,565</u>	<u>354,104</u>		<u>856,669</u>
Operating Expenses:				
Cost of Sales - Non-Reimbursable Programs	194,817			194,817
Salaries	150,357	239,795		390,152
Payroll Taxes		18,344		18,344
Employee Benefits		48,229		48,229
Contracted Services	25,252			25,252
Purchased Professional Services	20,681			20,681
Miscellaneous Expenditures	7,017			7,017
Supplies and Materials	33,773	17,258		51,031
Depreciation Expense	2,521			2,521
Total Operating Expenses	<u>434,418</u>	<u>323,626</u>		<u>758,044</u>
Operating Income	68,147	30,478		98,625
Disposal of Capital Assets, Net of Depreciation	541			541
Change in Net Position	68,688	30,478		99,166
Net Position/(Deficit) - Beginning of Year	<u>(28,540)</u>	<u>239,535</u>	<u>\$ 4,245</u>	<u>215,240</u>
Net Position - End of Year	<u>\$ 40,148</u>	<u>\$ 270,013</u>	<u>\$ 4,245</u>	<u>\$ 314,406</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
PROPRIETARY FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Major Fund	Non-Major Funds		Totals
		Food Service	After School and Summer Programs	
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 527,672	\$ 374,202		\$ 901,874
Payments to Employees		(239,795)		(239,795)
Payments to Food Service Vendor	(449,143)			(449,143)
Payments to Suppliers	(11,751)	(17,258)		(29,009)
Payments to Other Vendors	(528)	(66,573)		(67,101)
Net Cash Provided by Operating Activities	66,250	50,576		116,826
Cash Flows from Noncapital Financing Activities:				
Interfund Returned - General Fund	(36,350)			(36,350)
Net Cash Used for Noncapital Financing Activities	(36,350)			(36,350)
Cash Flows from Capital and Related Financing Activities:				
Purchases of Capital Assets	(29,900)			(29,900)
Net Cash Used for Capital and Related Financing Activities	(29,900)			(29,900)
Net Increase in Cash and Cash Equivalents		50,576		50,576
Cash and Cash Equivalents, July 1		210,483	\$ 4,245	214,728
Cash and Cash Equivalents, June 30	\$ 0	\$ 261,059	\$ 4,245	\$ 265,304
Adjustment to Reconcile Operating Income				
Net Cash Provided by Operating Activities:				
Operating Income	\$ 68,147	\$ 30,478		\$ 98,625
Depreciation	2,521			2,521
Changes in Assets and Liabilities:				
Decrease in Other Accounts Receivable	21,055	20,448		41,503
(Decrease) in Accounts Payable	(23,665)			(23,665)
(Increase) in Inventory	(5,860)			(5,860)
Increase/(Decrease) in Unearned Revenue	4,052	(350)		3,702
Net Cash Provided by Operating Activities	\$ 66,250	\$ 50,576	\$ -0-	\$ 116,826

FIDUCIARY FUNDS

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018

	<u>Agency</u>			<u>Unemployment Compensation Trust</u>
	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>	
ASSETS:				
Cash and Cash Equivalents	\$ 166,811	\$ 379,178	\$ 545,989	\$ 151,605
Interfund Receivable - Payroll Agency				11,733
Total Assets	<u>166,811</u>	<u>379,178</u>	<u>545,989</u>	<u>163,338</u>
LIABILITIES:				
Payroll Deductions and Withholdings		367,445	367,445	
Due to Student Groups	166,811		166,811	
Interfund Payable:				
Unemployment Compensation Trust		11,733	11,733	
Total Liabilities	<u>166,811</u>	<u>379,178</u>	<u>545,989</u>	
NET POSITION:				
Held in Trust for Unemployment Claims				<u>163,338</u>
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 163,338</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
FIDUCIARY FUND
STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Unemployment
 Compensation
 Trust

ADDITIONS:

Contributions:

Employee Contributions

\$ 28,884

Total Contributions

28,884

Total Additions

28,884

DEDUCTIONS:

Quarterly Contribution Reports and Claims

25,113

Total Deductions

25,113

Change in Net Position

3,771

Net Position - Beginning of the Year

159,567

Net Position - End of the Year

\$ 163,338

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
ASSETS:				
Cash and Cash Equivalents	\$ 177,279	\$ 611,348	\$ 621,816	\$ 166,811
Total Assets	<u>\$ 177,279</u>	<u>\$ 611,348</u>	<u>\$ 621,816</u>	<u>\$ 166,811</u>
LIABILITIES:				
Due to Student Groups	\$ 177,279	\$ 611,348	\$ 621,816	\$ 166,811
Total Liabilities	<u>\$ 177,279</u>	<u>\$ 611,348</u>	<u>\$ 621,816</u>	<u>\$ 166,811</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2018</u>
Elementary Schools:				
Forest Avenue School	\$ 4,461	\$ 7,823	\$ 7,691	\$ 4,593
Linden Avenue School	4,768	11,598	10,273	6,093
Total Elementary Schools	<u>9,229</u>	<u>19,421</u>	<u>17,964</u>	<u>10,686</u>
Junior High School:				
Ridgewood Avenue Upper Elementary School	6,577	98,027	89,892	14,712
Total Junior High School	<u>6,577</u>	<u>98,027</u>	<u>89,892</u>	<u>14,712</u>
Senior High School:				
Activity Fund	150,749	380,681	411,579	119,851
Athletic Fund	10,724	113,219	102,381	21,562
Total Senior High School	<u>161,473</u>	<u>493,900</u>	<u>513,960</u>	<u>141,413</u>
Total All Schools	<u>\$ 177,279</u>	<u>\$ 611,348</u>	<u>\$ 621,816</u>	<u>\$ 166,811</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
ASSETS:				
Cash and Cash Equivalents	\$ 669,853	\$ 22,551,320	\$ 22,841,995	\$ 379,178
Total Assets	<u>\$ 669,853</u>	<u>\$ 22,551,320</u>	<u>\$ 22,841,995</u>	<u>\$ 379,178</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 338,952	\$ 22,539,587	\$ 22,511,094	\$ 367,445
Interfund Payable:				
General Fund	321,834		321,834	
Unemployment Compensation Trust	9,067	11,733	9,067	11,733
Total Liabilities	<u>\$ 669,853</u>	<u>\$ 22,551,320</u>	<u>\$ 22,841,995</u>	<u>\$ 379,178</u>

LONG-TERM DEBT

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

Purpose	Date of Issue	Original Issue	Maturities of				Balance June 30, 2017	Issued	Matured	Balance June 30, 2018
			Bonds Outstanding June 30, 2018		Interest Rate	Amount				
			Date	Amount						
Refunding Bonds	01/07/10	\$ 6,085,000	02/01/19	\$ 575,000	3.000%					
			02/01/20	590,000	4.000%					
			02/01/21	615,000	4.000%					
			02/01/22	645,000	4.000%	\$ 2,990,000		\$ 565,000	\$ 2,425,000	
School Bonds	02/14/18	\$23,758,000	8/15/2019	\$ 680,000	2.500%					
			8/15/2020	680,000	3.000%					
			8/15/2021	680,000	3.000%					
			8/15/2022-2033	1,360,000	3.000%					
			8/15/2034	1,360,000	3.125%					
			8/15/2035	1,360,000	3.125%					
			8/15/2036	1,360,000	3.250%					
			8/15/2037	1,318,000	3.250%	\$23,758,000			23,758,000	
						\$ 2,990,000	\$23,758,000	\$ 565,000	\$ 26,183,000	

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

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2017</u>	<u>Matured</u>	<u>Balance June 30, 2018</u>
Savin Copiers	0.29%	212,310	\$ 149,750	\$ 70,540	\$ 79,210
Chromebooks	2.53%	238,000	<u>199,569</u>	<u>78,326</u>	<u>121,243</u>
			<u>\$ 349,319</u>	<u>\$ 148,866</u>	<u>\$ 200,453</u>

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 824,788		\$ 824,788	\$ 824,788	
Total Revenues	824,788		824,788	824,788	
EXPENDITURES:					
Regular Debt Service:					
Interest	259,788		259,788	138,675	\$ 121,113
Redemption of Principal	565,000		565,000	565,000	
Total Regular Debt Service	824,788		824,788	703,675	121,113
Total Expenditures	824,788		824,788	703,675	121,113
Excess/(Deficiency) of Revenues Over/(Under) Expenditures				121,113	121,113
Other Financing Sources/(Uses):					
Operating Transfers In:					
Capital Projects Fund - Interest Earned				109,512	109,512
Total Other Financing Sources/(Uses)				109,512	109,512
Fund Balance, July 1	1		1	1	
Fund Balance, June 30	\$ 1	\$ -0-	\$ 1	\$ 121,114	\$ 230,625
Recapitulation:					
Restricted				\$ 230,626	

STATISTICAL SECTION
(UNAUDITED)

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

Contents

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

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

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

	June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities:										
Net Investment in Capital Assets	\$ 5,142,448	\$ 6,011,082	\$ 6,575,230	\$ 7,027,583	\$ 7,383,893	\$ 7,583,315	\$ 9,067,199	\$ 9,229,068	\$ 9,435,185	\$ 9,914,865
Restricted	2,265,608	1,825,116	3,051,335	4,147,272	4,017,874	2,829,301	3,292,295	3,451,188	3,891,683	4,342,022
Unrestricted / (Deficit)	(49,264)	52,210	252,501	149,382	28,744	(6,232,267)	(6,726,293)	(6,884,950)	(7,366,537)	(7,652,142)
Total governmental activities net position	\$ 7,358,792	\$ 7,888,408	\$ 9,879,066	\$ 11,324,237	\$ 11,430,511	\$ 4,180,349	\$ 5,633,201	\$ 5,795,306	\$ 5,960,331	\$ 6,604,745
Business-type Activities:										
Investment in Capital Assets	\$ 30,945	\$ 29,405	\$ 25,320	\$ 22,029	\$ 22,490	\$ 22,977	\$ 20,888	\$ 18,799	\$ 23,327	\$ 51,247
Unrestricted	113,641	122,341	127,584	149,799	124,516	108,218	180,228	176,359	191,913	263,159
Total business-type activities net position	\$ 144,586	\$ 151,746	\$ 152,904	\$ 171,828	\$ 147,006	\$ 131,195	\$ 201,116	\$ 195,158	\$ 215,240	\$ 314,406
District-wide:										
Net Investment in Capital Assets	\$ 5,173,393	\$ 6,040,487	\$ 6,600,550	\$ 7,049,612	\$ 7,406,383	\$ 7,606,292	\$ 9,088,087	\$ 9,247,867	\$ 9,458,512	\$ 9,966,112
Restricted	2,265,608	1,825,116	3,051,335	4,147,272	4,017,874	2,829,301	3,292,295	3,451,188	3,891,683	4,342,022
Unrestricted / (Deficit)	64,377	174,551	380,085	299,181	153,260	(6,124,049)	(6,546,065)	(6,708,591)	(7,174,624)	(7,388,983)
Total District Net Position	\$ 7,503,378	\$ 8,040,154	\$ 10,031,970	\$ 11,496,065	\$ 11,577,517	\$ 4,311,544	\$ 5,834,317	\$ 5,990,464	\$ 6,175,571	\$ 6,919,151

Source: School District Financial Reports.

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities:										
Instruction:										
Regular	\$ 13,729,905	\$ 13,203,439	\$ 12,626,948	\$ 13,210,211	\$ 13,757,682	\$ 14,352,234	\$ 15,125,388	\$ 17,750,208	\$ 20,234,338	\$ 20,536,521
Special Education	2,317,859	2,761,131	2,884,656	3,381,303	3,638,143	3,665,019	3,984,945	4,404,819	4,953,818	5,121,929
Other Special Instruction	473,687	472,657	410,050	418,083	481,996	419,442	596,961	518,273	578,737	542,403
School Sponsored Other Instruction	1,039,444	1,096,059	899,324	997,945	1,018,513	1,012,092	1,223,311	1,315,308	1,402,423	1,472,476
Support Services:										
Tuition	547,777	642,026	565,261	729,571	1,257,636	1,241,988	1,774,916	1,841,300	1,521,161	1,920,100
Student & Instruction Related Services	2,997,101	3,110,107	3,234,169	3,090,307	3,596,196	3,667,139	3,764,773	3,874,442	4,226,341	4,094,385
General Administrative Services	855,088	867,867	755,488	802,334	701,273	792,211	754,711	932,265	1,298,154	872,772
School Administrative Services	1,860,047	1,850,831	1,801,705	2,190,587	2,147,754	2,209,187	2,653,631	2,695,662	2,852,837	2,832,803
Central Services	493,326	527,979	497,867	508,690	527,167	538,581	574,446	654,400	638,095	675,714
Administration Information Technology	235,262	246,275	278,101	300,360	364,018	327,750	337,399	342,441	360,708	355,584
Plant Operations and Maintenance	2,526,151	2,622,379	2,411,118	2,463,284	2,565,377	2,680,745	2,758,792	2,670,572	2,440,698	2,645,234
Pupil Transportation	491,533	490,377	494,636	502,488	581,905	622,782	568,312	625,130	660,513	767,666
Interest on Long-term Debt	362,957	306,952	250,503	211,424	200,849	174,649	159,524	144,038	124,724	437,392
Capital Outlay							49,140			
Total Governmental Activities Expenses	27,930,137	28,198,079	27,109,826	28,806,587	30,838,509	31,703,819	34,326,249	37,768,858	41,292,547	42,274,979
Business-type Activities:										
Food Service	413,662	397,527	369,111	330,192	373,264	372,782	339,945	368,247	387,669	434,418
After School and Summer Programs	352,872	323,466	232,712	248,786	250,110	272,912	305,125	291,103	299,673	323,626
Total Business-type Activities Expenses	766,664	720,993	601,823	578,978	623,374	645,694	645,070	659,350	687,342	758,044

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Total District Expenses	\$ 28,696,801	\$ 28,919,072	\$ 27,711,649	\$ 29,385,565	\$ 31,461,883	\$ 32,349,513	\$ 34,971,319	\$ 38,428,208	\$ 41,979,889	\$ 43,033,023
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Regular)	201,191	237,365	346,301	558,027	591,448	488,530	473,942	574,555	528,379	564,119
Operating Grants and Contributions	3,206,933	3,296,372	2,521,449	3,290,092	3,945,854	3,786,877	7,183,317	8,694,591	11,584,083	11,961,284
Total Governmental Activities Program Revenues	3,408,124	3,533,737	2,867,750	3,848,119	4,537,302	4,275,407	7,657,259	9,269,146	12,112,462	12,525,403
Business-type Activities:										
Charges for Services:										
Food Service	416,169	401,666	364,194	336,954	344,190	350,555	332,243	350,186	396,109	502,565
After School and Summer Programs	372,149	327,454	238,787	260,948	254,362	280,242	382,748	303,206	313,247	354,104
Total Business-type Activities Revenues	788,318	729,120	602,981	597,902	598,552	630,797	714,991	653,392	709,356	856,669
Total District Program Revenues	4,196,442	4,262,857	3,470,731	4,446,021	5,135,854	4,906,204	8,372,250	9,922,538	12,821,818	13,382,072
Net (Expense)/Revenue										
Governmental Activities	(24,522,013)	(24,664,342)	(24,242,076)	(24,958,468)	(26,301,207)	(27,428,412)	(26,668,990)	(28,499,712)	(29,180,085)	(29,749,576)
Business-type Activities	21,654	8,127	1,158	18,924	(24,822)	(14,897)	69,921	(5,958)	22,014	98,625
Total District-wide Net (Expense)/Revenue	(24,500,359)	(24,656,215)	(24,240,918)	(24,939,544)	(26,326,029)	(27,443,309)	(26,599,069)	(28,505,670)	(29,158,071)	(29,650,951)

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 23,244,935	\$ 24,146,288	\$ 24,933,275	\$ 25,163,894	\$ 25,667,172	\$ 26,180,515	\$ 27,169,504	\$ 27,712,894	\$ 28,371,002	\$ 29,069,101
Taxes Levied for Debt Service	926,742	726,589	877,377	866,612	676,937	677,137	672,138	671,838	671,087	824,788
Unrestricted Grants and Contributions	73,294	87,700	13,449	41,527			60,874	67,198	88,121	89,413
Investment Earnings	24,103	21					83	268	831	174,303
Miscellaneous Income	184,274	233,360	408,633	331,606	189,148	169,066	219,243	209,619	214,069	236,385
Total Governmental Activities	24,453,348	25,193,958	26,232,734	26,403,639	26,533,257	27,026,718	28,121,842	28,661,817	29,345,110	30,393,990
Business-type Activities:										
Miscellaneous Income/(Expenses) Capital (Disposals)-Special Item	6,351	(967)				(914)			(1,932)	541
Total Business-type Activities	6,351	(967)				(914)			(1,932)	541
Total District-wide	24,459,699	25,192,991	26,232,734	26,403,639	26,533,257	27,025,804	28,121,842	28,661,817	29,343,178	30,394,531
Change in Net Position										
Governmental Activities	(68,665)	529,616	1,990,658	1,445,171	232,050	(401,694)	1,452,852	162,105	165,025	644,414
Business-type Activities	28,005	7,160	1,158	18,924	(24,822)	(15,811)	69,921	(5,958)	20,082	99,166
Total District	\$ (40,660)	\$ 536,776	\$ 1,991,816	\$ 1,464,095	\$ 207,228	\$ (417,505)	\$ 1,522,773	\$ 156,147	\$ 185,107	\$ 743,580

Source: School District Financial Reports.

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

	June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund:										
Reserved	\$ 2,006,111	\$ 1,828,377								
Unreserved	498,606	447,733								
Restricted			\$ 2,923,456	\$ 3,912,321	\$ 2,961,173	\$ 2,829,301	\$ 3,292,294	\$ 3,451,187	\$ 3,891,682	\$ 4,201,637
Assigned			126,180	280,520	1,114,943	494,599	170,718	150,945	367,715	256,736
Unassigned			566,715	531,364	568,196	587,957	591,418	652,509	583,349	691,996
Total General Fund	\$ 2,504,717	\$ 2,276,110	\$ 3,616,351	\$ 4,724,205	\$ 4,644,312	\$ 3,911,857	\$ 4,054,430	\$ 4,254,641	\$ 4,842,746	\$ 5,150,369
All Other Governmental Funds:										
Reserved		\$ 189,410								
Unreserved/(Deficit), Reported in:										
Capital Projects Fund	\$ 189,975	(172,992)								
Debt Service Fund	736	21	\$ 1							
Debt Service - Designated for Subsequent Year's Expenditures	5,161	736								
Restricted			\$ 22				\$ 1	\$ 1	\$ 1	\$ 18,068,742
Committed										74,840
Unassigned/(Deficit)			(147,338)	(147,338)	(147,338)	(147,338)	(147,338)	(147,338)	(237,579)	
Total All Other Governmental Funds/(Deficit)	\$ 195,872	\$ 17,175	\$ (147,316)	\$ (147,337)	\$ (147,338)	\$ (147,338)	\$ (147,337)	\$ (147,337)	\$ (237,578)	\$ 18,143,582
Total All Governmental Funds:										
Reserved	\$ 2,006,111	\$ 2,017,787								
Unreserved	694,478	275,498	\$ 2,923,478	\$ 3,912,322	\$ 2,961,173	\$ 2,829,301	\$ 3,292,295	\$ 3,451,188	\$ 3,891,683	\$ 22,270,379
Restricted										74,840
Committed										
Assigned			126,180	280,520	1,114,943	494,599	170,718	150,945	367,715	256,736
Unassigned			419,377	384,026	420,858	440,619	444,080	505,171	345,770	691,996
Total All Governmental Funds	\$ 2,700,589	\$ 2,293,285	\$ 3,469,035	\$ 4,576,868	\$ 4,496,974	\$ 3,764,519	\$ 3,907,093	\$ 4,107,304	\$ 4,605,168	\$ 23,293,951

Source: School District Financial Reports.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Tax Levy	\$ 24,171,677	\$ 24,872,877	\$ 25,810,652	\$ 26,030,506	\$ 26,344,109	\$ 26,857,652	\$ 27,841,642	\$ 28,384,732	\$ 29,042,089	\$ 29,893,889
Tuition Charges	201,191	237,365	346,301	558,027	591,448	488,530	473,942	574,555	528,379	564,119
Interest Earnings	3,630									
Miscellaneous	240,859	265,488	438,389	438,593	201,217	276,299	238,363	247,036	230,276	461,631
State Sources	2,894,309	2,753,443	2,034,345	2,792,432	3,560,427	3,318,029	3,699,357	4,254,750	4,628,708	5,695,277
Federal Sources	349,806	598,522	470,797	432,200	373,358	361,615	382,599	393,153	457,162	539,416
Total Revenues	27,861,472	28,727,695	29,100,484	30,251,758	31,070,559	31,302,125	32,635,903	33,854,226	34,886,614	37,154,332
Expenditures										
Instruction:										
Regular Instruction	9,660,384	9,716,849	9,278,286	9,592,245	9,841,153	9,862,163	9,989,967	10,424,610	10,675,337	11,087,149
Special Education Instruction	1,795,927	2,283,545	2,137,197	2,485,282	2,607,089	2,679,951	2,423,779	2,498,702	2,508,164	2,692,415
Other Special Instruction	349,730	344,923	297,890	299,575	338,316	299,820	364,839	292,955	297,592	284,398
School Sponsored Other Instruction	810,209	843,616	694,481	771,303	770,109	776,961	829,078	840,692	815,605	874,560
Support Services:										
Tuition	547,777	642,026	565,261	729,571	1,257,636	1,241,988	1,774,916	1,841,300	1,521,161	1,920,100
Student & Instruction Related Services	2,418,456	2,492,648	2,535,505	2,379,373	2,782,245	2,873,593	2,861,735	2,824,295	2,920,170	2,914,900
General Administrative Services	720,091	750,230	669,635	700,292	673,822	685,365	712,547	804,247	1,008,324	785,045
School Administrative Services	1,431,663	1,439,063	1,336,269	1,560,548	1,562,614	1,643,665	1,709,929	1,679,582	1,583,245	1,612,473
Central Services	407,504	408,503	408,738	418,146	436,950	449,354	481,746	549,443	527,194	567,321
Administration Information Technology	206,861	214,265	244,059	265,359	309,827	290,598	301,449	301,189	318,258	313,113
Plant Operations and Maintenance	2,219,198	2,255,365	2,083,797	2,143,163	2,201,074	2,342,941	2,470,637	2,315,107	2,388,180	2,341,187
Pupil Transportation	478,176	450,326	462,047	448,921	517,870	575,069	535,573	574,498	575,194	713,266
Unallocated Benefits	5,431,852	5,885,288	5,779,795	6,317,335	6,887,184	6,536,657	7,010,082	7,940,695	8,050,391	9,265,515
Capital Outlay	27,068	769,777	619,104	166,179	287,626	1,099,318	354,915	94,862	979,358	6,148,432
Debt Service:										
Principal	565,000	580,000	640,000	665,000	490,000	500,000	510,000	525,000	540,000	565,000
Interest and Other Charges	369,425	341,725	238,112	201,633	186,938	177,137	162,137	146,838	131,087	138,675
Total Expenditures	27,439,321	29,418,149	27,990,176	29,143,925	31,150,453	32,034,580	32,493,329	33,654,015	34,839,060	42,223,549
Excess (Deficiency) of Revenues Over (Under) Expenditures	422,151	(690,454)	1,110,308	1,107,833	(79,894)	(732,455)	142,574	200,211	47,554	(5,069,217)

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other Financing Sources (Uses)										
Capital Leases (non-budgeted)			\$ 65,442						\$ 450,310	\$ 23,758,000
Serial Bonds Issued		\$ 283,150								
Serial Bonds Defeased		(6,085,000)								
Bond Issuance Costs		5,917,000								
Bond Premium		119,083								
Deferred Interest		(204,654)								
Transfers In	\$ 736	598,104								109,512
Transfers Out	(736)	(598,104)								(109,512)
Total Other Financing Sources (Uses)	-0-	283,150	65,442	-0-	-0-	-0-	-0-	-0-	450,310	23,758,000
Net Change in Fund Balances	\$ 422,151	\$ (407,304)	\$ 1,175,750	\$ 1,107,833	\$ (79,894)	\$ (732,455)	\$ 142,574	\$ 200,211	\$ 497,864	\$ 18,688,783
Debt Service as a Percentage of Noncapital Expenditures	3.5%	3.3%	3.3%	3.1%	2.2%	2.2%	2.1%	2.0%	2.0%	2.0%

Source: School District Financial Reports.

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Tuition</u>	<u>Interest on</u> <u>Investments</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Rentals - Use</u> <u>of Facilities</u>	<u>Other</u>	<u>Total</u>
2009	\$ 201,191	\$ 24,103	\$ 59,636	\$ 6,800	\$ 117,102	\$ 408,832
2010	237,365	9,540	35,171	18,903	169,746	470,725
2011	346,301	982	49,859	4,400	353,392	754,934
2012	558,026	93	44,995	11,559	274,960	889,633
2013	591,448	81	44,582	8,630	135,855	780,596
2014	488,530	75	52,282	6,213	110,496	657,596
2015	473,942	83	14,010	21,145	184,088	693,268
2016	574,555	268	89,825	25,227	94,567	784,442
2017	528,379	831	61,608	7,368	145,093	743,279
2018	564,119	64,791	73,362	11,284	151,739	865,295

Source: Borough of Glen Ridge School District records.

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

Year Ended December 31,	Vacant Land	Residential	Commercial	Apartment	Total Assessed Value	Tax-Exempt Property	Add: Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2008	* \$ 1,339,900	\$ 1,349,284,700	\$ 66,372,700	\$ 25,705,300	\$ 1,442,702,600	\$ 91,701,200	\$ 492,991	\$ 1,443,195,591	\$ 1.675	\$ 1,582,624,839
2009	815,200	1,432,728,300	67,533,800	25,705,300	1,526,782,600	91,224,700	485,429	1,527,268,029	1.731	1,577,767,832
2010	1,106,100	1,334,332,900	61,982,300	25,705,300	1,423,126,600	90,642,200	501,732	1,423,628,332	1.813	1,555,624,133
2011	605,100	1,330,347,600	62,083,000	25,705,300	1,418,741,000	90,642,200	472,439	1,419,213,439	1.834	1,496,091,333
2012	485,100	1,322,815,600	62,299,600	24,056,700	1,409,657,000	91,236,600	503,201	1,410,160,201	1.868	1,453,453,496
2013	448,900	1,236,037,100	111,991,000	20,266,700	1,368,743,700	113,202,810	537,600	1,369,281,300	1.961	1,469,148,346
2014	448,900	1,238,234,100	111,891,000	20,266,700	1,370,840,700	113,380,210	507,600	1,371,348,300	2.030	1,484,045,317
2015	448,900	1,243,644,600	111,891,000	20,266,700	1,376,251,200	113,380,210	494,800	1,376,746,000	2.062	1,508,576,458
2016	950,600	1,246,910,800	111,891,000	20,266,700	1,380,019,100	113,610,610	490,800	1,380,509,900	2.104	1,565,063,528
2017	448,900	1,251,573,300	109,920,600	20,266,700	1,382,209,500	113,234,210	473,400	1,382,682,900	2.162	1,646,340,765

* - Revaluation Year

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

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

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

Source: Municipal Tax Assessor.

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

Year Ended	Borough of Glen Ridge School District Direct Rate			Overlapping Rates		Total Direct	
	Basic Rate ^a	General	Total Direct	Borough of	Essex County		
2008	*	1.61	0.06	1.68	0.59	0.42	2.69
2009		1.68	0.05	1.73	0.62	0.43	2.78
2010		1.75	0.06	1.81	0.65	0.44	2.91
2011		1.77	0.06	1.83	0.67	0.46	2.97
2012		1.82	0.05	1.87	0.71	0.48	3.05
2013		1.91	0.05	1.96	0.76	0.53	3.25
2014		1.98	0.05	2.03	0.78	0.57	3.37
2015		2.01	0.05	2.06	0.79	0.57	3.43
2016		2.06	0.05	2.10	0.79	0.57	3.47
2017		2.10	0.06	2.16	0.83	0.62	3.61

* - Revaluation Year

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

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

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

Source: Municipal Tax Collector and School Business Administrator.

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

Taxpayer	2017		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
MPT Legacy of Montclair, LLC	\$ 74,133,296	1	5.36%
Parkway of Glen Ridge LTD	10,560,000	2	0.76%
Glen Ridge Country Club	8,091,000	3	0.59%
Glen Ridge Manor, LLC	5,310,500	4	0.38%
Ko & Ko Investments	4,715,000	5	0.34%
Mountainside Hospital	4,396,200	6	0.32%
Domus Augusta Family, LP	4,046,700	7	0.29%
Rey Associates	3,168,300	8	0.23%
Individual Taxpayer #1	2,350,000	9	0.17%
855 Bloomfield, LLC	2,300,000	10	0.17%
Total	\$ 119,070,996		8.61%

Taxpayer	2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Mountainside Hospital	\$ 18,966,400	1	1.31%
TAP Property Management	15,426,500	2	1.07%
Glen Ridge Country Club	12,601,800	3	0.87%
Glen Ridge Manor	6,778,800	4	0.47%
Ko & Ko Investments, LLC	6,285,000	5	0.44%
Domus Augusta Fam LP	4,893,400	6	0.34%
FUNB, Corp Re	4,642,600	7	0.32%
Rey Associates	3,379,400	8	0.23%
Individual Taxpayer #1	2,985,800	9	0.21%
230 Sherman Ave. Investors, LLC	2,900,000	10	0.20%
Total	\$ 78,859,700		5.46%

Note - A revaluation was effective in 2008.

Source: Essex County Board of Taxation

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2009	\$ 24,171,677	\$ 24,171,677	100.00%	-0-
2010	24,872,877	24,872,877	100.00%	-0-
2011	25,810,652	25,810,652	100.00%	-0-
2012	26,030,506	26,030,506	100.00%	-0-
2013	26,344,109	26,344,109	100.00%	-0-
2014	26,857,652	26,857,652	100.00%	-0-
2015	27,841,642	27,841,642	100.00%	-0-
2016	28,384,732	28,384,732	100.00%	-0-
2017	29,042,089	29,042,089	100.00%	-0-
2018	29,893,889	29,893,889	100.00%	-0-

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

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

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Total District</u>	Percentage of Personal Income ^a	<u>Per Capita ^a</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>			
2009	\$ 7,272,000	\$ -0-	\$ 7,272,000	2.08%	\$ 1,093.37
2010	6,860,000	261,136	7,121,136	2.08%	1,069.72
2011	6,220,000	228,381	6,448,381	1.65%	857.38
2012	5,555,000	117,521	5,672,521	1.38%	750.83
2013	5,065,000	26,396	5,091,396	1.23%	673.55
2014	4,565,000	154,780	4,719,780	1.12%	622.99
2015	4,055,000	77,077	4,132,077	0.94%	542.34
2016	3,530,000	6,032	3,536,032	0.77%	463.74
2017	2,990,000	349,319	3,339,319	0.72%	436.97
2018	26,183,000	200,453	26,383,453	5.62%	3,424.64

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

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

Source: School District Financial Reports.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2009	\$ 7,272,000	\$ -0-	\$ 7,272,000	0.504%	\$ 1,093.37
2010	6,860,000	-0-	6,860,000	0.449%	1,030.49
2011	6,220,000	-0-	6,220,000	0.437%	827.02
2012	5,555,000	-0-	5,555,000	0.391%	735.27
2013	5,065,000	-0-	5,065,000	0.359%	670.06
2014	4,565,000	-0-	4,565,000	0.333%	602.56
2015	4,055,000	-0-	4,055,000	0.296%	532.22
2016	3,530,000	-0-	3,530,000	0.256%	462.95
2017	2,990,000	-0-	2,990,000	0.217%	391.26
2018	26,183,000	-0-	26,183,000	1.894%	3,398.62

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

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

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

Source: School District Financial Reports.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2017
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Borough of Glen Ridge	\$ 4,445,562	100.00%	\$ 4,445,562
Essex County General Obligation Debt	410,788,661	1.83%	<u>7,500,602</u>
Subtotal, Overlapping Debt			11,946,164
Borough of Glen Ridge School District Direct Debt			<u>26,183,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 38,129,164</u></u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2018

Year Ended December 31,	Equalized Valuation Basis
2015	\$ 1,558,961,486
2016	1,641,902,558
2017	1,702,647,820
	<u>\$ 4,903,511,864</u>
Average Equalized Valuation of Taxable Property	<u>\$ 1,634,503,955</u>
Debt Limit (4% of Average Equalization Value)	\$ 65,380,158 ^a
Net Bonded School Debt	<u>26,183,000</u>
Legal Debt Margin	<u>\$ 39,197,158</u>

	Fiscal Year				
	2009	2010	2011	2012	2013
Debt Limit	\$ 60,105,061	\$ 62,281,033	\$ 60,875,824	\$ 60,371,202	\$ 58,480,252
Total Net Debt Applicable to Limit	<u>7,272,000</u>	<u>6,860,000</u>	<u>6,220,000</u>	<u>5,555,000</u>	<u>5,065,000</u>
Legal Debt Margin	<u>\$ 52,833,061</u>	<u>\$ 55,421,033</u>	<u>\$ 54,655,824</u>	<u>\$ 54,816,202</u>	<u>\$ 53,415,252</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	12.10%	11.01%	10.22%	9.20%	8.66%

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt Limit	\$ 58,960,995	\$ 59,243,961	\$ 60,528,738	\$ 62,689,000	\$ 65,380,158
Total Net Debt Applicable to Limit	<u>4,565,000</u>	<u>4,055,000</u>	<u>3,530,000</u>	<u>2,990,000</u>	<u>26,183,000</u>
Legal Debt Margin	<u>\$ 54,395,995</u>	<u>\$ 55,188,961</u>	<u>\$ 56,998,738</u>	<u>\$ 59,699,000</u>	<u>\$ 39,197,158</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	7.74%	6.84%	5.83%	4.77%	40.05%

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

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

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

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Essex County Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2009	6,657	342,489,336	51,448	6.70%
2010	7,521	390,114,270	51,870	6.80%
2011	7,555	410,553,810	54,342	6.50%
2012	7,559	414,482,647	54,833	6.70%
2013	7,576	419,604,336	55,386	4.60%
2014	7,619	439,418,206	57,674	3.80%
2015	7,625	457,728,750	60,030	3.20%
2016	7,642	465,298,454	60,887	3.10%
2017	7,704	469,073,448	60,887 **	3.80%
2018	7,704 *	469,073,448 ***	60,887 **	N/A

N/A - Not Available

* - Latest population data available (2017) was used for calculation purposes.

** - Latest Essex County per capita personal income available (2016) was used for calculation purposes.

*** - Latest available population data (2017) and latest available Essex County per capita personal income (2016) was used for calculation purposes.

Source:

- a - Population information provided by the US Department of Census - Population Division.
- b - Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.
- c - Per Capita Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.
- d - Unemployment data provided by the NJ Department of Labor and Workforce Development.

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

Employer	2017		
	Employees	Rank	Percentage of Total Employment
St. Barnabas Health Care System	23,000	1	6.64%
Verizon	17,100	2	4.94%
Prudential Ins. Co. of America	16,850	3	4.87%
Rutgers University-Newark Campus	15,500	4	4.48%
Continental Airlines	11,000	5	3.18%
Newark Board of Education	7,050	6	2.04%
Automatic Data Processing	5,649	7	1.63%
New Jersey Transit	4,000	8	1.16%
City of Newark	4,000	9	1.16%
Essex County	3,500	10	1.01%
	<u>107,649</u>		<u>31.09%</u>
Total Employment	<u>346,237</u>		
Employer	2008		
	Employees	Rank (Optional)	Percentage of Total Employment
Verizon Communications	18,000	1	5.26%
Continental Airlines	14,000	2	4.09%
PSE&G	10,300	3	3.01%
Prudential Financial	8,119	4	2.37%
JP Morgan Chase	5,300	5	1.55%
Horizon Blue Cross/Blue Shield	4,808	6	1.40%
Automatic Data Processing	4,666	7	1.36%
Roche	3,715	8	1.08%
KPMG	2,265	9	0.66%
Ricoh American Corp	1,400	10	0.41%
	<u>72,573</u>		<u>21.19%</u>
Total Employment	<u>342,494</u>		

Note: 2008 Principal employers of that of Essex County

Source: Essex County Economic Development Corporation

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

<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Instruction:										
Regular	134.2	133.2	133.1	136.3	134.7	128.0	127.6	129.3	130.3	131.4
Special Education	27.8	28.5	32.2	40.5	44.4	46.7	46.4	48.1	46.6	50.6
Other Special Instruction	9.4	9.4	6.5	6.0	6.5	6.0	6.0	6.0	6.0	4.0
Support Services:										
Student & Instruction Related Services	24.8	24.8	24.8	23.8	26.3	26.3	25.4	25.4	25.1	28.1
General Administrative Services	3.1	3.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
School Administrative Services	14.0	14.0	12.0	13.0	12.0	12.0	12.0	12.0	12.0	12.0
Central Services	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Plant Operations and Maintenance	19.2	18.2	17.2	17.2	17.7	17.7	17.8	17.7	17.2	17.2
Pupil Transportation	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Child Care	13.6	14.0	14.0	6.5	8.7	8.7	8.7	8.7	9.3	8.9
Total	252.8	251.9	248.6	252.1	259.1	254.2	252.7	256.0	255.3	261.0

Source: District Personnel Records.

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary		Middle					
						Forest Avenue	Linden Avenue	Ridgewood Avenue	Glen Ridge				
2009	1,903	26,477,828	13,914	0.61%	147.8	16.0:1	15.9:1	12.3:1	11.7:1	1,905	1,816	1.60%	95.33%
2010	1,909	27,726,647	14,524	4.39%	147.9	14.8:1	15.4:1	12.4:1	12.1:1	1,926	1,841	1.10%	95.59%
2011	1,945	26,492,960	13,621	-6.22%	143.2	16.5:1	17.8:1	12.8:1	12.5:1	1,931	1,834	0.26%	94.98%
2012	1,950	28,111,113	14,416	5.84%	148.5	16.3:1	16.6:1	12.6:1	12.0:1	1,945	1,867	0.73%	95.99%
2013	1,959	30,185,889	15,409	6.89%	151.4	16.3:1	14.5:1	13.3:1	11.6:1	1,955	1,870	0.51%	95.65%
2014	1,934	30,258,125	15,645	1.54%	148.5	14.1:1	15.5:1	13.9:1	11.7:1	1,933	1,847	-1.13%	95.55%
2015	1,908	31,466,277	16,492	5.41%	147.4	15.4:1	16.1:1	13.7:1	11.3:1	1,908	1,822	-1.29%	95.49%
2016	1,893	32,887,315	17,373	5.34%	149.3	15.8:1	16.1:1	12.8:1	11.2:1	1,893	1,799	-0.79%	95.03%
2017	1,905	33,188,615	17,422	0.28%	151.6	14.3:1	14.0:1	13.2:1	11.4:1	1,906	1,845	0.69%	96.80%
2018	1,927	35,371,442	18,356	5.36%	153.4	14.1:1	16.2:1	12.5:1	11.4:1	1,928	1,820	1.15%	94.40%

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

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

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

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

Note: Enrollment based on annual October District count.

Source: Borough of Glen Ridge School District records.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>District Building</u>										
Forest Avenue School (1928)										
Square Feet	32,093	32,093	32,093	32,093	32,093	32,093	32,093	32,093	32,093	32,093
Capacity (students)	327	327	327	327	327	327	327	327	327	327
Enrollment	262	258	262	260	261	233	241	248	239	245
Linden Avenue School (1911)										
Square Feet	31,999	31,999	31,999	31,999	31,999	31,999	31,999	31,999	31,999	31,999
Capacity (students)	333	333	333	333	333	333	333	333	333	333
Enrollment	292	284	274	280	268	260	267	250	235	257
Ridgewood Avenue School (1928)										
Square Feet	102,436	102,436	102,436	102,436	102,436	102,436	102,436	102,436	102,436	102,436
Capacity (students)	582	582	582	582	582	582	582	582	582	582
Enrollment	567	568	569	571	592	597	588	583	600	591
Glen Ridge High School (1968)										
Square Feet	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000
Capacity (students)	842	842	842	842	842	842	842	842	842	842
Enrollment	782	799	840	839	838	844	812	812	831	834
Board Office (2000)										
Square Feet	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510
Number of Schools at June 30, 2018										
Elementary (Grades Pre-K-2) = 2										
Elementary/Middle School (Grades 3-6) = 1										
Middle/High School (Grades 7-12) = 1										
Other (Board Office) = 1										

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

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

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

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

<u>School Facilities*</u>	<u>Project # (s)</u>	<u>Fiscal Year Ended June 30,</u>				
		<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Glen Ridge High School	N/A	\$ 181,789	\$ 228,102	\$ 204,511	\$ 207,314	\$ 331,840
Forest Avenue School	N/A	125,774	121,323	114,399	113,315	63,980
Ridgewood Avenue School	N/A	214,949	215,362	200,038	202,164	201,972
Linden Avenue School	N/A	111,698	122,650	115,677	117,178	63,695
Total School Facilities		<u>634,210</u>	<u>687,437</u>	<u>634,625</u>	<u>639,971</u>	<u>661,487</u>
Board Office		<u>7,779</u>	<u>6,497</u>	<u>4,474</u>	<u>3,863</u>	<u>6,921</u>
Grand Total		<u>\$ 641,989</u>	<u>\$ 693,934</u>	<u>\$ 639,099</u>	<u>\$ 643,834</u>	<u>\$ 668,408</u>

N/A - Not Applicable.

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

Source: Glen Ridge Board of Education records.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2018
UNAUDITED

	<u>Coverage</u>		<u>Deductible</u>
School Alliance Insurance Fund:			
Property - Blanket Building and Contents	\$ 500,000,000	(Per Occ.)	\$ 2,500
Flood Coverage:			
Per Occurrence	10,000,000		2,500
Aggregate	100,000,000		
Earthquake Coverage:			
Per Occurrence	25,000,000		5% of value at each location
Aggregate	25,000,000		5% of value at each location
Newly Acquired Property	25,000,000		2,500
Property at Unnamed Locations	25,000,000		2,500
Loss of Revenues	500,000		2,500
Accounts Receivable	2,500,000		2,500
Fine Arts	2,500,000		2,500
Trees/Shrubs/Plants	1,000,000		2,500
Auto Physical Damage	Per Policy		1,000
Blanket Crime	500,000		1,000
Money and Securities (Inside and Outside Premises)	50,000		1,000
Computer Fraud	50,000		1,000
Forgery and Alteration	50,000		1,000
School Board Errors and Omissions	5,000,000		15,000
Excess School Board Errors and Omissions	10,000,000		
Commercial General and Automobile Liability	5,000,000		
Medical Expense	5,000		
Abuse or Molestation Liability	10,000,000		
Excess Liability	10,000,000		
Premises Pollution Coverage:			
Per Occurrence	1,000,000		10,000
Indoor Enviromental Condition	100,000		150,000
Terrorism	100,000,000		2,500
Builders Risk	25,000,000		2,500
Demolition and Increase Cost of Construction	25,000,000		2,500
Cyber Liability	2,000,000		10,000
Boiler and Machinery	100,000,000		2,500
Public Officials Bond - Western Surety Company:			
Board Secretary/Business Administrator	250,000		
Treasurer	250,000		
MEIG:			
Workers' Comp.			

Source: Glen Ridge Board of Education records.

SINGLE AUDIT SECTION



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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Borough of Glen Ridge, in the County of Essex (the "District") as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 18, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

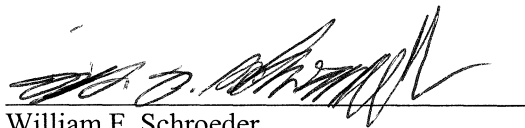
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

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

Mount Arlington, New Jersey
January 18, 2019

NISIVOCCIA LLP



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



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Report on Compliance For Each Major State Program;
 Report on Internal Control Over Compliance

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

We have audited the Board of Education of the Borough of Glen Ridge's (the "District's") compliance with the types of compliance requirements described in the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2018. The District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the District complied, in all material 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, 2018.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on 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 Uniform Guidance and NJOMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

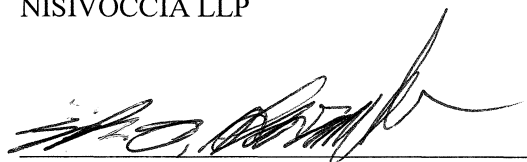
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

Mount Arlington, New Jersey
January 18, 2019

NISIVOCCIA LLP



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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2017		Balance at June 30, 2018		
					Cash Received	Budgetary Expenditures	Cash Received	Budgetary Accounts Receivable	Amounts Provided to Subrecipients
<u>U.S. Department of Education:</u>									
<u>Special Revenue Fund:</u>									
Passed-through State Department of Education:									
Special Education Cluster:									
I.D.E.A. Part B, Basic	84.027	IDEA-1750-18	7/1/17-6/30/18	\$ 342,636	\$	\$ 342,636	\$	(342,636)	
I.D.E.A. Preschool	84.173	IDEA-1750-18	7/1/17-6/30/18	12,005		(12,005)	\$	(12,005)	
I.D.E.A. Part B, Basic	84.027	IDEA-1750-17	7/1/16-6/30/17	346,754	\$	5,500			
Total Special Education Cluster						348,136		(354,641)	(12,005)
Subtotal Special Education Cluster									
Elementary and Secondary Education Act:									
Title I	84.010	ESEA-1750-18	7/1/17-6/30/18	156,284				(140,182)	
Title IIA	84.367A	ESEA-1750-18	7/1/17-6/30/18	44,593		18,645		(44,593)	(25,948)
Title I	84.010	ESEA-1750-17	7/1/16-6/30/17	130,813		52,820			
Title IIA	84.367	ESEA-1750-17	7/1/16-6/30/17	18,079		10,059			
Total Elementary and Secondary Education Act						81,524		(184,775)	(166,130)
Total Special Revenue Fund						429,660		(539,416)	(178,135)
Total U.S. Department of Education						429,660		(539,416)	(178,135)
Total Federal Awards					\$	429,660	\$	(539,416)	\$ -0-

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2017		Cash Received	Budgetary Expenditures	Balance June 30, 2018		MEMO		
				Budgetary Accounts Receivable	Budgetary Accounts Receivable			GAAP Accounts Receivable	Budgetary Receivable	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education:												
General Fund State Aid:												
Categorical Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	\$ 738,613			\$ 669,876	\$ (738,613)	\$ (68,737)	\$		\$ 738,613	
Categorical Security Aid	18-495-034-5120-084	7/1/17-6/30/18	33,353			30,249	(33,353)	(3,104)			33,353	
Categorical Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	28,002			25,396	(28,002)	(2,606)			28,002	
PARCC Readiness	18-495-034-5120-098	7/1/17-6/30/18	18,960			17,196	(18,960)	(1,764)			18,960	
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	18,960			17,196	(18,960)	(1,764)			18,960	
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	18,520			16,796	(18,520)	(1,724)			18,520	
Extraordinary Special Education Costs Aid	18-495-034-5120-044	7/1/17-6/30/18	148,327				(148,327)	(148,327)			148,327	
Excess Nonpublic Transportation Costs	18-495-034-5120-014	7/1/17-6/30/18	10,730				(10,730)	(10,730)			10,730	
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	7/1/17-6/30/18	1,038,975			1,033,583	(1,038,975)	(5,392)			1,038,975	
On-Behalf TPAF Post Retirement Contributions	18-495-034-5094-001	7/1/17-6/30/18	1,325,477				(1,325,477)				1,325,477	
On-Behalf TPAF Pension Contributions	18-495-034-5094-002	7/1/17-6/30/18	2,052,207				(2,052,207)				2,052,207	
On-Behalf TPAF Non-Contributory Insurance	18-495-034-5094-004	7/1/17-6/30/18	48,622				(48,622)				48,622	
On-Behalf TPAF Long-Term Disability Insurance	18-495-034-5094-004	7/1/17-6/30/18	2,691				(2,691)				2,691	
Categorical Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	663,097	\$ (58,898)		58,898					663,097	
Categorical Security Aid	17-495-034-5120-084	7/1/16-6/30/17	33,353	(2,963)		2,963					33,353	
Categorical Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	28,002	(2,487)		2,487					28,002	
PARCC Readiness	17-495-034-5120-098	7/1/16-6/30/17	18,960	(1,684)		1,684					18,960	
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	18,960	(1,684)		1,684					18,960	
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	18,520	(1,645)		1,645					18,520	
Extraordinary Special Education Costs Aid	17-495-034-5120-044	7/1/16-6/30/17	58,790	(58,790)		58,790					58,790	
Excess Nonpublic Transportation Costs	17-495-034-5120-014	7/1/16-6/30/17	6,438	(6,438)		6,438					6,438	
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	7/1/16-6/30/17	1,028,119	(50,957)		50,957					1,028,119	
Total General Fund State Aid				(185,546)		1,995,838	(5,483,437)	(244,148)	(164,449)		7,357,676	
School Development Authority:												
Capital Projects Fund:												
School Development Authority Financing Act:												
High School Windows		7/1/09-6/30/18	222,178	(222,178)		222,178					222,178	
Total Capital Projects Fund				(222,178)		222,178					222,178	
Total State Awards				\$ (407,724)		\$ 2,218,016	\$ (5,483,437)	\$ (244,148)	\$ (164,449)		\$ 7,579,854	
Less: State Awards Not Subject to Single Audit Major Program Determination												
On-Behalf TPAF Pension System Contributions:												
On-Behalf TPAF Post Retirement Contributions	18-495-034-5094-001	7/1/17-6/30/18	(1,325,477)				1,325,477					
On-Behalf TPAF Pension Contributions	18-495-034-5094-002	7/1/17-6/30/18	(2,052,207)				2,052,207					
On-Behalf TPAF Non-Contributory Insurance	18-495-034-5094-004	7/1/17-6/30/18	(48,622)				48,622					
On-Behalf TPAF Long-Term Disability Insurance	18-495-034-5094-004	7/1/17-6/30/18	(2,691)				2,691					
Subtotal - On-Behalf TPAF Pension System Contributions							3,428,997					
Total State Awards Subject to Single Audit Major Program Determination											\$ (2,054,440)	

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Borough of Glen Ridge School District under programs of the federal and state governments for the fiscal year ended June 30, 2018. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

The District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the current year last two state aid payments in the subsequent budget year, which is mandated pursuant to P.L. 2003, C.97 (A3521). For GAAP purposes, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. The capital projects fund is presented in the accompanying schedules on the budgetary basis with the exception of the revenue recognition of the Schools Development Authority grants which are realized as revenue upon their award on the budgetary basis, whereas the GAAP basis recognized the revenue to the extent of actual expenditures and when funds are submitted for reimbursement.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$10,338) for the general fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 5,473,099	\$ 5,473,099
Special Revenue Fund	\$ 539,416		539,416
Capital Projects Fund		222,178	222,178
Total Financial Assistance	<u>\$ 539,416</u>	<u>\$ 5,695,277</u>	<u>\$ 6,234,693</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2018.

NOTE 7. NJ SCHOOL DEVELOPMENT AUTHORITY (SDA) GRANT

The District has no active grants awarded from the School Development Authority (SDA) as of June 30, 2018. During the year ended June 30, 2018 the District collected the \$222,178 budgetary receivable at June 30, 2017. The District realized grants receivable on the GAAP basis as they are expended and submitted for reimbursement.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Summary of Auditors' Results:

- The Independent Auditor's Report expresses an unmodified opinion on the District's financial statements.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over the major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance for Each Major State program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on the major state programs.
- The District was not subject to the single audit provisions of the Uniform Guidance for fiscal year end June 30, 2018 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Circular.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's state programs tested as major state programs for the current fiscal year consisted of the following:

<u>State:</u>	<u>State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
Categorical Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	\$ 738,613	\$ 738,613
Categorical Security Aid	18-495-034-5120-084	7/1/17-6/30/18	33,353	33,353
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	18,960	18,960
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	18,960	18,960
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	18,520	18,520

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

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Status of Prior Year Findings:

The District had no prior year audit findings.