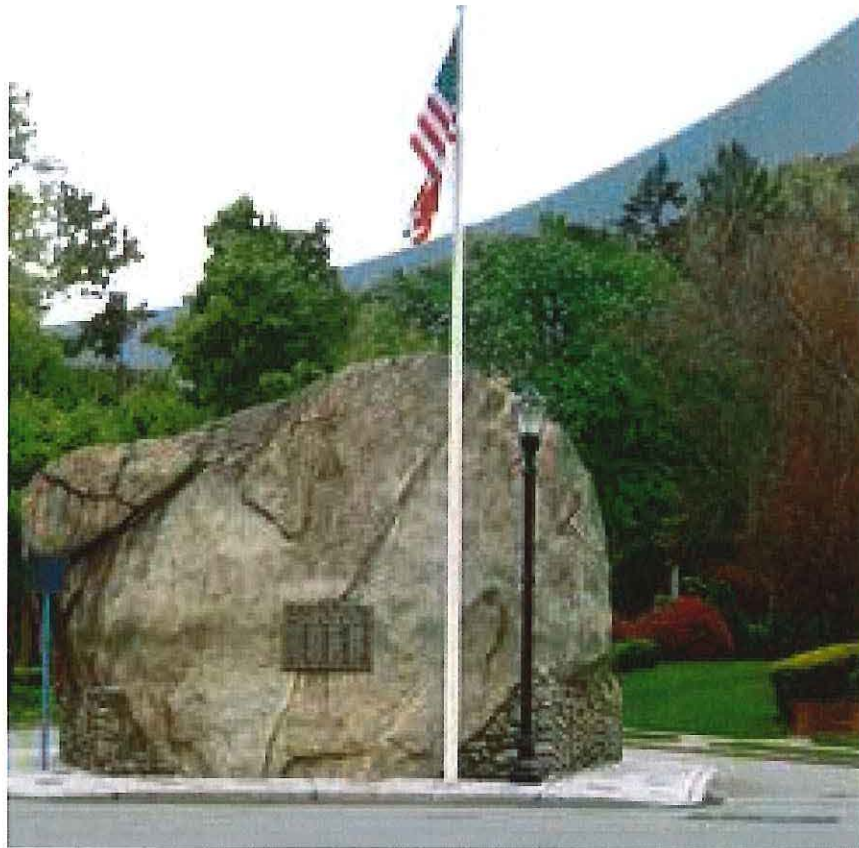


GLEN ROCK PUBLIC SCHOOLS

*COMPREHENSIVE ANNUAL
FINANCIAL REPORT*

*FOR THE FISCAL YEAR ENDED
JUNE 30, 2018*



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Glen Rock Public Schools

Glen Rock, New Jersey

For The Fiscal Year Ended June 30, 2018

Prepared by

Business Office

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INTRODUCTORY SECTION

GLEN ROCK PUBLIC SCHOOLS

Michael Rinderknecht
Business Administrator/
Board Secretary



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

January 24, 2019

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

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and required supplementary information, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit and U.S. Uniform Guidance and State Treasury Circular OMB 15-08. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, are included in the single audit section of this report.

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

GLEN ROCK IS AN EQUAL OPPORTUNITY EMPLOYER

The school district provides a full range of educational services to grade levels K through 12 for the students residing in the Borough of Glen Rock. These include regular as well as special education for special needs students. The District completed the 2017-2018 fiscal year with an enrollment of 2,539 resident students, which is 44 more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2017-18	2,539	2.00%
2016-17	2,495	1.00%
2015-16	2,462	.90%
2014-15	2,440	.57%
2013-14	2,426	1.04%
2012-13	2,401	(0%)
2011-12	2,401	(1%)
2010-11	2,439	(2.00%)
2009-10	2,482	(3.50%)
2008-09	2,570	3.00%

2. ECONOMIC CONDITION AND OUTLOOK: The Glen Rock community consists of over 3,800 single family residences. There are approximately 63 businesses located within a small central business district that prosper despite the abundance of magnet shopping malls in the area.

3. MAJOR INITIATIVES: Throughout its history, the Glen Rock community has always placed a very high value on education; it is the foundation upon which the borough was built. In the late 1800s when the state of New Jersey mandated consolidation of school districts, local activists - concerned about the impact this would have on the education of their children - went door to door with a petition to create their own school district. The cosmopolitan town of Glen Rock, situated 23 miles west of New York City, and the only Bergen County town to have two NJ Transit train lines, was established September 14, 1894. Glen Rock's current population hovers at 11,601.

Currently, the public school system is comprised of six schools serving a population of approximately 2,539 students in grades K-12. The original Ridgewood-Grove School, which still stands as part of a private residence, has been replaced by four elementary schools - Richard E. Byrd, Central, Clara E. Coleman and Alexander Hamilton - plus Glen Rock Middle School and Glen Rock High School.

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

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

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

This year the Board of Education will hold a \$14 million referendum which will include renovation and modernization of the High School/Middle School Media Center and the Auditorium at Central School. This referendum will also include the air conditioning of all elementary classrooms and a total makeover of the athletic/recreational fields located behind Hamilton Elementary School.

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

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

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

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

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

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

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

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

9. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP was appointed by Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the related Uniform Guidance and related State Treasury Circular OMB 15-08. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

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

Respectfully submitted,

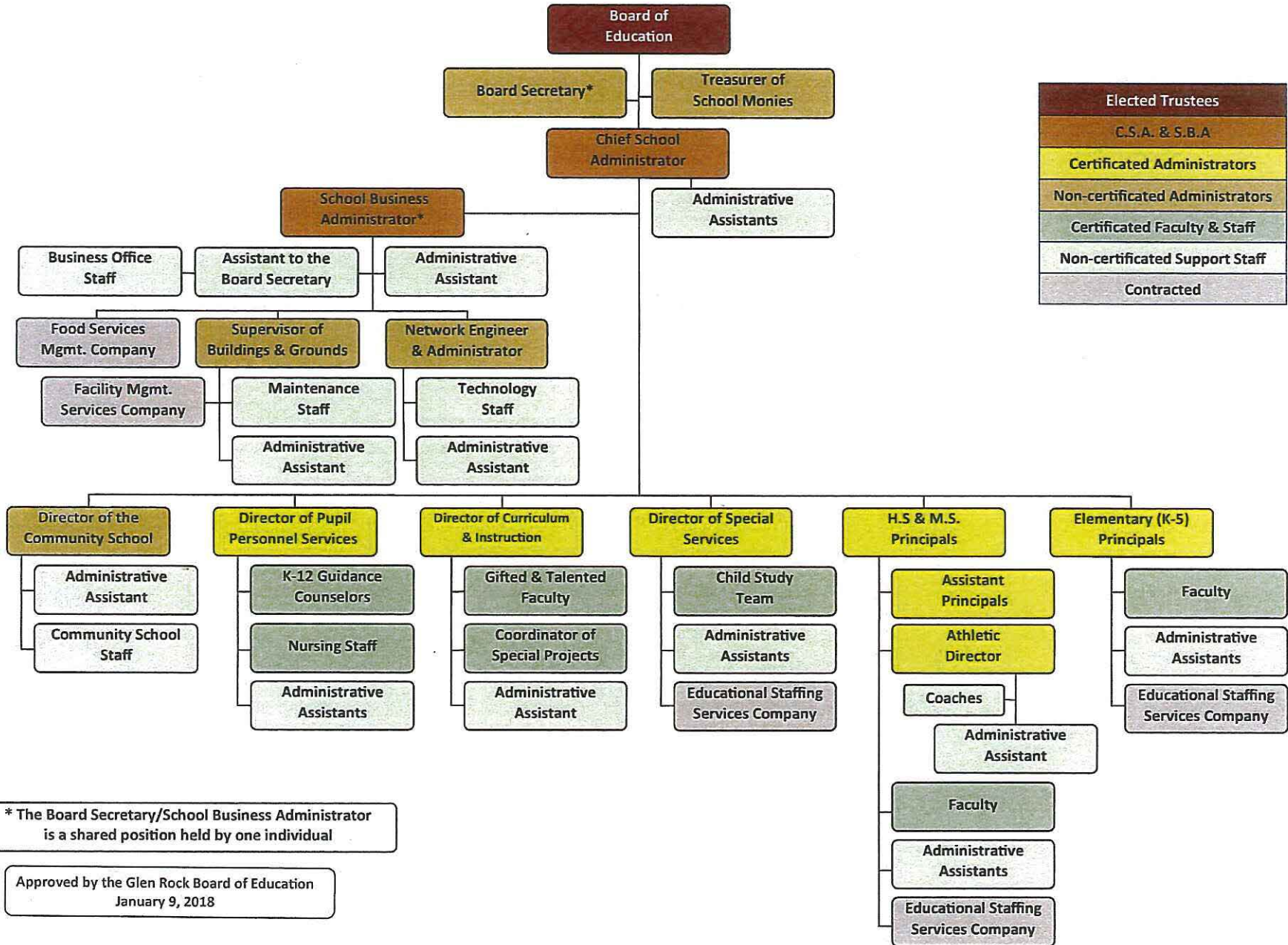


Bruce Watson
Interim Superintendent



Michael Rinderknecht
School Business Administrator/
Board Secretary

Glen Rock Public Schools District Organizational Chart



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

Approved by the Glen Rock Board of Education
January 9, 2018

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

**Roster of Officials
2018**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mr. Bryon Torsiello, President	2018
Ms. Sharon Scarpelli, Vice President	2018
Dr. Kevin Brennan	2019
Ms. Elizabeth Carr	2018
Ms. Megan Findley	2020
Mr. Edmund Hayward	2020
Mr. Sheldon Hirschberg	2019
Ms. Rona McNabola	2020
Mr. Sanjiv Ohri	2019

Other Officials

Mr. Bruce Watson., Interim Superintendent of Schools

Michael Rinderknecht, Business Administrator/Board Secretary

Antoinette Kelly, Treasurer of School Monies

GLEN ROCK PUBLIC SCHOOLS

Consultants & Advisors

June 30, 2018

District Auditor

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

Attorney

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

Official Depositories

Bank of America
208 Harristown Road
Glen Rock, NJ 07452

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Glen Rock Public Schools, as of and for the fiscal year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Glen Rock Public Schools as of June 30, 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

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2018 the Glen Rock Public Schools adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information


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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated January 24, 2019 on our consideration of the Glen Rock Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Glen Rock Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Glen Rock Public Schools' internal control over financial reporting and compliance.



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



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
January 24, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

This discussion and analysis of the Glen Rock Public School's financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2018. The intent of this is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and the notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2018 are as follows:

- District-Wide - Overall revenues were \$66,357,566. General revenues accounted for \$46,839,500 or 71 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$19,518,066 or 29 percent of total revenues of \$66,357,566.
- District-Wide - The School District had \$67,293,287 in expenses; only \$19,518,066 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$46,839,500 were adequate to provide for these programs.
- Fund Financials - As of the close of the current fiscal year, the Glen Rock Public School's governmental funds reported combined ending fund balances of \$5,041,871 a decrease of \$708,647 in comparison with the prior year.
- Fund Financials - At the end of June 30, 2018, unassigned fund balance for the General Fund was \$635,511, an increase of \$50,568 in comparison with the prior year.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

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

District-wide Statements

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

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

District-wide Statements (Continued)

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

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

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

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

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

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

Table A-2 provides a summary of the school district's net position for fiscal years 2018 and 2017. For 2018 and 2017 net position were \$4,598,682 and \$5,534,403, respectively.

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

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

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

Table A-2
Statement of Net Position
As of June 30, 2018 and 2017

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Assets						
Current and Other Assets	\$ 5,217,290	\$ 6,145,916	\$ 1,148,058	\$ 1,052,842	\$ 6,365,348	\$ 7,198,758
Capital Assets	47,867,450	49,789,409	20,384	22,784	47,887,834	49,812,193
Total Assets	<u>53,084,740</u>	<u>55,935,325</u>	<u>1,168,442</u>	<u>1,075,626</u>	<u>54,253,182</u>	<u>57,010,951</u>
Deferred Outflows of Resources						
Deferred Amounts on Refunding of Debt	3,063,758	3,376,966	-	-	3,063,758	3,376,966
Deferred Amounts on Net Pension Liability	2,537,590	3,898,375	-	-	2,537,590	3,898,375
Total Deferred Outflows of Resources	<u>5,601,348</u>	<u>7,275,341</u>	<u>-</u>	<u>-</u>	<u>5,601,348</u>	<u>7,275,341</u>
Total Assets and Deferred Outflows of Resources	<u>58,686,088</u>	<u>63,210,666</u>	<u>1,168,442</u>	<u>1,075,626</u>	<u>59,854,530</u>	<u>64,286,292</u>
Liabilities						
Current Liabilities	678,920	921,420	509,372	568,753	1,188,292	1,490,173
Non-Current Liabilities	51,207,921	56,943,578	-	-	51,207,921	56,943,578
Total Liabilities	<u>51,886,841</u>	<u>57,864,998</u>	<u>509,372</u>	<u>568,753</u>	<u>52,396,213</u>	<u>58,433,751</u>
Deferred Amounts on Net Pension Liability	<u>2,859,635</u>	<u>318,138</u>	<u>-</u>	<u>-</u>	<u>2,859,635</u>	<u>318,138</u>
Total Liabilities and Deferred Inflows of Resources	<u>54,746,476</u>	<u>58,183,136</u>	<u>509,372</u>	<u>568,753</u>	<u>55,255,848</u>	<u>58,751,889</u>
Net Position:						
Net Investment in Capital Assets	11,279,232	11,511,891	20,384	22,784	11,299,616	11,534,675
Restricted	1,143,855	1,995,365	-	-	1,143,855	1,995,365
Unrestricted	(8,483,475)	(8,479,726)	638,686	484,089	(7,844,789)	(7,995,637)
Total Net Position	<u>\$ 3,939,612</u>	<u>\$ 5,027,530</u>	<u>\$ 659,070</u>	<u>\$ 506,873</u>	<u>\$ 4,598,682</u>	<u>\$ 5,534,403</u>

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

Governmental activities. Governmental activities decreased the District's net position by \$1,087,918. Key elements of this increase are as follows:

**Table A-3
Changes in Net Position
For the Fiscal Years Ended June 30, 2018 and 2017**

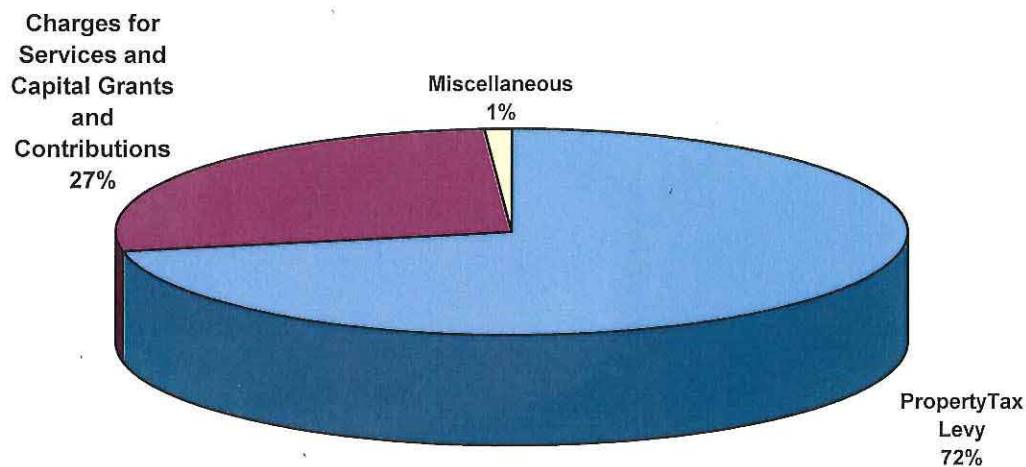
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues						
Program Revenues						
Charges for Services	\$ 276,451	\$ 158,902	\$ 2,279,174	\$ 2,109,385	\$ 2,555,625	\$ 2,268,287
Operating Grants and Contributions	16,913,015	16,072,363			16,913,015	16,072,363
Capital Grants and Contributions	49,426	44,296			49,426	44,296
General Revenues						
Property Taxes	45,976,692	44,647,572			45,976,692	44,647,572
Other	862,808	957,481	-	29	862,808	957,510
Total Revenues	<u>64,078,392</u>	<u>61,880,614</u>	<u>2,279,174</u>	<u>2,109,414</u>	<u>66,357,566</u>	<u>63,990,028</u>
Expenses						
Instruction						
Regular	27,821,163	27,243,362			27,821,163	27,243,362
Special Education	8,895,937	8,134,028			8,895,937	8,134,028
Other Instruction	1,349,779	1,322,079			1,349,779	1,322,079
School Sponsored Activities and Ath.	1,544,499	1,516,347			1,544,499	1,516,347
Support Services						
Student and Instruction Related Serv.	9,365,201	9,176,149			9,365,201	9,176,149
Educational Media/School Library	1,118,832	1,147,445			1,118,832	1,147,445
General Administrative Services	1,292,970	1,397,259			1,292,970	1,397,259
School Administrative Services	4,852,112	4,772,544			4,852,112	4,772,544
Plant Operations and Maintenance	4,867,880	4,976,158			4,867,880	4,976,158
Pupil Transportation	957,459	793,786			957,459	793,786
Central Services	1,725,118	1,633,449			1,725,118	1,633,449
Food Service			537,142	523,671	537,142	523,671
Community School			1,589,835	1,471,994	1,589,835	1,471,994
Interest on Long-Term Debt	1,375,360	1,444,427	-	-	1,375,360	1,444,427
Total Expenses	<u>65,166,310</u>	<u>63,557,033</u>	<u>2,126,977</u>	<u>1,995,665</u>	<u>67,293,287</u>	<u>65,552,698</u>
Change in Net Position	(1,087,918)	(1,676,419)	152,197	113,749	(935,721)	(1,562,670)
Net Position, Beginning of Year	<u>5,027,530</u>	<u>6,703,949</u>	<u>506,873</u>	<u>393,124</u>	<u>5,534,403</u>	<u>7,097,073</u>
Net Position, End of Year	<u>\$ 3,939,612</u>	<u>\$ 5,027,530</u>	<u>\$ 659,070</u>	<u>\$ 506,873</u>	<u>\$ 4,598,682</u>	<u>\$ 5,534,403</u>

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

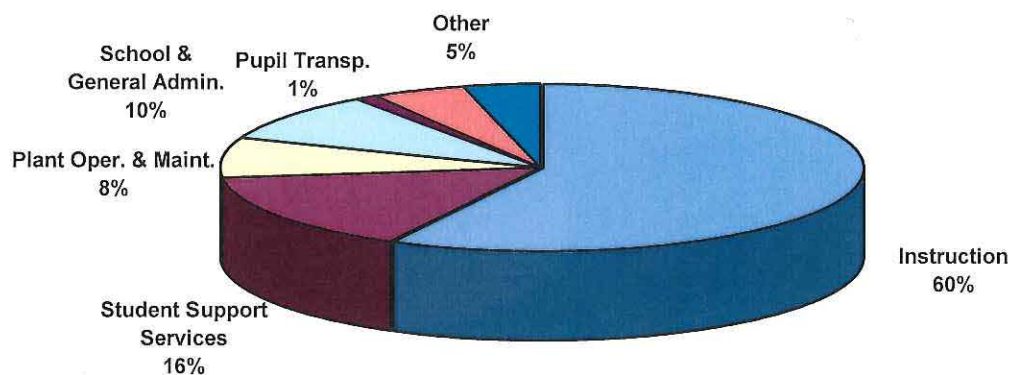
Governmental activities. The District's total governmental activities revenues were \$64,078,392. The local share of the revenues, that included property taxes, interest, unrestricted state aid, state aid restricted for debt service, miscellaneous revenue, amounted to \$46,839,500 or 73% of total revenues. Funding from state, federal sources charges for services and capital grants and contributions amounted to \$17,238,892 or 27%. (See Table A-3)

The District's total governmental expenses were \$65,166,310 which are predominantly related to instruction and support services. Instruction totaled \$39,611,378 (60%), student support services totaled \$24,179,572 (38%) and interest on long-term debt total \$1,375,360 (2%) of total expenses. (See Table A-3.)

Revenues by Source- Governmental Activities
For Fiscal Year 2018



Expenses by Type- Governmental Activities
For Fiscal Year 2018



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

**Table A-4
Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2018 and 2017**

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Governmental Activities				
Instruction				
Regular	\$ 27,821,163	\$ 27,243,362	\$ 19,622,975	\$ 19,426,053
Special Education	8,895,937	8,134,028	5,248,855	4,650,391
Other Instruction	1,349,779	1,322,079	879,041	867,694
School Sponsored Activities and Athletics	1,544,499	1,516,347	975,865	1,032,976
Student and Instruction Related Svcs.	9,365,201	9,176,149	7,400,260	7,282,177
Educational Media/School Library	1,118,832	1,147,445	765,183	788,966
General Administrative Services	1,292,970	1,397,259	1,038,998	1,122,391
School Administrative Services	4,852,112	4,772,544	3,386,363	3,321,318
Plant Operations and Maintenance	4,867,880	4,976,158	1,620,535	4,944,904
Pupil Transportation	957,459	793,786	4,690,199	766,726
Central Services	1,725,118	1,633,449	923,784	1,633,449
Interest on Long-Term Debt	1,375,360	1,444,427	1,375,360	1,444,427
Total Governmental Activities	<u>\$ 65,166,310</u>	<u>\$ 63,557,033</u>	<u>\$ 47,927,418</u>	<u>\$ 47,281,472</u>

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2018 was \$2,126,977. These costs were funded by charges for services (Detailed on Table A-3). The operations resulted in an increase in net position of \$152,197.

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

Business-Type Activities (Continued)

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

Food Service Program

- Food service expenditures exceeded revenues by \$14,364.
- Charges for services represent 100% percent of revenue.
- Revenues include lunches and ala carte meals paid for by the students and District staff.

Community School – Before and After Child Care

- Community School revenues exceeded expenses by \$137,833.
- Charges for services represent 100 percent of revenue.
- Revenues include tuition for Community School classes and child care programs.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

As the District completed the 2017-2018 year, its governmental funds reported a combined fund balance of \$5,041,871 June 30, 2017 the fund balance was \$5,750,518.

The District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$55,530,594 and expenditures were \$56,239,241.

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

The District's Funds (Continued)

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the governmental fund revenues for the fiscal years ended June 30, 2018 and 2017.

	Fiscal Year Ended June 30, 2018	Fiscal Year Ended June 30, 2017	Amount of Increase (Decrease)	Percent Change
Local Sources	\$ 46,435,801	\$ 45,029,962	\$ 1,405,839	3.12%
State Sources	8,529,250	7,572,727	956,523	12.63%
Federal Sources	<u>565,543</u>	<u>557,785</u>	<u>7,758</u>	1.39%
 Total Revenues	 <u>\$ 55,530,594</u>	 <u>\$ 53,160,474</u>	 <u>\$ 2,370,120</u>	 4.5%

The following schedule represents a summary of general fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal year ended June 30, 2018 and 2017.

	Fiscal Year Ended June 30, 2018	Fiscal Year Ended June 30, 2017	Amount of Increase (Decrease)	Percent Change
Instruction	\$ 31,334,707	\$ 29,116,621	\$ 2,218,086	7.62%
Support Services and Undistributed	20,680,660	20,162,322	518,338	2.57%
Capital Outlay	1,136,693	121,061	1,015,632	838.94%
Debt Service				
Principal	1,484,000	1,415,000	69,000	4.88%
Interest and Other Charges	<u>1,603,181</u>	<u>1,664,187</u>	<u>(61,006)</u>	-3.67%
 Total Expenditures	 <u>\$ 56,239,241</u>	 <u>\$ 52,479,191</u>	 <u>\$ 3,760,050</u>	 7.2%

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

General Fund Budgetary Highlights

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

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize additional special education costs related to out of District placements that were not anticipated and to prevent overexpenditures in specific line item accounts.

Capital Assets. The Glen Rock Public School's investment in capital assets for its governmental and business type activities as of June 30, 2018 amounts to \$47,887,834 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and building improvements, and machinery and equipment.

**Table A-5
Capital Assets - Governmental Activities
(net of accumulated depreciation) at June 30, 2018 and 2017**

	Total	
	2018	2017
Land	\$ 12,022	\$ 12,022
Construction In Progress	41,135	37,079
Land Improvements	3,993,261	3,687,419
Buildings and Building Improvements	67,556,360	66,893,130
Machinery and Equipment	3,994,733	3,973,943
 Total	 75,597,511	 74,603,593
Less: Accumulated Depreciation	27,730,061	24,814,184
 Total	 \$ 47,867,450	 \$ 49,789,409

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

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

Debt Administration. As of June 30, 2018 the school district had long-term debt and outstanding long-term liabilities in the amount of \$51,207,921 as stated in Table A-6.

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

	<u>2018</u>	<u>2017</u>
Serial Bonds Including Premium	\$ 39,651,976	\$ 41,654,484
Net Pension Liability	10,375,147	14,087,333
Compensated Absences Payable	<u>1,180,798</u>	<u>1,201,761</u>
 Total	 <u>\$ 51,207,921</u>	 <u>\$ 56,943,578</u>

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

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

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

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

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

FOR THE FUTURE

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

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

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

GLEN ROCK PUBLIC SCHOOLS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2018

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,727,617	\$ 2,564,586	\$ 6,292,203
Receivables, net	53,978	15,630	69,608
Internal Balances	1,435,695	(1,435,695)	-
Inventory		3,537	3,537
Capital Assets, net			
Not Being Depreciated	53,157		53,157
Being Depreciated	<u>47,814,293</u>	<u>20,384</u>	<u>47,834,677</u>
Total Assets	<u>53,084,740</u>	<u>1,168,442</u>	<u>54,253,182</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	3,063,758		3,063,758
Deferred Amounts on Net Pension Liability	<u>2,537,590</u>	<u>-</u>	<u>2,537,590</u>
Total Deferred Outflows of Resources	<u>5,601,348</u>	<u>-</u>	<u>5,601,348</u>
Total Assets and Deferred Outflows of Resources	<u>58,686,088</u>	<u>1,168,442</u>	<u>59,854,530</u>
LIABILITIES			
Accounts Payable	129,750	19,239	148,989
Unearned Revenue	1,075	490,133	491,208
Accrued Interest Payable	503,501		503,501
Payable to Other Governments	44,594		44,594
Noncurrent Liabilities			
Due Within One Year	1,720,000		1,720,000
Due Beyond One Year	<u>49,487,921</u>	<u>-</u>	<u>49,487,921</u>
Total Liabilities	<u>51,886,841</u>	<u>509,372</u>	<u>52,396,213</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>2,859,635</u>	<u>-</u>	<u>2,859,635</u>
Total Liabilities and Deferred Inflows of Resources	<u>54,746,476</u>	<u>509,372</u>	<u>55,255,848</u>
NET POSITION			
Net Investment in Capital Assets	11,279,232	20,384	11,299,616
Restricted for			
Capital Projects	1,129,233		1,129,233
Debt Service	14,622		14,622
Unrestricted	<u>(8,483,475)</u>	<u>638,686</u>	<u>(7,844,789)</u>
Total Net Position	<u>\$ 3,939,612</u>	<u>\$ 659,070</u>	<u>\$ 4,598,682</u>

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

GLEN ROCK PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 27,821,163	\$ 58,380	\$ 8,090,382	\$ 49,426	\$ (19,622,975)		\$ (19,622,975)
Special Education	8,895,937		3,647,082		(5,248,855)		(5,248,855)
Other Instruction	1,349,779		470,738		(879,041)		(879,041)
School Sponsored Activities and Athletics	1,544,499	177,132	391,502		(975,865)		(975,865)
Support Services							
Student and Instruction Related Services	9,365,201		1,964,941		(7,400,260)		(7,400,260)
Educational Media/School Library	1,118,832		353,649		(765,183)		(765,183)
General Administrative Services	1,292,970		253,972		(1,038,998)		(1,038,998)
School Administrative Services	4,852,112		1,465,749		(3,386,363)		(3,386,363)
Central Services	1,725,118		104,583		(1,620,535)		(1,620,535)
Plant Operations and Maintenance	4,867,880	40,939	136,742		(4,690,199)		(4,690,199)
Pupil Transportation	957,459		33,675		(923,784)		(923,784)
Interest on Long-Term Debt	1,375,360	-	-	-	(1,375,360)	-	(1,375,360)
Total Governmental Activities	65,166,310	276,451	16,913,015	49,426	(47,927,418)	-	(47,927,418)
Business-Type Activities							
Food Service	537,142	551,506				\$ 14,364	14,364
Community School	1,589,835	1,727,668	-	-	-	137,833	137,833
Total Business-Type Activities	2,126,977	2,279,174	-	-	-	152,197	152,197
Total Primary Government	\$ 67,293,287	\$ 2,555,625	\$ 16,913,015	\$ 49,426	(47,927,418)	152,197	(47,775,221)
General Revenues and Other Items							
Taxes:							
Property Taxes, Levied for General Purposes, Net					43,540,070		43,540,070
Property Taxes Levied for Debt Service					2,436,622		2,436,622
State Aid Restricted for Debt Service					626,313		626,313
Unrestricted State Aid					70,471		70,471
Miscellaneous Income					166,906		166,906
Loss on Disposal of Assets					(882)		(882)
Total General Revenues					46,839,500	-	46,839,500
Change in Net Position					(1,087,918)	152,197	(935,721)
Net Position, Beginning of Year					5,027,530	506,873	5,534,403
Net Position, End of Year					\$ 3,939,612	\$ 659,070	\$ 4,598,682

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

FUND FINANCIAL STATEMENTS

**GLEN ROCK PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2018**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 3,688,062		\$ 24,933	\$ 14,622	\$ 3,727,617
Receivables from Other Governments		\$ 53,978			53,978
Due from Other Funds	<u>1,435,695</u>	<u>1,464</u>	<u>-</u>	<u>-</u>	<u>1,437,159</u>
Total Assets	<u>\$ 5,123,757</u>	<u>\$ 55,442</u>	<u>\$ 24,933</u>	<u>\$ 14,622</u>	<u>\$ 5,218,754</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 88,784	\$ 9,773	\$ 31,193		\$ 129,750
Due to Other Funds	1,464				1,464
Payable to State Government		44,594			44,594
Unearned Revenue	<u>-</u>	<u>1,075</u>	<u>-</u>	<u>-</u>	<u>1,075</u>
Total Liabilities	<u>90,248</u>	<u>55,442</u>	<u>31,193</u>	<u>-</u>	<u>176,883</u>
Fund Balances					
Restricted:					
Excess Surplus	1,141,946				1,141,946
Excess Surplus- Designated for Subsequent Year's Expenditures	1,545,703				1,545,703
Capital Reserve	409,808				409,808
Capital Reserve- Designated for Subsequent Year's Expenditures	725,685				725,685
Emergency Reserve	406,000				406,000
Capital Projects			(6,260)		(6,260)
Debt Service				\$ 14,622	14,622
Assigned:					
Year-End Encumbrances Designated for Subsequent Years Expenditures	83,082				83,082
	85,774				85,774
Unassigned:	<u>635,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>635,511</u>
Total Fund Balances (Deficit)	<u>5,033,509</u>	<u>-</u>	<u>(6,260)</u>	<u>14,622</u>	<u>5,041,871</u>
Total Liabilities and Fund Balances	<u>\$ 5,123,757</u>	<u>\$ 55,442</u>	<u>\$ 24,933</u>	<u>\$ 14,622</u>	<u>\$ 5,218,754</u>

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

GLEN ROCK PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2018

Total Government Fund Balances (B-1) \$ 5,041,871

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$75,597,511 and the accumulated depreciation is \$27,730,061. 47,867,450

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

Deferred Outflows of Resources	\$ 2,537,590	
Deferred Inflows of Resources	<u>(2,859,635)</u>	(322,045)

The District has financed capital assets through the issuance of serial bonds. The interest accrual at year end is: (503,501)

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

Bonds Payable, net of Premium	\$ (39,651,976)	
Deferred Outflows of Resources- Deferred		
Amounts on Refunding of Debt	3,063,758	
Net Pension Liability	(10,375,147)	
Compensated Absences	<u>(1,180,798)</u>	(48,144,163)

Net Position of Governmental Activities (Exhibit A-1) \$ 3,939,612

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

GLEN ROCK PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 43,540,070			\$ 2,436,622	\$ 45,976,692
Miscellaneous	443,357	\$ 15,752	-	-	459,109
Total - Local Sources	<u>43,983,427</u>	<u>15,752</u>	<u>-</u>	<u>2,436,622</u>	<u>46,435,801</u>
State Sources	7,728,561	174,376		626,313	8,529,250
Federal Sources	-	565,543	-	-	565,543
Total Revenues	<u>51,711,988</u>	<u>755,671</u>	<u>-</u>	<u>3,062,935</u>	<u>55,530,594</u>
EXPENDITURES					
Current					
Regular Instruction	21,462,549	3,365			21,465,914
Special Education Instruction	7,099,291	491,288			7,590,579
Other Instruction	963,078	78,302			1,041,380
School Sponsored Activities and Athletics	1,236,834				1,236,834
Support Services					
Student and Instructional Related Services	7,787,583	156,217			7,943,800
Educational Media/School Library	840,913				840,913
General Administrative Services	1,093,384				1,093,384
School Administrative Services	3,700,239				3,700,239
Plant Operations and Maintenance	4,660,307				4,660,307
Pupil Transportation	943,441				943,441
Central Services	1,498,576				1,498,576
Debt Service					
Principal				1,484,000	1,484,000
Interest and Other Charges	15,896			1,587,285	1,603,181
Capital Outlay	154,113	26,499	\$ 956,081	-	1,136,693
Total Expenditures	<u>51,456,204</u>	<u>755,671</u>	<u>956,081</u>	<u>3,071,285</u>	<u>56,239,241</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>255,784</u>	<u>-</u>	<u>(956,081)</u>	<u>(8,350)</u>	<u>(708,647)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In			986,900		986,900
Transfers Out	(986,900)	-	-	-	(986,900)
Total Other Financing Sources and (Uses)	<u>(986,900)</u>	<u>-</u>	<u>986,900</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(731,116)	-	30,819	(8,350)	(708,647)
Fund Balance (Deficit), Beginning of Year	<u>5,764,625</u>	<u>-</u>	<u>(37,079)</u>	<u>22,972</u>	<u>5,750,518</u>
Fund Balance (Deficit), End of Year	<u>\$ 5,033,509</u>	<u>\$ -</u>	<u>\$ (6,260)</u>	<u>\$ 14,622</u>	<u>\$ 5,041,871</u>

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

**GLEN ROCK PUBLIC SCHOOLS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Total net change in fund balances - governmental funds (Exhibit B-2) **\$ (708,647)**

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

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

Capital Outlay	\$ 1,136,693	
Depreciation Expense	<u>(3,080,697)</u>	
		(1,944,004)

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

Increase in Capital Assets		22,045
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In the statement of activities, certain operating expenses - compensated absences and net pension liability are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Decrease Compensated Absences, Net	20,963	
Increase in Net Pension Expense	<u>(190,096)</u>	
		(169,133)

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

Payment of Bond Principal	1,484,000	
Amortization of Bond Premium	518,508	
Amortization of Deferred Amounts on Refunding	<u>(313,208)</u>	
		1,689,300

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

The details are as follows:

Decrease in Accrued Interest		<u>22,521</u>
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Change in net position of governmental activities (Exhibit A-2) **\$ (1,087,918)**

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

**GLEN ROCK PUBLIC SCHOOLS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2018**

ASSETS	<u>Food Service</u>	<u>Community School</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
Current Assets:			
Cash and Cash Equivalents	\$ 72,772	\$ 2,491,814	\$ 2,564,586
Receivables- Other		15,630	15,630
Inventory	<u>3,537</u>	<u>-</u>	<u>3,537</u>
 Total Current Assets	 <u>76,309</u>	 <u>2,507,444</u>	 <u>2,583,753</u>
Capital Assets			
Equipment	159,916		159,916
Less: Accumulated Depreciation	<u>(139,532)</u>	<u>-</u>	<u>(139,532)</u>
 Total Capital Assets, Net	 <u>20,384</u>	 <u>-</u>	 <u>20,384</u>
 Total Assets	 <u>96,693</u>	 <u>2,507,444</u>	 <u>2,604,137</u>
 LIABILITIES			
Current Liabilities			
Due to Other Funds		1,435,695	1,435,695
Accounts Payable	16,690	2,549	19,239
Unearned Revenue	<u>-</u>	<u>490,133</u>	<u>490,133</u>
 Total Current Liabilities	 <u>16,690</u>	 <u>1,928,377</u>	 <u>1,945,067</u>
 NET POSITION			
Investment in Capital Assets	20,384		20,384
Unrestricted	<u>59,619</u>	<u>579,067</u>	<u>638,686</u>
 Total Net Position	 <u>\$ 80,003</u>	 <u>\$ 579,067</u>	 <u>\$ 659,070</u>

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

**GLEN ROCK PUBLIC SCHOOLS
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Food Service</u>	<u>Community School</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
OPERATING REVENUES			
Tuition/Fees		\$ 1,727,668	\$ 1,727,668
Daily Sales	\$ 551,506	-	551,506
Total Operating Revenues	<u>551,506</u>	<u>1,727,668</u>	<u>2,279,174</u>
OPERATING EXPENSES			
Salaries, Benefits and Payroll Taxes	234,274	1,147,101	1,381,375
Cost of Sales	223,390		223,390
Trips		96,907	96,907
Purchased Services	49,716	178,158	227,874
Equipment Rental		7,314	7,314
Supplies and Materials	22,490	43,394	65,884
Miscellaneous Expenditures		116,961	116,961
Depreciation Expense	7,272	-	7,272
Total Operating Expenses	<u>537,142</u>	<u>1,589,835</u>	<u>2,126,977</u>
Operating Income/(Loss)	<u>14,364</u>	<u>137,833</u>	<u>152,197</u>
Change in Net Position	<u>14,364</u>	<u>137,833</u>	<u>152,197</u>
Net Position, Beginning of Year	<u>65,639</u>	<u>441,234</u>	<u>506,873</u>
Net Position, End of Year	<u>\$ 80,003</u>	<u>\$ 579,067</u>	<u>\$ 659,070</u>

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

**GLEN ROCK PUBLIC SCHOOLS
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Food Service</u>	<u>Community School</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 551,506	\$ 1,666,445	\$ 2,217,951
Payments for Employees	(234,274)		(234,274)
Payments to Suppliers	<u>(301,940)</u>	<u>(154,721)</u>	<u>(456,661)</u>
Net Cash Provided By (Used For) Operating Activities	<u>15,292</u>	<u>1,511,724</u>	<u>1,527,016</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES			
Payments to Other Funds	<u>-</u>	<u>(1,289,795)</u>	<u>(1,289,795)</u>
Net Cash (Used for) Non Capital Financing Activities	<u>-</u>	<u>(1,289,795)</u>	<u>(1,289,795)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Acquisition of Capital Assets	<u>(4,872)</u>	<u>-</u>	<u>(4,872)</u>
Net Cash (Used for) Non Capital Financing Activities	<u>(4,872)</u>	<u>-</u>	<u>(4,872)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	10,420	221,929	232,349
Cash and Cash Equivalents, Beginning of Year	<u>62,352</u>	<u>2,269,885</u>	<u>2,332,237</u>
Cash and Cash Equivalents, End of Year	<u>\$ 72,772</u>	<u>\$ 2,491,814</u>	<u>\$ 2,564,586</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating Income/(Loss)	<u>\$ 14,364</u>	<u>\$ 137,833</u>	<u>\$ 152,197</u>
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used For) Operating Activities			
Depreciation Expense	7,272		7,272
Changes in Assets and Liabilities (Increase)/Decrease in Accounts Receivable		(8,966)	(8,966)
(Increase) Decrease in Inventories	198		198
Increase (Decrease) in Interfund Payable		1,435,695	1,435,695
Increase (Decrease) in Unearned Revenue		(52,257)	(52,257)
Increase (Decrease) in Accounts Payable	<u>(6,542)</u>	<u>(581)</u>	<u>(7,123)</u>
Total Adjustments	<u>928</u>	<u>1,373,891</u>	<u>1,374,819</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ 15,292</u>	<u>\$ 1,511,724</u>	<u>\$ 1,527,016</u>

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

**GLEN ROCK PUBLIC SCHOOLS
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2018**

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Trust Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 571,972	\$ 108,414	\$ 588,968
Due From Other Funds	<u>186,394</u>	<u>-</u>	<u>-</u>
Total Assets	<u>758,366</u>	<u>108,414</u>	<u>\$ 588,968</u>
LIABILITIES			
Payroll Deductions and Withholdings			\$ 22,889
Accrued Salary and Wages			1,198
Reserve for Flex Spending Benefits			38,294
Due to State	5,712		
Due to Other Funds			186,394
Due to Student Groups	<u>-</u>	<u>-</u>	<u>340,193</u>
Total Liabilities	<u>5,712</u>	<u>-</u>	<u>\$ 588,968</u>
NET POSITION			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 752,654</u>	<u>\$ 108,414</u>	

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

**GLEN ROCK PUBLIC SCHOOLS
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Trust Funds</u>
ADDITIONS		
Contributions		
Employee	\$ 36,181	
Investment Earnings		
Interest	<u>-</u>	<u>\$ 1</u>
Total Additions	<u>36,181</u>	<u>1</u>
DEDUCTIONS		
Scholarship Awards		7,000
Miscellaneous		
Unemployment Compensation Claims	<u>30,308</u>	<u>-</u>
Total Deductions	<u>30,308</u>	<u>7,000</u>
Change in Net Position	5,873	(6,999)
Net Position, Beginning of Year	<u>746,781</u>	<u>115,413</u>
Net Position, End of Year	<u>\$ 752,654</u>	<u>\$ 108,414</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

During fiscal year 2018, the District adopted the following GASB statements:

- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits (OPEB)).
- GASB No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB No. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.
- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, will be effective beginning with the fiscal year ending June 30, 2019. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistency provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms association with debt will be disclosed.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective beginning with the fiscal year ending June 30, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

C. Basis of Presentation - Financial Statements

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

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

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

Additionally, the government reports the following fund types:

The *fiduciary trust funds* are used to account for resources legally held in trust for state unemployment insurance claims and for private donations for scholarship awards. All resources of the funds, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

1. *Cash, Cash Equivalents and Investments*

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

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

2. *Receivables*

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

3. *Inventories*

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

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Capital Assets*

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

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

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

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	20-50
Machinery and Heavy Equipment	520

5. *Deferred Outflows/Inflows of Resources*

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

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. *Compensated Absences*

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

7. *Pensions*

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

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

8. *Long-Term Obligations*

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

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2018 audited excess surplus that is required to be appropriated in the 2019/2020 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2017 audited excess surplus that was appropriated in the 2018/2019 original budget certified for taxes.

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2018/2019 District budget certified for taxes.

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

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

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

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2018/2019 District budget certified for taxes.

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

In the general operating fund and other governmental funds (capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

10. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

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 committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Tuition Revenues and Expenditures

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

Tuition Expenditures - Tuition charges for the fiscal years 2016-2017 and 2017-2018 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. Proprietary Funds, Operating and Nonoperating Revenues and Expenses

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

Budget adoptions and amendments are recorded in the District’s board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2017/2018. Also, during 2017/2018 the Board increased the original budget by \$586,207. The increase was funded by additional surplus appropriated, grant awards and the reappropriation of prior year general fund encumbrances.

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

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

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Deficit Fund Equity

The District has an accumulated deficit in fund balance of \$6,260 in the Capital Projects Fund. The District expects to eliminate this deficit through normal operations in the 2018/2019 fiscal year.

C. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2018 is as follows:

Balance, July 1, 2017	\$ 1,972,393
Increased by:	
Deposits Approved in District Budget	<u>150,000</u>
Withdrawals:	
Approved in District Budget	<u>986,900</u>
Balance, June 30, 2018	<u>\$ 1,135,493</u>

The June 30, 2017 LRFP balance of local support costs of uncompleted capital projects is \$27,824,765. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan. \$725,685 of the capital reserve balance at June 30, 2018 was designated and appropriated for use in the 2018/2019 original budget certified for taxes.

D. Emergency Reserve

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

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to 18A:7G-6(c)1. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of \$1,000,000.

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Emergency Reserve (Continued)

The activity of the emergency reserve for the fiscal year ended June 30, 2018 is as follows:

Balance, July 1, 2017	\$ <u>406,000</u>
Balance, June 30, 2018	\$ <u>406,000</u>

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2018 is \$2,687,649. Of this amount, \$1,545,703 was designated and appropriated in the 2018/2019 original budget certified for taxes and the remaining amount of \$1,141,946 will be appropriated in the 2019/2020 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2018, the book value of the Board's deposits were \$7,561,557 and bank and brokerage firm balances of the Board's deposits amounted to \$8,048,511. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 7,654,483
Uninsured and Collateralized	<u>394,028</u>
	<u>\$ 8,048,511</u>

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2018 the Board’s bank balance of \$394,028 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized

Collateral held by pledging financial institution's trust department not in
the Board's name

\$ 394,028

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; 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 obligations bear a fixed rate of interest not dependent on any index or other external factor; 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; 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 “Local Authorities Fiscal Control Law,” (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 school districts; Local Government investment pools; 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); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2018, the Board had no outstanding investments.

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

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2018 for the district's individual major funds in the aggregate are as follows:

	Special Revenue <u>Fund</u>	Community <u>School</u>	<u>Total</u>
Receivables:			
Accounts		\$ 15,630	\$ 15,630
Intergovernmental			
Federal	\$ 53,924		53,924
State	54	-	54
	<u>53,978</u>	<u>15,630</u>	<u>69,608</u>
Net Total Receivables	<u>\$ 53,978</u>	<u>\$ 15,630</u>	<u>\$ 69,608</u>

C. Unearned Revenue

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

Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>\$ 1,075</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 1,075</u>

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2018 was as follows:

	Balance July 1, 2017	Increases	Decreases	Adjustments	Balance June 30, 2018
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 12,022				\$ 12,022
Construction in Progress	37,079	\$ 41,135	-	\$ (37,079)	41,135
Total capital assets, not being depreciated	49,101	41,135	-	(37,079)	53,157
Capital assets, being depreciated:					
Land Improvements	3,687,419	286,315		19,527	3,993,261
Buildings and Building Improvements	66,893,130	645,678	-	17,552	67,556,360
Machinery and Equipment	3,973,943	186,492	\$ (165,702)	-	3,994,733
Total capital assets being depreciated	74,554,492	1,118,485	(165,702)	37,079	75,544,354
Less accumulated depreciation for:					
Land Improvements	(1,359,557)	(179,741)			(1,539,298)
Buildings and Building Improvements	(19,998,714)	(2,777,667)			(22,776,381)
Machinery and Equipment	(3,455,913)	(123,289)	164,820	-	(3,414,382)
Total accumulated depreciation	(24,814,184)	(3,080,697)	164,820	-	(27,730,061)
Total capital assets, being depreciated, net	49,740,308	(1,962,212)	(882)	37,079	47,814,293
Governmental activities capital assets, net	\$ 49,789,409	\$ (1,921,077)	\$ (882)	\$ -	\$ 47,867,450

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	<u>Balance</u> <u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2018</u>
Business-type activities:				
Capital assets, being depreciated:				
Machinery and Equipment	\$ 155,044	\$ 4,872		\$ 159,916
Less accumulated depreciation for:				
Machinery and Equipment	<u>(132,260)</u>	<u>(7,272)</u>	<u>-</u>	<u>(139,532)</u>
Business-type activities capital assets, net	<u>\$ 22,784</u>	<u>\$ (2,400)</u>	<u>-</u>	<u>\$ 20,384</u>

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

Governmental activities:	
Instruction	
Regular	\$ 1,600,111
Special Education	328,660
Other Instruction	77,648
School-Sponsored Activities and Athletics	<u>77,463</u>
Total Instruction	<u>2,083,882</u>
Support Services	
Student and Instructional Related Services	357,877
Educational Media/School Library	69,974
School Administrative Services	290,016
General Administrative Services	50,251
Central Services	115,612
Plant Operations and Maintenance	105,931
Pupil Transportation	<u>7,154</u>
Total Support Services	<u>996,815</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,080,697</u>
Business-Type Activities	
Food Service Fund	<u>\$ 7,272</u>

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2018, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue	\$ 1,464
General Fund	Community School	1,435,695
Unemployment	Payroll Agency	<u>186,394</u>
 Total		 <u>\$ 1,623,553</u>

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

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

Interfund transfers

	<u>Transfer In:</u>
	Capital Projects <u>Fund</u>
Transfer Out:	
General Fund- Capital Reserve	<u>\$ 986,900</u>
 Total Transfers Out	 <u>\$ 986,900</u>

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

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Operating Leases

The District leases laptops under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2018 were \$337,319. The future minimum lease payments for these operating leases are as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Amount</u>
2019	\$ 337,319
2020	<u>337,319</u>
Total	<u>\$ 674,638</u>

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2018 are comprised of the following issues:

\$45,343,000, 2008 Improvement Bonds, due in annual installments of \$1,670,000 through September 2018, interest at 4.25%	\$ 1,670,000
\$32,910,000 2016 Refunding Bonds, due in annual installments of \$1,630,000 to \$2,925,000 through September 2033, interest at 4.25% to 4.75%	<u>32,910,000</u>
	<u>\$ 34,580,000</u>

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

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

Governmental Activities:

Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2019	\$ 1,670,000	\$ 1,514,937	\$ 3,184,937
2020	1,630,000	1,455,000	3,085,000
2021	1,690,000	1,396,750	3,086,750
2022	1,755,000	1,327,850	3,082,850
2023	1,830,000	1,256,150	3,086,150
2024-2028	10,295,000	5,088,725	15,383,725
2029-2033	12,785,000	2,387,625	15,172,625
3034	<u>2,925,000</u>	<u>73,125</u>	<u>2,998,125</u>
Total	<u>\$ 34,580,000</u>	<u>\$ 14,500,162</u>	<u>\$ 49,080,162</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2018 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 101,035,603
Less: Net Debt	<u>34,580,000</u>
Remaining Borrowing Power	<u>\$ 66,455,603</u>

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2018, was as follows:

	Balance, <u>July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2018</u>	Due Within <u>One Year</u>
Governmental activities:					
Bonds Payable	\$ 36,064,000	-	\$ 1,484,000	\$ 34,580,000	\$ 1,670,000
Deferred Amounts					
Add: Premium	<u>5,590,484</u>	<u>-</u>	<u>518,508</u>	<u>5,071,976</u>	<u>-</u>
Total Bonds Payable	<u>41,654,484</u>	<u>-</u>	<u>2,002,508</u>	<u>39,651,976</u>	<u>1,670,000</u>
Net Pension Liability	14,087,333		3,712,186	10,375,147	
Compensated Absences	<u>1,201,761</u>	<u>\$ 20,065</u>	<u>41,028</u>	<u>1,180,798</u>	<u>50,000</u>
Governmental Activity Long-Term Liabilities	<u>\$ 56,943,578</u>	<u>\$ 20,065</u>	<u>\$ 5,755,722</u>	<u>\$ 51,207,921</u>	<u>\$ 1,720,000</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

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

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

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

<u>Year Ended</u> <u>June 30,</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2018	\$ 36,181	\$ 30,308	\$ 752,654
2017	36,708	17,460	746,781
2016	35,160	40,724	727,135

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2018, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2018, the District has not estimated its arbitrage earnings due to the IRS, if any.

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 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 reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 member 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 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple employer defined benefit pension plan with a special funding situation, by which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions.

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.

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

The following represent the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 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 reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 member retires prior to the retirement for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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

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

Other Pension Funds

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

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

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

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Investments are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Funding Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 33 percent with an unfunded actuarial accrued liability of \$90.90 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 25.41 percent and \$67.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 48.10 percent and \$23.3 billion, respectively.

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

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

Actuarial Methods and Assumptions

In the July 1, 2016 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.00 percent and (b) projected salary increases applied through the year 2026 of 1.65-5.15 percent based on age for the PERS and varying percentages based on experience for TPAF.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.34% for PERS, 7.34% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2018.

Annual Pension Costs (APC)

For the fiscal year ended June 30, 2018 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC) (Continued)

During the fiscal years ended June 30, 2018, 2017 and 2016 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, was required to contribute for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

<u>Year Ended</u> <u>June 30,</u>	<u>PERS</u>	<u>On-behalf</u> <u>TPAF</u>	<u>DCRP</u>
2018	\$ 412,892	\$ 2,864,493	\$ 8,140
2017	422,559	2,071,855	5,312
2016	421,847	1,458,349	1,250

In addition for fiscal years 2017/2018 and 2016/2017 the District contributed \$3,587 and \$1,872, respectively for PERS and the State contributed \$4,599 and \$5,073, respectively for TPAF for Long Term Disability Insurance Premium (LTDD).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,376,029 during the fiscal year ended June 30, 2018 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 85.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the fiscal year ended June 30, 2017. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits (“Division”) administers one cost-sharing multiple employer defined benefit pension plan, separate actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2017 are based on the ratio of each employer’s contribution to total employer contributions of the group for the fiscal year ended June 30, 2017.

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2018, the District reported in the statement of net position (accrual basis) a liability of \$10,375,147 for its proportionate share of the PERS 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 that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2017, the District's proportionate share was .04457 percent, which was a decrease of .00299 percent from its proportionate share measured as of June 30, 2016 of .04756 percent.

For the fiscal year ended June 30, 2018, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$606,575 for PERS. The pension contribution made by the District during the current 2017/2018 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2018 with a measurement date of the prior fiscal year end of June 30, 2017. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2018 for contributions made subsequent to the current fiscal year end. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 244,299	
Changes of Assumptions	2,090,235	\$ 2,082,571
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	70,648	
Changes in Proportion and Differences Between Board Contributions and Proportionate Share of Contributions	<u>132,408</u>	<u>777,064</u>
Total	<u>\$ 2,537,590</u>	<u>\$ 2,859,635</u>

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2018, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2019	\$ 111,989
2020	244,827
2021	86,712
2022	(475,706)
2023	(289,867)
Thereafter	<u>-</u>
	<u>\$ (322,045)</u>

Actuarial Assumptions

The District's 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:

	<u>PERS</u>
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%
Mortality Rate Table	RP-2000

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

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.

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 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%
US Equities	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%
Emerging Market Equities	6.50%	11.64%
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 Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	5.00%
2017	June 30, 2016	3.98%

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2040
Municipal Bond Rate *	From July 1, 2040 and Thereafter

* The municipal bond return rate used is 3.58% as of the measurement date of June 30, 2017. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 5.00%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00 percent) or 1-percentage-point higher (6.00 percent) than the current rate:

	1% Decrease <u>(4.00%)</u>	Current Discount Rate <u>(5.00%)</u>	1% Increase <u>(6.00%)</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>12,871,074</u>	\$ <u>10,375,147</u>	\$ <u>8,295,731</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2017. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as a non-employer toward the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2017. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. 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 includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2017, the State's pension contribution was less than the actuarial determined amount.

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

For the fiscal year ended June 30, 2018, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$8,603,419 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2018 the State's proportionate share of the net pension liability attributable to the District is \$124,192,382. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2017. At June 30, 2017, the state's share of the net pension liability attributable to the District was .18420 percent, which was an increase of .00205 percent from its proportionate share measured as of June 30, 2016 of .18215 percent.

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

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.

	<u>TPAF</u>
Inflation Rate	2.25%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.00%

Assumptions for mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational bases based on a 60-year 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.

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 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 Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

Fiscal Year	Measurement Date	Discount Rate
2018	June 30, 2017	4.25%
2017	June 30, 2016	3.22%

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

Period of Projected Benefit

Payments for which the Following
 Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2036
Municipal Bond Rate *	From July 1, 2036 and Thereafter

* The municipal bond return rate used is 3.58% as of the measurement date of June 30, 2017. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.25%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.25 percent) or 1-percentage-point higher (5.25 percent) than the current rate:

	1% Decrease (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 147,544,445</u>	<u>\$ 124,192,382</u>	<u>\$ 104,954,851</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2017. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2017 was not provided by the pension system.

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report effective for the fiscal year ended June 30, 2017. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage and prescription drug benefits to qualified retired education participants. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2016:

Active Plan Members	223,747
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	142,331
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>-</u>
Total	<u>366,078</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Funded Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the State had a \$69.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.5 billion for state active and retired members and \$43.8 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Funded Status and Funding Progress (Continued)

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

Actuarial Methods and Assumptions

In the July 1, 2016, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2017, there were 112,966, retirees receiving post-retirement medical benefits and the State contributed \$1.39 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (ABP) who retired from a board of education or county college with 25 years of service. The State paid \$238.9 million toward Chapter 126 benefits for 20,913 eligible retired members in Fiscal Year 2017.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2018, 2017 and 2016 were \$1,850,115, \$1,726,327 and \$1,591,664, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions. The nonemployer allocation percentages presented are based on the ratio of the State’s contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal year ended June 30, 2017. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District’s proportionate share percentage determined under Statement No. 75 is zero percent and the State’s proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2018, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$4,636,942. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2018 the State’s proportionate share of the OPEB liability attributable to the District is \$73,603,599. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2017 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2017. At June 30, 2017, the state’s share of the OPEB liability attributable to the District was .13722 percent, which was a decrease of .00018 percent from its proportionate share measured as of June 30, 2016 of .13704 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of June 30, 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	2.50%
Salary Increases *	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.55%
Rate Thereafter	2.00% to 5.45%
Mortality	RP-2014 Headcount-Weighted Healthy Employee, Healthy Annuitant and Disabled Male/Female Mortality Table with Fully Generational Mortality Improvement Projections from the Central Year Using Scale MP-2017
Long-Term Rate of Return	1.00%

*Salary increases are based on the defined benefit plan that the individual is enrolled in and his or her year of service for TPAF or his or her age for PERS.

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5 percent and decreases to a 5.0 percent long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium. The Medicare Advantage trend rate is 4.5 percent and will continue in all future years.

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

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% as of June 30, 2017.

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	3.58%
2017	June 30, 2016	2.85%

The discount rate represents the municipal bond return rate as chosen by the Division. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2018 (measurement date June 30, 2017) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2016 Measurement Date	\$ <u>79,253,735</u>
Changes Recognized for the Fiscal Year:	
Service Cost	\$ 3,327,294
Interest on the Total OPEB Liability	2,328,946
Changes of Assumptions	(9,724,100)
Gross Benefit Payments	(1,642,767)
Contributions from the Member	<u>60,491</u>
Net Changes	\$ <u>(5,650,136)</u>
Balance, June 30, 2017 Measurement Date	\$ <u>73,603,599</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85 percent in 2016 to 3.58 percent in 2017.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2017. A change in the total OPEB liability specific to the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2017 was not provided by the pension system.

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.58%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current rate:

	1% Decrease <u>(2.58%)</u>	Current Discount Rate <u>(3.58%)</u>	1% Increase <u>(4.58%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>87,372,782</u>	\$ <u>73,603,599</u>	\$ <u>62,681,752</u>

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of OPEB Liability (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1%</u> <u>Decrease</u>	<u>Healthcare</u> <u>Cost Trend</u> <u>Rates</u>	<u>1%</u> <u>Increase</u>
Total OPEB Liability (School Retirees)	\$ <u>60,531,845</u>	\$ <u>73,603,599</u>	\$ <u>90,962,735</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2017. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2017 were not provided by the pension system.

BUDGETARY COMPARISON SCHEDULES

**GLEN ROCK PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 43,540,070		\$ 43,540,070	\$ 43,540,070	
Miscellaneous	390,749	-	390,749	443,357	\$ 52,608
Total Revenues - Local Sources	43,930,819	-	43,930,819	43,983,427	52,608
State Sources					
Transportation Aid	27,336		27,336	27,336	
Special Education Aid	972,893		972,893	1,058,667	85,774
Security Aid	40,164		40,164	40,164	
Per Pupil Growth Aid	23,130		23,130	23,130	
PARCC Readiness Aid	23,130		23,130	23,130	
Professional Learning Community Aid	24,610		24,610	24,610	
Extraordinary Aid	189,960		189,960	500,137	310,177
On Behalf TPAF Pension System Contributions- (Non-Budgeted)- Normal				2,796,626	2,796,626
(Non-Budgeted)- NCGI Premium				67,867	67,867
(Non-Budgeted)-Post Retirement Medical Contribution				1,850,115	1,850,115
(Non-Budgeted)-Long Term Disability				4,599	4,599
Reimbursed TPAF Social Security Contributions- (Non-Budgeted)	-	-	-	1,376,029	1,376,029
Total State Sources	1,301,223	-	1,301,223	7,792,410	6,491,187
Total Revenues	45,232,042	-	45,232,042	51,775,837	6,543,795
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers:					
Kindergarten	691,830	\$ (57,310)	634,520	634,520	-
Grades 1 - 5	4,148,600	8,828	4,157,428	4,154,263	3,165
Grades 6 - 8	3,622,129	2,572	3,624,701	3,598,765	25,936
Grades 9 - 12	4,627,336	58,558	4,685,894	4,682,803	3,091
Regular Programs - Home Instruction					
Salaries of Teachers	8,500	1,350	9,850	9,850	
Purchased Professional-Educational Services	5,000	7,464	12,464	12,464	-
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	13,300	(5,815)	7,485	4,070	3,415
Purchased Technical Services	70,650	(17,585)	53,065	49,668	3,397
Other Purchased Services	471,057	(3,178)	467,879	450,390	17,489
General Supplies	825,357	(1,439)	823,918	746,921	76,997
Textbooks	270,850	(50,487)	220,363	179,687	40,676
Other Objects	18,145	18,421	36,566	29,945	6,621
Total Instruction Regular Programs	14,772,754	(38,621)	14,734,133	14,553,346	180,787
Special Education					
Learning/Language Disabilities					
Salaries of Teachers	334,001	7,320	341,321	341,321	-
General Supplies	3,000	(439)	2,561	2,561	-
Total Learning/Language Disabilities	337,001	6,881	343,882	343,882	-
Resource Room/Resource Center					
Salaries of Teachers	2,093,239	120,713	2,213,952	2,213,952	-
General Supplies	22,700	(537)	22,163	17,765	4,398
Textbooks	500	(500)	-	-	-
Other Objects	1,000	(100)	900	250	650
Total Resource Room/Resource Center	2,117,439	119,576	2,237,015	2,231,967	5,048
Preschool Disabilities - Part Time					
Salaries of Teachers	97,952	7,445	105,397	105,397	-
General Supplies	1,000	-	1,000	947	53
Other Objects	3,850	-	3,850	3,500	350
Total Preschool Disabilities	102,802	7,445	110,247	109,844	403

**GLEN ROCK PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Home Instruction					
Salaries of Teachers	\$ 20,000	\$ 5,980	\$ 25,980	\$ 25,980	
Purchased Professional-Educational Services	380,000	(107,165)	272,835	253,190	\$ 19,645
Total Home Instruction	400,000	(101,185)	298,815	279,170	19,645
Total Special Education	2,957,242	32,717	2,989,959	2,964,863	25,096
Basic Skills/Remedial					
Salaries of Teachers	448,014	1,041	449,055	449,055	-
General Supplies	2,785	(403)	2,382	2,316	66
Total Basic Skills/Remedial	450,799	638	451,437	451,371	66
Bilingual Education					
Salaries of Teachers	219,059	(33,376)	185,683	185,683	-
Other Purchased Services	1,000	-	1,000	136	864
General Supplies	6,000	-	6,000	4,877	1,123
Total Bilingual Education	226,059	(33,376)	192,683	190,696	1,987
School Sponsored Co/Extra Curricular Activities					
Salaries	134,819	22,338	157,157	153,496	3,661
Purchased Services	650	3,450	4,100	3,525	575
Supplies and Materials	60,150	(5,021)	55,129	31,469	23,660
Other Objects	5,325	300	5,625	4,303	1,322
Total School-Sponsored Co/Extra Curricular Activities	200,944	21,067	222,011	192,793	29,218
School Sponsored Athletics					
Salaries	487,394	8,319	495,713	479,733	15,980
Purchased Services	168,938	11,650	180,588	177,773	2,815
Supplies and Materials	37,150	200	37,350	31,030	6,320
Other Objects	50,900	(11,216)	39,684	37,469	2,215
Total School Sponsored Athletics	744,382	8,953	753,335	726,005	27,330
Total Instruction	19,352,180	(8,622)	19,343,558	19,079,074	264,484
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Special	364,613	(32,010)	332,603	332,603	-
Tuition to County Vocational School District - Regular	315,816	(21,751)	294,065	294,065	-
Tuition to County Vocational School District - Special	26,700	26,700	53,400	53,400	-
Tuition to CSSD & Reg. Day Schools	79,340	71,220	150,560	150,560	-
Tuition to Private Schools for the Disabled - Within State	1,626,475	124,904	1,751,379	1,751,379	-
Tuition - Other	202,886	284,863	487,749	487,749	-
Total Instruction	2,615,830	453,926	3,069,756	3,069,756	-
Attendance and Social Work					
Salaries	121,349	407	121,756	121,756	-
Purchased Professional and Technical Services	18,000	350	18,350	18,350	-
Other Purchased Services	400	-	400	400	-
Supplies and Materials	1,500	(500)	1,000	786	214
Other Objects	500	-	500	-	500
Total Attendance and Social Work	141,749	257	142,006	141,292	714

**GLEN ROCK PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Health Services					
Salaries	\$ 392,982	\$ 520	\$ 393,502	\$ 391,214	\$ 2,288
Purchased Professional and Technical Services	220,400	(6,957)	213,443	187,392	26,051
Other Purchased Services	1,000	(335)	665	482	183
Supplies and Materials	14,635	821	15,456	15,191	265
Other Objects	2,700	-	2,700	1,773	927
Total Health Services	631,717	(5,951)	625,766	596,052	29,714
Speech, OT/PT and Related Services					
Salaries	448,299	(16,587)	431,712	431,712	-
Purchased Professional/Educational Services	373,000	51,000	424,000	417,782	6,218
Supplies and Materials	3,600	-	3,600	2,712	888
Total Speech OT/PT and Related Services	824,899	34,413	859,312	852,206	7,106
Other Supp. Svcs.-Extraord. Serv.					
Salaries		630	630	630	-
Purchased Professional-Educational Services	2,384,875	(143,896)	2,240,979	2,206,094	34,885
Supplies and Materials	23,000	-	23,000	20,187	2,813
Total Other Support/Extraordinary Services	2,407,875	(143,266)	2,264,609	2,226,911	37,698
Guidance					
Salaries of Other Professional Staff	764,253	(3,912)	760,341	759,592	749
Salaries of Secretarial and Clerical Assistants	105,685	386	106,071	105,571	500
Other Salaries	2,352	1,850	4,202	4,130	72
Purchased Professional-Educational Services	99,550	-	99,550	96,200	3,350
Other Purchased Professional/Technical Services	13,000	(1,850)	11,150	6,171	4,979
Other Purchased Services	16,300	-	16,300	13,345	2,955
Supplies and Materials	23,600	-	23,600	15,000	8,600
Other Objects	4,500	-	4,500	3,871	629
Total Guidance	1,029,240	(3,526)	1,025,714	1,003,880	21,834
Undistributed Expenditures					
Child Study Team					
Salaries of Other Professional Staff	906,424	(79,977)	826,447	826,447	-
Salaries of Secretarial and Clerical Assistants	108,106	(1,281)	106,825	106,029	796
Other Salaries	58,500	4,823	63,323	63,323	-
Other Purchased Professional and Technical Services	78,775	(7,542)	71,233	70,953	280
Other Purchased Services	10,725	-	10,725	9,933	792
Supplies and Materials	32,450	(10,870)	21,580	11,428	10,152
Other Objects	1,400	-	1,400	-	1,400
Total Child Study Team	1,196,380	(94,847)	1,101,533	1,088,113	13,420
Improvement of Instruction					
Salaries of Secretarial Staff	76,278	2,713	78,991	78,991	-
Other Salaries	46,800	(10,705)	36,095	36,095	-
Other Purchased Professional and Technical Services	1,500	(647)	853	650	203
Other Purchased Services	5,000	(1,500)	3,500	2,034	1,466
Supplies and Materials	8,500	-	8,500	7,067	1,433
Other Objects	96,450	20,000	116,450	110,725	5,725
Total Improvement of Instruction	234,528	9,861	244,389	235,562	8,827
Educational Media Services/ School Library					
Salaries	508,577	(37,933)	470,644	469,590	1,054
Other Purchased Services	5,850	(120)	5,730	5,422	308
Supplies and Materials	80,615	1,216	81,831	76,618	5,213
Total Educational Media Services/ School Library	595,042	(36,837)	558,205	551,630	6,575

**GLEN ROCK PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Instructional Staff Training Services					
Salaries of Other Professional Staff	\$ 101,445	-	\$ 101,445	\$ 101,445	
Other Salaries	721	\$ 248	969	969	-
Purchased Professional Educational Services	59,482	(25,923)	33,559	21,230	\$ 12,329
Other Purchased Professional and Technical Services	8,000	(3,750)	4,250		4,250
Other Purchased Services	44,450	10,071	54,521	33,451	21,070
Supplies and Materials	100	6,945	7,045	6,945	100
Total Instructional Staff Training Services	214,198	(12,409)	201,789	164,040	37,749
Support Services General Administration					
Salaries	440,107	(29,326)	410,781	410,781	-
Legal Services	75,000	27,910	102,910	102,910	-
Audit Fees	43,000	39,040	82,040	50,165	31,875
Other Purchased Professional Services	73,500	(4,749)	68,751	42,550	26,201
Communications/Telephone	77,000	(2,650)	74,350	68,542	5,808
BOE Other Purchased Services	10,500	(6,185)	4,315	4,315	-
Miscellaneous Purchased Services	87,399	1,510	88,909	81,583	7,326
Supplies and Materials	5,750	3,672	9,422	8,299	1,123
Miscellaneous Expenditures	34,500	(4,864)	29,636	21,472	8,164
BOE Membership Dues and Fees	19,693	-	19,693	19,307	386
Total Support Services General Administration	866,449	24,358	890,807	809,924	80,883
Undistributed Expenditures					
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	1,561,597	(16,438)	1,545,159	1,545,159	-
Salaries of Other Professional Staff	235,705	89,907	325,612	325,612	-
Salaries of Secretarial Staff	498,065	(2,077)	495,988	492,822	3,166
Other Salaries	3,012	4,200	7,212	7,156	56
Purchased Professional and Technical Services	12,050	21	12,071	9,730	2,341
Other Purchased Services	48,308	(4,613)	43,695	36,053	7,642
Supplies and Materials	57,577	9,996	67,573	56,383	11,190
Other Objects	39,500	(3,432)	36,068	28,349	7,719
Total Support Services School Administration	2,455,814	77,564	2,533,378	2,501,264	32,114
Central Services					
Salaries	549,542	(474)	549,068	541,839	7,229
Purchased Technical Services	35,675	1,012	36,687	35,252	1,435
Miscellaneous Purchased Services	25,550	4,238	29,788	20,697	9,091
Supplies and Materials	8,500	-	8,500	6,835	1,665
Miscellaneous Expenditures	5,300	-	5,300	3,830	1,470
Total Undistributed Expenditures - Central Services	624,567	4,776	629,343	608,453	20,890
Admin. Info. Tech.					
Salaries	406,815	(1,369)	405,446	396,006	9,440
Purchased Professional Services	77,617	15,367	92,984	84,403	8,581
Other Purchased Services	3,300	(3,300)			-
Supplies and Materials	2,250	2,106	4,356	4,356	-
Other Objects	1,900	1,194	3,094	292	2,802
Total Undistributed Expenditures - Admin. Info. Technology	491,882	13,998	505,880	485,057	20,823
Required Maintenance for School Facilities					
Salaries	425,928	(10,328)	415,600	410,701	4,899
Cleaning, Repair and Maintenance Services	136,749	57,976	194,725	190,596	4,129
General Supplies	98,700	(41,864)	56,836	51,172	5,664
Total Required Maint for School Facilities	661,377	5,784	667,161	652,469	14,692

**GLEN ROCK PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Custodial Services					
Salaries	\$ 231,431	\$ 156,835	\$ 388,266	\$ 378,737	\$ 9,529
Salaries of Non-Instructional Aides	168,363	(168,363)			-
Purchased Professional and Technical Services	48,274	40,719	88,993	87,243	1,750
Cleaning, Repair and Maintenance Services	1,667,970	31,313	1,699,283	1,661,194	38,089
Other Purchased Property Services	26,100	10,608	36,708	35,748	960
Insurance	257,215	-	257,215	257,215	-
Miscellaneous Purchased Services	36,979	(6,704)	30,275	27,751	2,524
General Supplies	194,650	12,830	207,480	198,793	8,687
Energy (Electricity)	675,187	2,620	677,807	494,111	183,696
Energy (Natural Gas)	277,173	-	277,173	201,991	75,182
Other Objects	20,000	(10,770)	9,230	7,946	1,284
	<u>3,603,342</u>	<u>69,088</u>	<u>3,672,430</u>	<u>3,350,729</u>	<u>321,701</u>
Undistributed Expenditures					
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	134,400	11,508	145,908	137,501	8,407
General Supplies	15,000	3,076	18,076	15,999	2,077
	<u>149,400</u>	<u>14,584</u>	<u>163,984</u>	<u>153,500</u>	<u>10,484</u>
Security					
Salaries	69,450	7,052	76,502	76,502	-
Cleaning, Repair and Maintenance Services	39,850	(6,098)	33,752	26,692	7,060
General Supplies	36,000	(2,074)	33,926	29,266	4,660
	<u>145,300</u>	<u>(1,120)</u>	<u>144,180</u>	<u>132,460</u>	<u>11,720</u>
Student Transportation Services					
Salaries of Non-Instructional Aides	6,250	2,964	9,214	9,214	-
Salaries for Pupil Trans (Bet Home & Sch)-Sp. Ed.	35,931	13,337	49,268	49,268	-
Cleaning, Repair and Maintenance Services	6,000	3,395	9,395	9,286	109
Contr Serv(Bet Home &Sch)-Vend	3,000	-	3,000	870	2,130
Contr Serv(Oth. Than Bet Home &Sch)-Vend	241,750	(17,476)	224,274	218,961	5,313
Contr Serv(Sp. Ed. Stds)-Joint Agrmnts	616,260	(13,068)	603,192	603,192	-
Miscellaneous Purchased Services-Transportation		28,575	28,575	28,575	-
Transportation Supplies	6,000	(2,711)	3,289	2,877	412
Other Objects	7,000	701	7,701	7,115	586
	<u>922,191</u>	<u>15,717</u>	<u>937,908</u>	<u>929,358</u>	<u>8,550</u>
Unallocated Employee Benefits					
Social Security Contributions	472,036	29,740	501,776	435,487	66,289
Other Retirement Contributions - PERS	414,772	1,707	416,479	416,479	-
Other Retirement Contributions - DCRP		8,140	8,140	8,140	-
Workmen's Compensation	122,500	(20,300)	102,200	101,825	375
Health Benefits	5,781,122	(223,516)	5,557,606	5,386,525	171,081
Tuition Reimbursements	52,500	25,263	77,763	77,763	-
Other Employee Benefits	155,029	18,627	173,656	133,010	40,646
	<u>6,997,959</u>	<u>(160,339)</u>	<u>6,837,620</u>	<u>6,559,229</u>	<u>278,391</u>
On Behalf TPAF Pension System Contributions-					
(Non-Budgeted)- Normal				2,796,626	(2,796,626)
(Non-Budgeted)- NCGI Premium				67,867	(67,867)
(Non-Budgeted) Post Retirement and Medical Contribution				1,850,115	(1,850,115)
(Non-Budgeted) Long Term Disability				4,599	(4,599)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,376,029	(1,376,029)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,095,236</u>	<u>(6,095,236)</u>
Total Undistributed Expenditures	<u>26,809,739</u>	<u>266,031</u>	<u>27,075,770</u>	<u>32,207,121</u>	<u>(5,131,351)</u>
Interest Earned on Current Expense Emergency	300	-	300	-	300
Total Current Expenditures	<u>46,162,219</u>	<u>257,409</u>	<u>46,419,628</u>	<u>51,286,195</u>	<u>(4,866,567)</u>

(Continued)

**GLEN ROCK PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CAPITAL OUTLAY					
Equipment					
Undistributed expenditures - Instruction		\$ 93,568	\$ 93,568	\$ 93,143	\$ 425
Admin. Info. Tech.		19,629	19,629	19,629	-
Operations and Plant Maintenance		23,755	23,755	23,753	2
School Administration	-	17,838	17,838	17,588	250
Total Equipment	-	154,790	154,790	154,113	677
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA funding	\$ 15,896	-	15,896	15,896	-
Total Facilities Acquisition and Construction Services	15,896	-	15,896	15,896	-
Increase in Capital Reserve	150,000	-	150,000	-	150,000
Interest Deposit to Capital Reserve	250	-	250	-	250
Total Expenditures - Capital Outlay	166,146	154,790	320,936	170,009	150,927
Total Expenditures - General Fund	46,328,365	412,199	46,740,564	51,456,204	(4,715,640)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,096,323)	(412,199)	(1,508,522)	319,633	1,828,155
Other Financing Sources/Uses					
Transfer to Capital Projects Fund- Capital Reserve	(986,900)	-	(986,900)	(986,900)	-
Total Other Financing Sources/Uses	(986,900)	-	(986,900)	(986,900)	-
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(2,083,223)	(412,199)	(2,495,422)	(667,267)	1,828,155
Fund Balance, Beginning of Year	6,302,398	-	6,302,398	6,302,398	-
Fund Balance, End of Year	\$ 4,219,175	\$ (412,199)	\$ 3,806,976	\$ 5,635,131	\$ 1,828,155
Recapitulation of Fund Balance					
Restricted:					
Excess Surplus				\$ 1,141,945	
Excess Surplus- Designated for Subsequent Year's Expenditures				1,545,703	
Capital Reserve				409,808	
Capital Reserve- Designated for Subsequent Year's Expenditures				725,685	
Emergency Reserve				406,000	
Assigned:					
Year-End Encumbrances				83,082	
Designated for Subsequent Year's Expenditures				85,774	
Unassigned:					
				1,237,134	
Fund Balance (Budgetary Basis)				5,635,131	
Reconciliation to Governmental Fund Statements (GAAP)					
State Aid Payments Not Recognized on a GAAP Basis				601,622	
Fund Balance per Governmental Funds (GAAP Basis)				\$ 5,033,509	

**GLEN ROCK PUBLIC SCHOOLS
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State Sources	\$ 175,849	\$ 43,067	\$ 218,916	\$ 174,376	\$ (44,540)
Federal Sources	479,708	114,113	593,821	565,543	(28,278)
Local Sources					
Miscellaneous	-	16,828	16,828	15,752	(1,076)
Total Revenues	<u>655,557</u>	<u>174,008</u>	<u>829,565</u>	<u>755,671</u>	<u>(73,894)</u>
EXPENDITURES					
Instruction					
Purchased Professional/Educational Services	37,193	1,945	39,138	30,756	8,382
Purchased Professional/Technical Services	23,281	4,395	27,676	20,088	7,588
Tuition	419,332	71,956	491,288	491,288	-
General Supplies	6,520	11,299	17,819	14,922	2,897
Textbooks	14,453	1,269	15,722	15,722	-
Miscellaneous	-	1,200	1,200	179	1,021
Total Instruction	<u>500,779</u>	<u>92,064</u>	<u>592,843</u>	<u>572,955</u>	<u>19,888</u>
Support Services					
Employee Salaries and Benefits		11,706	11,706	9,346	2,360
Purchased Professional & Technical Services		12,000	12,000	11,150	850
Purchased Professional - Educational Services	111,934	22,126	134,060	87,607	46,453
Other Purchased Professional Services	22,797	5,236	28,033	28,033	-
Cleaning, Repair, and Maintenance Services	5,000	(5,000)			-
Miscellaneous Purchased Services		855	855	855	-
General Supplies	15,047	8,522	23,569	19,226	4,343
Total Support Services	<u>154,778</u>	<u>55,445</u>	<u>210,223</u>	<u>156,217</u>	<u>54,006</u>
Facilities Acquisition and Construction					
Instructional Equipment		17,683	17,683	17,683	-
Non-Instructional Equipment	-	8,816	8,816	8,816	-
Total Facilities Acquisition and Construction	<u>-</u>	<u>26,499</u>	<u>26,499</u>	<u>26,499</u>	<u>-</u>
Total Expenditures	<u>655,557</u>	<u>174,008</u>	<u>829,565</u>	<u>755,671</u>	<u>73,894</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**GLEN ROCK PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	C-1 \$ 51,775,837	C-2 \$ 755,671
Difference - Budget to GAAP:		
State Aid and Extraordinary payment recognized for GAAP purposes, not recognized for Budgetary statements (2016/2017 State Aids).	537,773	
State Aid and Extraordinary payment not recognized for GAAP purposes, recognized for Budgetary statements (2017/2018 State Aids).	<u>(601,622)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	B-2 \$ <u>51,711,988</u>	B-2 \$ <u>755,671</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	C-1 \$ <u>51,456,204</u>	C-2 \$ <u>755,671</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	B-2 \$ <u>51,456,204</u>	B-2 \$ <u>755,671</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**PENSION INFORMATION
AND**

OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

Public Employees Retirement System

Last Five Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.04457 %	0.04756 %	0.04907 %	0.04762 %	0.04834 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 10,375,147	\$ 14,087,333	\$ 11,014,621	\$ 8,915,916	\$ 9,238,480
District's Covered-Employee Payroll	\$ 3,048,612	\$ 2,983,879	\$ 3,322,003	\$ 3,245,483	\$ 3,314,276
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	340.324 %	472.1 %	331.6 %	274.0 %	279.0 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.11%	40.14%	47.93%	52.08%	48.72%

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

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

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

Public Employees Retirement System

Last Five Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 412,892	\$ 422,559	\$ 421,847	\$ 392,579	\$ 369,910
Contributions in Relation to the Contractually Required Contribution	<u>412,892</u>	<u>422,559</u>	<u>421,847</u>	<u>392,579</u>	<u>369,910</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 3,048,612	\$ 2,983,879	\$ 3,322,003	\$ 3,245,483	\$ 3,314,276
Contributions as a Percentage of Covered-Employee Payroll	13.54% %	13.01 %	11.88 %	12.54 %	11.36 %

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

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

Teachers Pension and Annuity Fund

Last Five Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	%	%	%	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	%	%	%	0 %	0 %
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	\$ <u>124,192,382</u>	\$ <u>143,289,276</u>	\$ <u>117,213,772</u>	\$ <u>97,818,837</u>	\$ <u>94,792,233</u>
Total	\$ <u>124,192,382</u>	\$ <u>143,289,276</u>	\$ <u>117,213,772</u>	\$ <u>97,818,837</u>	\$ <u>94,792,233</u>
District's Covered-Employee Payroll	\$ 19,759,557	\$ 19,129,191	\$ 18,765,085	\$ 17,883,876	\$ 18,064,542
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0 %	0 %	0 %	0 %	0 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	36.44%	22.33%	28.71%	33.64%	33.76%

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

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

**GLEN ROCK PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Change of Benefit Terms: None.

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

**GLEN ROCK PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

POSTEMPLOYMENT HEALTH BENEFIT PLAN

Last One Fiscal Year*

	2018
Total OPEB Liability	
Service Cost	\$ 3,327,294
Interest on OPEB Liability	2,328,946
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes of Assumptions	(9,724,100)
Gross Benefit Payments	(1,642,767)
Contribution from the Member	60,491
Net Change in Total OPEB Liability	(5,650,136)
Total OPEB Liability - Beginning	79,253,735
Total OPEB Liability - Ending	73,603,599
District's Proportionate Share of OPEB Liability	\$ -
State's Proportionate Share of OPEB Liability	73,603,599
Total OPEB Liability - Ending	\$ 73,603,599
District's Covered-Employee Payroll	\$ 22,808,169
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll	0%

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

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

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**GLEN ROCK PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Changes in Benefit Terms:	None.
Changes of Assumptions	Assumptions used in calculating the OPEB liability are presented in Note 4E.

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

**GLEN ROCK PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ESEA				IDEA				Totals Pg 2	Grand Totals
	Title IIA	Title IIA Carryover	Title III	Title IV	Part B Basic	Part B Pre-School	Part B Pre-School Carryover	Miscellaneous		
REVENUES										
Intergovernmental										
State Sources									\$ 174,376	\$ 174,376
Federal Sources	\$ 24,778	\$ 948	\$ 2,405	\$ 8,012	\$ 501,319	\$ 22,695	\$ 5,386	-	-	565,543
Local Sources										
Miscellaneous	-	-	-	-	-	-	-	\$ 15,752	-	15,752
Total Revenues	\$ 24,778	\$ 948	\$ 2,405	\$ 8,012	\$ 501,319	\$ 22,695	\$ 5,386	\$ 15,752	\$ 174,376	\$ 755,671
EXPENDITURES										
Instruction:										
Tuition					\$ 463,207	\$ 22,695	\$ 5,386			\$ 491,288
Purchased Prof. Educational Services									\$ 30,756	30,756
Purchased Prof. Tech Service									20,088	20,088
General Supplies			\$ 2,405	\$ 1,136				\$ 3,186	8,195	14,922
Textbooks									15,722	15,722
Miscellaneous	-	-	-	-	-	-	-	179	-	179
Total Instruction	-	-	2,405	1,136	463,207	22,695	5,386	3,365	74,761	572,955
Support Services										
Employee Salaries and Benefits	\$ 2,470			6,876						9,346
Purchased Professional Educational Services					38,112				49,495	87,607
Purchased Professional and Technical Services	11,150								-	11,150
Other Purchased Professional Services									28,033	28,033
Miscellaneous Purchased Services									855	855
General Supplies	11,158	\$ 948	-	-	-	-	-	-	7,120	19,226
Total Support Services	24,778	948	-	6,876	38,112	-	-	-	85,503	156,217
Facilities Acquisition and Construction Services										
Instructional Equipment								12,387	5,296	17,683
Non-Instructional Equipment	-	-	-	-	-	-	-	-	8,816	8,816
Total Facilities Acq. & Construction	-	-	-	-	-	-	-	12,387	14,112	26,499
Total Expenditures	\$ 24,778	\$ 948	\$ 2,405	\$ 8,012	\$ 501,319	\$ 22,695	\$ 5,386	\$ 15,752	\$ 174,376	\$ 755,671

GLEN ROCK PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Chapter 192/193									Page 2 Totals
	Handicapped Services			Auxiliary Services		Non-Public				
	Supplemental Instruction	Corrective Speech	Examination/ Classification	Compensatory Education	Home Instruction	Nursing	Textbook	Security	Technology	
REVENUES										
Intergovernmental										
State Sources	\$ 24,106	\$ 20,088	\$ 30,756	\$ 25,335	\$ 54	\$ 28,033	\$ 15,722	\$ 19,663	\$ 10,619	\$ 174,376
Federal Sources										
Local Sources										
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 24,106</u>	<u>\$ 20,088</u>	<u>\$ 30,756</u>	<u>\$ 25,335</u>	<u>\$ 54</u>	<u>\$ 28,033</u>	<u>\$ 15,722</u>	<u>\$ 19,663</u>	<u>\$ 10,619</u>	<u>\$ 174,376</u>
EXPENDITURES										
Instruction:										
Purchased Prof. Educational Services			\$ 30,756							\$ 30,756
Purchased Professional/ Technical Services		\$ 20,088								20,088
General Supplies								\$ 8,195		8,195
Textbooks	-	-	-	-	-	-	\$ 15,722	-	-	15,722
Total Instruction	<u>-</u>	<u>20,088</u>	<u>30,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,722</u>	<u>-</u>	<u>8,195</u>	<u>74,761</u>
Support Services										
Purchased Professional Educational Services	\$ 24,106			\$ 25,335	\$ 54					49,495
Other Purchased Professional Services						\$ 28,033				28,033
Miscellaneous Purchased Services								\$ 855		855
General Supplies	-	-	-	-	-	-	-	7,120	-	7,120
Total Support Services	<u>24,106</u>	<u>-</u>	<u>-</u>	<u>25,335</u>	<u>54</u>	<u>28,033</u>	<u>-</u>	<u>7,975</u>	<u>-</u>	<u>85,503</u>
Facilities Acquisition and Construction										
Instructional Equipment								5,296		5,296
Non-Instructional Equipment	-	-	-	-	-	-	-	6,392	2,424	8,816
Total Facilities Acquisition and Construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,688</u>	<u>2,424</u>	<u>14,112</u>
Total Expenditures	<u>\$ 24,106</u>	<u>\$ 20,088</u>	<u>\$ 30,756</u>	<u>\$ 25,335</u>	<u>\$ 54</u>	<u>\$ 28,033</u>	<u>\$ 15,722</u>	<u>\$ 19,663</u>	<u>\$ 10,619</u>	<u>\$ 174,376</u>

**GLEN ROCK PUBLIC SCHOOLS
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**GLEN ROCK PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Cancellation</u>	<u>Balance, June 30, 2018</u>
		<u>Prior Years</u>	<u>Current Year</u>		
High School/Middle School Floor Tile Project, High School/Middle School and Byrd Boiler Replacement, High School/Middle School Nurses Office HVAC Upgrades, High School/Middle School Security Project	\$ 725,685		\$ 41,135		\$ 684,550
High School/Middle School HVAC System, Tennis Court Rehabilitation, Coleman and Byrd Floor Tile Replacement and High School/Middle School Roof Replacement/Restoration	<u>986,900</u>	<u>\$ 37,079</u>	<u>914,946</u>	<u>-</u>	<u>34,875</u>
	<u>\$ 1,712,585</u>	<u>\$ 37,079</u>	<u>\$ 956,081</u>	<u>\$ -</u>	<u>\$ 719,425</u>
		<u>Reconciliation to Fund Balance - GAAP</u>			
					\$ 719,425
					Less-
					Unrealized 2018/19 Capital Reserve Funds
					<u>(725,685)</u>
					Fund Balance, GAAP Basis
					<u>\$ (6,260)</u>
		<u>Recapitulation of Fund Balance - GAAP</u>			
					\$ 10,412
					Year End Encumbrances
					Available for Capital Projects
					<u>(16,672)</u>
					Total Fund Balance Restricted for
					Capital Projects
					<u>\$ (6,260)</u>

GLEN ROCK PUBLIC SCHOOLS
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

EXHIBIT F-2

Revenues and Other Financing Sources	
Transfer from Capital Reserve	\$ <u>986,900</u>
Total Revenues and Other Financing Sources	<u>986,900</u>
Expenditures and Other Financing Uses	
Purchased Prof/Tech Services	52,173
Construction Services	902,873
Miscellaneous	<u>1,035</u>
Total Expenditures and Other Financing Uses	<u>956,081</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	30,819
Fund Balance, Beginning of Year	<u>(37,079)</u>
Fund Balance, End of Year - Budgetary Basis	<u>\$ (6,260)</u>
Fund Balance, End of Year - GAAP Basis	<u>\$ (6,260)</u>

**GLEN ROCK PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL/MIDDLE SCHOOL FLOOR TILE PROJECT, HIGH SCHOOL/MIDDLE SCHOOL AND BYRD
BOILER REPLACEMENT, HIGH SCHOOL/MIDDLE SCHOOL NURSES OFFICE HVAC UPGRADES, HIGH
SCHOOL/MIDDLE SCHOOL SECURITY 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>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	-	-	-	\$ 725,685
Total Revenues and Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>725,685</u>
Expenditures and Other Financing Uses				
Salaries				
Purchased Professional and Technical services		\$ 40,100	\$ 40,100	\$ 52,100
Construction Services			-	662,585
Miscellaneous Expenditures		1,035	1,035	11,000
Transfer Out	-	-	-	-
Total Expenditures and Other Financing Uses	<u>-</u>	<u>41,135</u>	<u>41,135</u>	<u>725,685</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ -</u>	<u>\$ (41,135)</u>	<u>\$ (41,135)</u>	<u>\$ -</u>

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bonds Authorization Date	N/A
Bonds Authorized	\$ -
Bonds Issued	\$ -
Original Authorized Cost	\$ 725,685
Change Orders	N/A
Revised Authorized Cost	\$ 725,685
Change Order Percentage	N/A
Percentage Completion	6.00%
Original Target Completion Date	
Revised Target Completion Date	

**GLEN ROCK PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL/MIDDLE SCHOOL HVAC SYSTEM, TENNIS COURT REHABILITATION
COLEMAN AND BYRD FLOOR TILE REPLACEMENT AND HIGH SCHOOL/MIDDLE SCHOOL
ROOF REPLACEMENT/RESTORATION
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>
Revenues and Other Financing Sources				
Transfer From Capital Reserve	-	\$ 986,900	\$ 986,900	\$ 986,900
Total Revenues and Other Financing Sources	-	986,900	986,900	986,900
Expenditures and Other Financing Uses				
Purchased Professional and Technical services	\$ 37,079	12,073	49,152	50,000
Construction Services	-	902,873	902,873	900,000
Miscellaneous Expenditures	-	-	-	36,900
Total Expenditures and Other Financing Uses	37,079	914,946	952,025	986,900
Excess (Deficiency) of Revenues over (under) Expenditures	\$ (37,079)	\$ 71,954	\$ 34,875	\$ -

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bonds Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 986,900
Change Orders	-
Revised Authorized Cost	\$ 986,900
Change Order Percentage	N/A
Percentage Completion	100.00%
Original Target Completion Date	6/30/2017
Revised Target Completion Date	6/30/2017

PROPRIETARY FUND

**GLEN ROCK PUBLIC SCHOOLS
PROPRIETARY FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2018**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

**GLEN ROCK PUBLIC SCHOOLS
FIDUCIARY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AS OF JUNE 30, 2018**

	<u>Student Activity</u>	<u>Payroll Agency</u>	<u>Agency Totals</u>
ASSETS			
Cash and Cash Equivalents	\$ 340,193	\$ 248,775	\$ 588,968
Total Assets	<u>\$ 340,193</u>	<u>\$ 248,775</u>	<u>\$ 588,968</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 22,889	\$ 22,889
Accrued Salary and Wages		1,198	1,198
Reserve for Flex Spending Benefits		38,294	38,294
Due to Other Funds		186,394	186,394
Due to Student Groups	\$ 340,193	-	340,193
Total Liabilities	<u>\$ 340,193</u>	<u>\$ 248,775</u>	<u>\$ 588,968</u>

EXHIBIT H-2

**COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-8

**GLEN ROCK PUBLIC SCHOOLS
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Balance</u> <u>July 1, 2017</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disburse-</u> <u>ments</u>	<u>Balance</u> <u>June 30, 2018</u>
Elementary Schools	\$ 14,638	\$ 53,474	\$ 50,714	\$ 17,398
Middle / High School	293,452	586,954	557,611	322,795
Athletic Activity	-	116,155	116,155	-
TOTAL ALL SCHOOLS	<u>\$ 308,090</u>	<u>\$ 756,583</u>	<u>\$ 724,480</u>	<u>\$ 340,193</u>

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Balance,</u> <u>July 1,</u> <u>2017</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance,</u> <u>June 30,</u> <u>2018</u>
Due to/from Other Funds	\$ 150,213	\$ 36,181		\$ 186,394
Due to Flex Spending	39,790	56,004	57,500	38,294
Accrued Salaries and Wages	1,198	16,398,469	16,398,469	1,198
Payroll Deductions and Withholdings	25,058	12,995,443	12,997,612	22,889
Total	<u>\$ 216,259</u>	<u>\$ 29,486,097</u>	<u>\$ 29,453,581</u>	<u>\$ 248,775</u>

LONG-TERM DEBT

**GLEN ROCK PUBLIC SCHOOLS
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Annual Date</u>	<u>Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2017</u>	<u>Increased</u>	<u>Matured</u>	<u>Balance June 30, 2018</u>
Various Improvements	10/15/2002	\$ 3,469,000	4/15/2018	\$ 284,000	4.000%	\$ 284,000		\$ 284,000	
Various Improvements	9/2/2008	45,343,000	9/15/2018	1,670,000	4.250%	2,870,000		1,200,000	\$ 1,670,000
2016 Refunding Bonds	1/26/2016	32,910,000	9/1/2019	1,630,000	4.250%				
			9/1/2020	1,690,000	4.250%				
			9/1/2021	1,755,000	4.250%				
			9/1/2022	1,830,000	4.250%				
			9/1/2023	1,905,000	4.300%				
			9/1/2024	1,980,000	4.500%				
			9/1/2025	2,055,000	4.500%				
			9/1/2026	2,130,000	4.500%				
			9/1/2027	2,225,000	4.500%				
			9/1/2028	2,330,000	4.600%				
			9/1/2029	2,440,000	4.625%				
			9/1/2030	2,545,000	4.700%				
			9/1/2031	2,675,000	4.750%				
			9/1/2032	2,795,000	4.750%				
			9/1/2033	2,925,000	4.750%				
						<u>32,910,000</u>	-	-	<u>32,910,000</u>
						<u>\$ 36,064,000</u>	<u>\$ -</u>	<u>\$ 1,484,000</u>	<u>\$ 34,580,000</u>
								<u>\$ 1,484,000</u>	
						Budget Appropriation			

**GLEN ROCK PUBLIC SCHOOLS
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOT APPLICABLE

**DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 2,436,622		\$ 2,436,622	\$ 2,436,622	
State Sources					
State Aid	<u>626,313</u>	<u>-</u>	<u>626,313</u>	<u>626,313</u>	<u>-</u>
Total Revenues	<u>3,062,935</u>	<u>-</u>	<u>3,062,935</u>	<u>3,062,935</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Redemption of Principal	1,484,000	-	1,484,000	1,484,000	
Interest	<u>1,587,285</u>	<u>-</u>	<u>1,587,285</u>	<u>1,587,285</u>	<u>-</u>
Total Expenditures	<u>3,071,285</u>	<u>-</u>	<u>3,071,285</u>	<u>3,071,285</u>	<u>-</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(8,350)</u>	<u>-</u>	<u>(8,350)</u>	<u>(8,350)</u>	<u>-</u>
Fund Balance, Beginning of Year	<u>22,972</u>	<u>-</u>	<u>22,972</u>	<u>22,972</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 14,622</u>	<u>\$ -</u>	<u>\$ 14,622</u>	<u>\$ 14,622</u>	<u>\$ -</u>

Analysis of Balance

Designated for Subsequent Year Expenditures	\$ 14,622
Restricted for Debt Service	<u>-</u>
	<u>\$ 14,622</u>

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014 (2)	2015	2016	2017	2018
						(Restated)				
Governmental Activities										
Net Investment in Capital Assets	\$ 8,958,088	\$ 9,580,909	\$ 10,002,033	\$ 9,148,137	\$ 11,246,322	\$ 11,869,829	\$ 12,097,377	\$ 12,891,322	\$ 11,511,891	\$ 11,279,232
Restricted	1,635,132	1,248,379	2,297,610	3,462,618	2,860,798	2,327,742	2,110,708	1,527,503	1,995,365	1,143,855
Unrestricted	978,250	656,788	1,327,571	2,072,217	2,120,590	(7,361,144)	(7,519,250)	(7,714,876)	(8,479,726)	(8,483,475)
Total Governmental Activities Net Position	<u>\$ 11,571,470</u>	<u>\$ 11,486,076</u>	<u>\$ 13,627,214</u>	<u>\$ 14,682,972</u>	<u>\$ 16,227,710</u>	<u>\$ 6,836,427</u>	<u>\$ 6,688,835</u>	<u>\$ 6,703,949</u>	<u>\$ 5,027,530</u>	<u>\$ 3,939,612</u>
Business-type activities										
Net Investment in Capital Assets	\$ 52,011	\$ 50,277	\$ 45,326	\$ 1,476	\$ 15,116	\$ 12,780	\$ 21,777	\$ 17,425	\$ 22,784	\$ 20,384
Unrestricted	656,898	556,823	530,699	683,926	677,809	778,714	530,601	375,699	484,089	638,686
Total Business-Type Activities Net Position	<u>\$ 708,909</u>	<u>\$ 607,100</u>	<u>\$ 576,025</u>	<u>\$ 685,402</u>	<u>\$ 692,925</u>	<u>\$ 791,494</u>	<u>\$ 552,378</u>	<u>\$ 393,124</u>	<u>\$ 506,873</u>	<u>\$ 659,070</u>
District-wide										
Net Investment in Capital Assets	\$ 9,010,099	\$ 9,631,186	\$ 10,047,359	\$ 9,149,613	\$ 11,261,438	\$ 11,882,609	\$ 12,119,154	\$ 12,908,747	\$ 11,534,675	\$ 11,299,616
Restricted	1,635,132	1,248,379	2,297,610	3,462,618	2,860,798	2,327,742	2,110,708	1,527,503	1,995,365	1,143,855
Unrestricted	1,635,148	1,213,611	1,858,270	2,756,143	2,798,399	(6,582,430)	(6,988,649)	(7,339,177)	(7,995,637)	(7,844,789)
Total District Net Position	<u>\$ 12,280,379</u>	<u>\$ 12,093,176</u>	<u>\$ 14,203,239</u>	<u>\$ 15,368,374</u>	<u>\$ 16,920,635</u>	<u>\$ 7,627,921</u>	<u>\$ 7,241,213</u>	<u>\$ 7,097,073</u>	<u>\$ 5,534,403</u>	<u>\$ 4,598,682</u>

Source: District Financial Records

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

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

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities										
Instruction										
Regular	\$ 17,223,617	\$ 17,658,483	\$ 17,593,987	\$ 19,487,797	\$ 19,498,092	\$ 19,560,882	\$ 22,802,265	\$ 24,119,067	\$ 27,243,362	\$ 27,821,163
Special Education	6,114,569	6,502,286	6,270,198	6,164,147	6,004,684	6,359,075	7,081,367	7,773,836	8,134,028	8,895,937
Other Special Education	1,016,571	1,027,123	767,042	629,994	660,268	603,338	711,206	688,326	1,322,079	1,349,779
School Sponsored Activities and Athletics	874,532	858,564	836,969	934,726	1,016,734	1,092,729	1,223,345	1,210,348	1,516,347	1,544,499
Support Services:										
Tuition										
Student & Instruction Related Services	5,476,966	5,583,667	5,434,305	6,258,524	6,788,480	7,124,795	7,770,425	8,390,007	9,176,149	9,365,201
Educational Media/School Library	884,253	900,408	850,298	960,506	1,004,372	945,838	1,130,931	1,197,343	1,147,445	1,118,832
General Administration	1,059,244	1,130,141	1,126,466	1,115,575	978,317	1,034,115	1,156,223	1,299,253	1,397,259	1,292,970
School Administrative Services	2,507,260	2,609,528	3,101,922	3,391,830	3,463,742	3,485,098	4,003,034	4,268,537	4,772,544	4,852,112
Central Services	1,332,829	1,234,575	1,298,378	1,466,634	1,437,140	1,479,608	1,451,301	1,522,395	1,633,449	1,725,118
Plant Operations and Maintenance	4,528,733	4,389,404	4,325,822	4,610,578	4,536,130	4,907,607	4,813,339	4,828,108	4,976,158	4,867,880
Pupil Transportation	1,093,196	1,012,058	912,763	859,310	899,076	905,266	894,179	856,873	793,786	957,459
Interest on Long-Term Debt	238,924	3,758,288	2,020,682	2,065,403	2,025,853	1,942,558	1,903,597	1,396,278	1,444,427	1,375,360
Total Governmental Activities Expenses	42,350,694	46,664,525	44,538,832	47,945,024	48,312,888	49,440,909	54,941,212	57,550,391	63,557,033	65,166,310
Business-Type Activities:										
Food Service	557,056	623,161	525,246	502,480	488,022	512,705	486,218	506,962	523,671	537,142
Community School	1,284,661	1,302,111	1,252,068	1,203,830	1,253,303	1,346,609	1,557,780	1,469,523	1,471,994	1,589,835
Total Business-Type Activities Expense	1,841,717	1,925,272	1,777,314	1,706,310	1,741,325	1,859,314	2,043,998	1,976,485	1,995,665	2,126,977
Total District Expenses	\$ 44,192,411	\$ 48,589,797	\$ 46,316,146	\$ 49,651,334	\$ 50,054,213	\$ 51,300,223	\$ 56,985,210	\$ 59,526,876	\$ 65,552,698	\$ 67,293,287
Program Revenues										
Governmental Activities:										
Charges for Services:										
Regular- Tuition					\$ 39,907	\$ 35,688	\$ 32,088	\$ 28,724	\$ 28,595	\$ 58,380
School Spons. Activities/Athletics Fees									105,928	177,132
Plant Operations and Maint. Facility Rental	\$ 5,701								24,379	40,939
Capital Grants and Contributions					36,500	25,000	3,712	41,383	44,296	49,426
Operating Grants and Contributions	4,932,022	\$ 5,440,855	\$ 4,290,159	\$ 5,304,368	6,879,467	6,169,032	10,351,346	12,407,077	16,072,363	16,913,015
Total Governmental Activities Program Revenues	4,937,723	5,440,855	4,290,159	5,304,368	6,955,874	6,229,720	10,387,146	12,477,184	16,275,561	17,238,892
Business-Type Activities:										
Charges for Services										
Food Service	487,896	568,433	530,605	518,510	501,688	497,938	454,868	545,932	520,619	551,506
Community School	1,310,096	1,227,877	1,215,477	1,335,774	1,246,947	1,459,900	1,662,706	1,571,254	1,588,766	1,727,668
Total Business Type Activities Program Revenues	1,797,992	1,796,310	1,746,082	1,854,284	1,748,635	1,957,838	2,117,574	2,117,186	2,109,385	2,279,174
Total District Program Revenues	\$ 6,735,715	\$ 7,237,165	\$ 6,036,241	\$ 7,158,652	\$ 8,704,509	\$ 8,187,558	\$ 12,504,720	\$ 14,594,370	\$ 18,384,946	\$ 19,518,066
Net (Expense)/Revenue										
Governmental Activities	\$ (37,412,971)	\$ (41,223,670)	\$ (40,248,673)	\$ (42,640,656)	\$ (41,357,014)	\$ (43,211,189)	\$ (44,554,066)	\$ (45,073,207)	\$ (47,281,472)	\$ (47,927,418)
Business-Type Activities	(43,725)	(128,962)	(31,232)	147,974	7,310	98,524	73,576	140,701	113,720	152,197
Total District-Wide Net Expense	\$ (37,456,696)	\$ (41,352,632)	\$ (40,279,905)	\$ (42,492,682)	\$ (41,349,704)	\$ (43,112,665)	\$ (44,480,490)	\$ (44,932,506)	\$ (47,167,752)	\$ (47,775,221)

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

	Fiscal Year Ended 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	\$ 36,557,380	\$ 37,738,970	\$ 39,248,529	\$ 40,033,500	\$ 40,033,500	\$ 40,033,500	\$ 40,521,909	\$ 41,319,529	\$ 42,275,920	\$ 43,540,070
Taxes Levied for Debt Service	1,051,124	2,132,346	2,157,981	2,587,336	2,537,079	2,641,786	2,511,792	2,510,082	2,371,652	2,436,622
State Aid Restricted for Debt Service		874,878	670,441	672,837			682,918	685,570	689,999	626,313
Unrestricted Grants and Contributions	19,054						43,210	46,068	68,421	70,471
Miscellaneous Income	573,316	392,082	404,601	402,741	331,983	383,120	346,645	227,072	199,061	166,906
Loss on Disposal of Assets										(882)
Transfers							300,000	300,000	-	-
Total Governmental Activities	38,200,874	41,138,276	42,481,552	43,696,414	42,902,562	43,058,406	44,406,474	45,088,321	45,605,053	46,839,500
Business-Type Activities:										
Loss on Disposal of Assets							(12,784)			
Miscellaneous Income	729	27,153	157	302	213	45	92	45	29	
Transfers							(300,000)	(300,000)	-	-
Total Business-Type Activities	729	27,153	157	302	213	45	(312,692)	(299,955)	29	-
Total District-Wide	\$ 38,201,603	\$ 41,165,429	\$ 42,481,709	\$ 43,696,716	\$ 42,902,775	\$ 43,058,451	\$ 44,093,782	\$ 44,788,366	\$ 45,605,082	\$ 46,839,500
Change in Net Position										
Governmental Activities	\$ 787,903	\$ (85,394)	\$ 2,232,879	\$ 1,055,758	\$ 1,545,548	\$ (152,783)	\$ (147,592)	\$ 15,114	\$ (1,676,419)	\$ (1,087,918)
Business-Type Activities	(42,996)	(101,809)	(31,075)	148,276	7,523	98,569	(239,116)	(159,254)	113,749	152,197
Total District	\$ 744,907	\$ (187,203)	\$ 2,201,804	\$ 1,204,034	\$ 1,553,071	\$ (54,214)	\$ (386,708)	\$ (144,140)	\$ (1,562,670)	\$ (935,721)

Source: District Financial Records

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 2,823,169	\$ 3,191,654								
Unreserved	242,714	341,462								
Restricted			\$ 4,067,079	\$ 5,913,007	\$ 4,737,021	\$ 4,859,140	\$ 4,059,921	\$ 3,380,219	\$ 5,020,419	\$ 4,229,142
Assigned			315,728	510,896	577,242	440,959	362,962	349,721	159,263	168,856
Unassigned			603,383	541,720	581,619	588,648	604,866	609,852	584,943	635,511
Total General Fund	\$ 3,065,883	\$ 3,533,116	\$ 4,986,190	\$ 6,965,623	\$ 5,895,882	\$ 5,888,747	\$ 5,027,749	\$ 4,339,792	\$ 5,764,625	\$ 5,033,509
All Other Governmental Funds										
Reserved	\$ 26,365,521	\$ 16,092,535								
Unreserved	16,420,468	8,404,452								
Restricted			\$ 8,520,094	\$ 3,049,024	\$ 991,500	\$ 240,272	\$ 625,325	\$ 729,443	\$ (14,107)	\$ 8,362
Total All Other Governmental Funds	\$ 42,785,989	\$ 24,496,987	\$ 8,520,094	\$ 3,049,024	\$ 991,500	\$ 240,272	\$ 625,325	\$ 729,443	\$ (14,107)	\$ 8,362

Source: District Financial Records

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

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Tax Levy	\$ 37,608,504	\$ 39,871,316	\$ 41,406,510	\$ 42,620,836	\$ 42,570,579	\$42,675,286	\$43,033,701	\$43,829,611	\$44,647,572	\$45,976,692
Tuition Charges										
Miscellaneous	579,017	398,082	396,048	402,741	372,513	421,669	387,183	262,241	382,390	459,109
State Sources	4,369,411	5,448,542	4,034,449	5,277,340	6,292,964	5,619,280	6,244,849	6,861,254	7,572,727	8,529,250
Federal Sources	581,665	858,012	910,727	646,862	585,070	546,871	566,938	578,622	557,785	565,543
Total Revenue	43,138,597	46,575,952	46,747,734	48,947,779	49,821,126	49,263,106	50,232,671	51,531,728	53,160,474	55,530,594
Expenditures										
Instruction										
Regular Instruction	16,908,894	17,440,552	17,417,002	18,190,510	18,313,945	18,212,373	19,042,630	19,501,867	20,244,803	21,465,914
Special Education Instruction	6,048,773	6,455,998	6,237,548	5,951,220	5,805,814	6,105,429	6,358,458	6,726,187	6,716,222	7,590,579
Other Instruction	998,530	1,014,282	759,343	591,386	611,099	564,264	600,723	624,058	981,102	1,041,380
School Sponsored Activities and Athletics	860,548	849,365	829,393	882,065	961,281	1,025,616	1,039,520	1,041,748	1,174,494	1,236,834
Support Services:										
Tuition										
Student & Inst. Related Services	5,387,889	5,521,487	5,385,897	5,987,005	6,532,007	6,816,480	6,902,786	7,317,688	7,602,196	7,943,800
Educational Media/School Library	868,020	889,083	841,583	898,123	931,080	878,847	941,358	964,494	822,769	840,913
General Administration	1,050,316	1,123,381	1,120,170	1,071,493	948,430	992,209	1,027,762	1,138,160	1,148,308	1,093,384
School Administrative Services	2,459,610	2,575,454	3,069,102	3,162,277	3,242,716	3,238,353	3,301,966	3,413,608	3,493,296	3,700,239
Central Services	1,312,526	1,219,903	1,286,189	1,378,946	1,354,106	1,380,704	1,353,706	1,417,785	1,474,672	1,498,576
Plant Operations and Maintenance	4,472,874	4,352,096	4,295,719	4,494,701	4,432,883	4,768,457	4,700,478	4,740,001	4,835,728	4,660,307
Pupil Transportation	1,092,206	1,011,495	912,343	856,339	895,023	900,275	889,166	850,949	785,353	943,441
Capital Outlay	2,125,894	17,902,401	15,793,847	5,641,289	5,579,501	1,793,363	1,636,477	1,472,778	121,061	1,136,693
Debt Service:										
Principal	876,514	875,071	1,208,898	1,257,925	1,312,259	1,371,812	1,295,000	1,350,000	1,415,000	1,484,000
Interest and Other Charges	203,325	3,167,153	2,114,519	2,076,137	2,028,247	1,973,287	1,918,586	1,457,978	1,664,187	1,603,181
Payments to Escrow Agent							660,000		-	
Cost of Issuance	110,089	-	-	-	-	-	-	-	-	-
Total Expenditures	44,776,008	64,397,721	61,271,553	52,439,416	52,948,391	50,021,469	51,008,616	52,677,301	52,479,191	56,239,241
Excess (Deficiency) of Revenues over (under) Expenditures	(1,637,411)	(17,821,769)	(14,523,819)	(3,491,637)	(3,127,265)	(758,363)	(775,945)	(1,145,573)	681,283	(708,647)
Other Financing sources (uses)										
Proceeds from Refunding Bonds								39,845,469	-	-
Payments to Escrow Agent								(39,583,735)	-	-
Proceeds from Borrowing	45,343,000									
Transfers in	494,515	515,513	643,644	26,650	3,413,709	2,289,384	2,263,228	1,713,200	724,603	986,900
Transfers out	(494,515)	(515,513)	(643,644)	(26,650)	(3,413,709)	(2,289,384)	(1,963,228)	(1,413,200)	(724,603)	(986,900)
Total other financing sources (uses)	45,343,000	-	-	-	-	-	300,000	561,734	-	-
Net change in fund balances	\$ 43,705,589	\$ (17,821,769)	\$ (14,523,819)	\$ (3,491,637)	\$ (3,127,265)	\$ (758,363)	\$ (475,945)	\$ (583,839)	\$ 681,283	\$ (708,647)
Debt service as a percentage of noncapital expenditures	2.31%	1.88%	2.66%	2.69%	2.77%	2.84%	2.62%	2.64%	2.70%	2.69%

* Noncapital expenditures are total expenditures less capital outlay.

Source: District Financial Records

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

Fiscal Year Ended June 30,	Interest Earned	Tuition	Insurance Refund	Prior Year Refunds	Solar SREC	Activity Fees	E-Rate	Facility Rental	Laptop Initiative User Fees	Miscellaneous	Total
2009	\$ 45,899	\$ 5,701								\$ 32,902	\$ 84,502
2010	9,507		\$ 10,772	\$ 108,015						66,275	194,569
2011	7,010		5,506	201,367						29,521	243,404
2012	10,028		25,283	53,590	\$ 45,277	\$ 154,200	\$ 39,600			48,113	376,091
2013	9,429	39,097	65,866	47,366	4,820	151,800	24,370			25,352	368,100
2014	1,881	35,668	49,628	66,036	14,695	151,355	87,412			9,469	416,144
2015	3,342	32,088	26,963	46,133	11,389	136,190	86,854			34,135	377,094
2016	2,344	28,724	4,559	747	34,720	113,592	34,346			36,364	255,396
2017	2,475	28,595	25,360	77,280	20,714	105,928	14,093	\$ 24,379		65,744	364,568
2018	735	58,380	32,951		25,902	177,122		40,939	\$ 46,020	61,308	443,357

Source: District Financial Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2009	\$ 12,902,000	\$ 2,101,360,200	\$ 162,882,300	\$ 26,261,400		\$ 2,303,405,900	\$ 1,777,910	\$ 2,305,183,810	\$ 2,679,812,741	\$ 1.684
2010	12,801,000	2,098,317,800	161,034,800	26,161,400		2,298,315,000	1,865,954	2,300,180,954	2,602,698,275	1.770
2011	11,580,800	2,104,036,300	155,178,900	24,843,000		2,295,639,000	1,691,075	2,297,330,075	2,507,253,486	1.825
2012	11,677,700	2,105,596,000	153,928,000	25,970,400		2,297,172,100	1,691,075	2,298,863,175	2,490,809,889	1.856
2013	11,321,200	2,110,565,600	153,657,500	25,970,400		2,301,514,700	1,691,075	2,303,205,775	2,476,715,916	1.849
2014	9,891,200	2,120,538,000	151,245,000	24,655,400		2,306,329,600	1,762,273	2,308,091,873	2,442,816,653	1.860
2015	8,273,500	2,133,332,200	148,802,100	26,470,400		2,316,878,200	958	2,316,879,158	2,477,507,512	1.875
2016	11,232,800	2,142,483,700	145,085,700	26,076,500		2,324,878,700	938	2,324,879,638	2,532,591,324	1.906
2017	8,560,100	2,159,424,700	148,141,700	26,076,500		2,342,203,000	938	2,342,203,938	2,550,031,422	1.936
2018	7,516,800	2,181,719,500	155,313,500	26,076,500		2,370,626,300	938	2,370,627,238	2,588,612,003	1.994

Source: County Abstract of Ratables

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

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

Calendar Year	Total Direct School Tax Rate	Overlapping Rates		Total Direct and Overlapping Tax Rate
		Municipality	County	
2009	\$ 1.684	\$ 0.504	\$ 0.223	\$ 2.411
2010	1.770	0.527	0.222	2.519
2011	1.825	0.543	0.227	2.595
2012	1.856	0.516	0.235	2.607
2013	1.849	0.584	0.247	2.680
2014	1.860	0.604	0.246	2.710
2015	1.875	0.613	0.258	2.746
2016	1.906	0.616	0.268	2.790
2017	1.936	0.622	0.273	2.831
2018	1.994	0.627	0.266	2.887

Source: County Abstract of Ratables

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

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

Taxpayer	2018		Taxpayer	2009	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Opeachy Ltd, L.P.	\$ 12,500,000	0.53%	Opeachy Ltd, L.P.	\$ 16,532,100	0.72%
208 Glen Rock Associates	11,000,000	0.46%	Bank of America	13,931,100	0.61%
266 Harristown Property LLC	8,750,000	0.37%	333 Realty LLC	8,583,500	0.37%
HMOB of Glen Rock	8,315,000	0.35%	Glen Rock Property, LLC	7,634,800	0.33%
Glen Rock Senior Housing Corp.	8,285,000	0.35%	Financial Service, Inc.	6,651,100	0.29%
333 Realty LLC	7,333,000	0.31%	Motorola, Inc.	5,749,400	0.25%
Glen Rock Mall	7,000,000	0.30%	Joan Ree Realty, LLC	5,438,100	0.23%
PSI Atlantic Glen Rock LLC	6,060,000	0.26%	SAC Family, LLC	5,369,100	0.23%
201 Rock Road LLC	5,369,100	0.23%	Rock Glen Assoc LLC	4,959,700	0.21%
29 Glen Rock Associates LLC	4,800,000	0.20%	Heritage Plaza I	4,757,800	0.20%
	<u>\$ 79,412,100</u>	<u>3.35%</u>		<u>\$ 79,606,700</u>	<u>3.44%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2009	\$ 37,608,504	\$ 37,608,504	100.00%	N/A
2010	39,871,316	39,871,316	100.00%	N/A
2011	41,406,510	40,890,042	98.75%	\$ 516,468
2012	42,620,836	42,620,836	100.00%	N/A
2013	42,570,579	42,570,579	100.00%	N/A
2014	42,675,286	42,675,286	100.00%	N/A
2015	43,033,701	43,033,701	100.00%	N/A
2016	43,829,611	43,829,611	100.00%	N/A
2017	44,657,572	44,657,572	100.00%	N/A
2018	45,976,692	45,976,692	100.00%	N/A

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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population	Per Capita
	General Obligation Bonds	Intergovernmental Loans	Capital Leases			
2009	\$ 48,417,000	\$ 615,965		\$ 49,032,965	11,130	\$ 4,405
2010	47,657,000	500,894		48,157,894	11,616	4,146
2011	46,567,000	381,996		46,948,996	11,703	4,012
2012	45,432,000	259,071		45,691,071	11,766	3,883
2013	44,247,000	131,812		44,378,812	11,843	3,747
2014	43,007,000			43,007,000	11,941	3,602
2015	41,712,000			41,712,000	11,987	3,480
2016	37,479,000			37,479,000	11,987	3,127
2017	36,064,000			36,064,000	12,045	2,994
2018	34,580,000			34,580,000	12,045	2,871

Source: District financial records

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2009	\$ 48,417,000	\$ 525,796	\$ 47,891,204	2.08%	\$ 10,871
2010	47,657,000	6,309	47,650,691	2.07%	11,494
2011	46,567,000	154,958	46,412,042	2.02%	11,569
2012	45,432,000	119,302	45,312,698	1.97%	11,669
2013	44,247,000	10,692	44,236,308	1.92%	11,805
2014	43,007,000	5,628	43,001,372	1.86%	11,939
2015	41,712,000	4,287	41,707,713	1.80%	11,986
2016	37,749,000	9,991	37,739,009	1.62%	12,070
2017	36,064,000	22,972	36,041,028	1.54%	12,037
2018	34,580,000	14,622	34,565,378	1.46%	12,040

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

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

GLEN ROCK PUBLIC SCHOOLS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2017
(Unaudited)

	<u>Total</u>
Municipal Debt: (1)	
Glen Rock Board of Education	\$ 34,864,000
Borough of Glen Rock	<u>16,321,470</u>
	<u>51,185,470</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	<u>18,647,899</u>
	<u>18,647,899</u>
Total Direct and Overlapping Debt	<u>\$ 69,833,369</u>

Source:

(1) Glen Rock's 2017 Annual Debt Statement

(A) The debt for this entity was apportioned to Glen Rock by dividing the municipality's 2017 equalized value by the total 2017 equalized value for Bergen County.

(B) The debt was computed based upon flow

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 102,492,283	\$ 104,417,266	\$ 103,422,137	\$ 101,043,795	\$ 99,235,108	\$ 98,270,729	\$ 97,989,183	\$ 98,702,448	\$ 99,815,349	\$ 101,035,603
Total net debt applicable to limit	49,033,320	48,158,249	46,949,351	45,691,426	44,669,167	43,297,355	42,002,355	40,652,355	36,354,355	34,864,000
Legal debt margin	<u>\$ 53,458,963</u>	<u>\$ 56,259,017</u>	<u>\$ 56,472,786</u>	<u>\$ 55,352,369</u>	<u>\$ 54,565,941</u>	<u>\$ 54,973,374</u>	<u>\$ 55,986,828</u>	<u>\$ 58,050,093</u>	<u>\$ 63,460,994</u>	<u>\$ 66,171,603</u>
Total net debt applicable to the limit as a percentage of debt limit	47.84%	46.12%	45.40%	45.22%	45.01%	44.06%	42.86%	41.19%	36.42%	34.51%

Legal Debt Margin Calculation for Calendar Year 2018

Equalized valuation basis	
2015	\$ 2,516,157,906
2016	2,511,481,798
2017	<u>2,550,030,484</u>
	<u>\$ 7,577,670,188</u>
Average equalized valuation of taxable property	\$ 2,525,890,063
Debt limit (4% of average equalization value)	101,035,603
Total Net Debt Applicable to Limit	<u>34,580,000</u>
Legal debt margin	<u>\$ 66,455,603</u>

Source: Annual Debt Statements

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2009	11,130	\$ 65,097	6.00%
2010	11,616	66,080	6.10%
2011	11,703	69,044	6.00%
2012	11,766	71,953	6.10%
2013	11,843	71,449	7.40%
2014	11,941	73,293	4.10%
2015	11,987	76,388	3.50%
2016	11,987	77,187	3.50%
2017	12,045	77,187 Est.	2.90%
2018	12,045 Est.	77,187 Est.	2.80%

Source: New Jersey State Department of Education

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

<u>Employer</u>	<u>2018</u>		<u>2009</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

NOT AVAILABLE

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

<u>Function/Program</u>	<u>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	180	174	175	197	179	181	185	189	185	186
Special education	29	32	26	30	30	32	32	32	37	39
Support Services:										
General administration	2	2	2	2	2	2	2	2	2	2
School administrative services	9	9	8	8	8	8	8	8	8	8
Central services	1	1	1	1	1	1	1	1	1	1
Plant operations and maintenance	33	32	31	12	12	12	8	8	8	8
Food Service	-	-	-	-	-	-	-	-	-	-
Total	<u>254</u>	<u>250</u>	<u>243</u>	<u>250</u>	<u>232</u>	<u>236</u>	<u>236</u>	<u>240</u>	<u>241</u>	<u>244</u>

Source: District Personnel Records

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

Pupil/Teacher Ratio

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2009	2,570	\$ 41,460,186	\$ 16,132	0.04%	183.50				2528.9	2407.9	1.86%	95.22%
2010	2,482	42,453,096	17,104	0.04%	224.60	12.0	11.1	9.82	2482.0	2377.2	-1.85%	95.78%
2011	2,439	42,154,289	17,283	0.04%					2433.6	2339.3	-1.95%	96.13%
2012	2,401	43,464,065	18,102	0.04%	206.9	84.5	55.7	66.7	2,409.9	2316.2	-0.97%	96.11%
2013	2,401	44,028,384	18,338	0.04%	209	86	56	67	2,374.6	2280.8	-1.46%	96.05%
2014	2,426	44,883,007	18,501	0.04%	213	89	56	68	2,393.9	2301.1	0.81%	96.12%
2015	2,440	46,158,553	18,917	0.04%	217	91	56	68	2,408.0	2338.0	0.59%	97.09%
2016	2,462	47,736,545	19,389	0.04%	219	94	56	69	2,434.0	2340.0	1.08%	96.14%
2017	2,495	49,278,943	19,751	0.04%	222	94	55	73	2,440.0	2433.0	0.25%	99.71%
2018	2,539	52,015,367	20,487	0.04%	255	95	57	73	2,491.0	2444.0	2.09%	98.11%

Sources: District records

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

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>District Building</u>										
<u>Elementary</u>										
<u>Hamilton</u>										
Square Feet	31,080	31,080	31,080	31,080	31,080	31,080	31,080	31,080	31,080	31,080
Capacity (students)	240	240	240	240	240	240	240	240	240	240
Enrollment	272	272	247	247	247	256	264	271	266	272
<u>Central</u>										
Square Feet	43,200	43,200	43,200	43,200	43,200	43,200	43,200	43,200	43,200	43,200
Capacity (students)	344	344	344	344	344	344	344	344	344	344
Enrollment	347	347	328	328	328	314	307	317	333	340
<u>Coleman</u>										
Square Feet	36,360	36,360	36,360	36,360	36,360	36,360	36,360	36,360	36,360	36,360
Capacity (students)	308	308	308	308	308	308	308	308	308	308
Enrollment	297	297	283	273	273	288	273	293	291	312
<u>Byrd</u>										
Square Feet	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200
Capacity (students)	245	245	245	245	245	245	245	245	245	245
Enrollment	235	235	238	238	238	244	256	265	269	272
<u>Middle School/High School</u>										
Square Feet	203,402	203,402	262,098	262,098	262,098	262,098	262,098	262,098	262,098	262,098
Capacity (students)	1,451	1,451	1,451	1,451	1,451	1,451	1,451	1,451	1,451	1,451
Enrollment	1,333	1,333	1,307	1,307	1,307	1,284	1,320	1,341	1,334	1,321

Number of Schools at June 30, 2018
 Elementary = 4
 Middle School/High School = 1

Source: District Records

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

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

<u>Project # (s)</u>	<u>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>
School Facilities										
Glen Rock Senior High School	\$ 192,735	\$ 172,310	\$ 142,373	\$ 173,150	\$ 184,184	\$ 185,309	\$ 193,058	\$ 199,407	\$ 527,564	\$ 195,741
Glen Rock Middle School	173,463	155,079	128,137	155,835	165,766	164,278	173,752	179,467	178,572	176,166
Richard E. Byrd Elem.School	64,245	57,437	47,458	57,717	61,395	63,436	64,353	66,469	59,524	65,247
Central Elementary School	83,519	74,668	61,697	69,260	73,674	74,124	77,223	79,763	72,751	78,296
Clara E. Coleman Elem. School	70,670	63,180	52,204	63,488	67,534	68,780	70,788	73,116	92,593	71,771
Hamilton Elementary School	<u>57,821</u>	<u>51,693</u>	<u>42,711</u>	<u>57,717</u>	<u>61,395</u>	<u>61,402</u>	<u>64,351</u>	<u>66,470</u>	<u>66,138</u>	<u>65,248</u>
Total School Facilities	\$ 642,453	\$ 574,367	\$ 474,580	\$ 577,167	\$ 613,948	\$ 617,329	\$ 643,525	\$ 664,692	\$ 997,142	\$ 652,469

Source: District Records

GLEN ROCK PUBLIC SCHOOLS
INSURANCE SCHEDULE
JUNE 30, 2018
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
Commercial Property		
Property - Blanket Buildings & Grounds		
School Limit per Statement of Values	\$ 126,027,899	\$ 5,000
Flood:		
Outside Zones A, V, or B	5,000,000	50,000
Zone B	2,000,000	100,000
Zones A or V	1,000,000	500,000
Earthquake	5,000,000	50,000
Business Income & Extra Expense	250,000	5,000
Contractors Equipment	250,000	1,000
Athletic Equipment	250,000	1,000
Musical Instruments	100,000	5,000
Valuable Papers	5,000,000	1,000
Electronic Data Processing Equipment	2,500,000	5,000
Accounts Receivable	100,000	1,000
Boiler and Machinery		
Property Damage (Blanket)	126,017,899	5,000
General Liability		
General Aggregate	2,000,000	
Each Occurrence	1,000,000	
Commercial Automobile		
Combined Single Limit	1,000,000	
Comprehensive		1,000
Collision		1,000
Commercial Umbrella	9,000,000	10,000
Commercial Umbrella - Fireman's Fund		
Per Occurrence	50,000,000	
General Aggregate	50,000,000	
Workers Compensation		
Per Occurrence	1,000,000	
Policy Limit	1,000,000	
Aggregate	1,000,000	
Environmental Legal Liability		
Per Occurrence	2,000,000	15,000
General Aggregate	2,000,000	
Group Aggregate	20,000,000	
Crime		
Primary (Per Employee)	100,000	5,000
Blanket Employee Dishonesty - Excess	400,000	
Forgery and Alterations	50,000	
Educators Legal Liability	1,000,000	
Educators Legal Deductible		25,000
Employment Practices Deductible		25,000
Cyber Liability 1st party	1,000,000	25,000
Cyber Liability 3rd party	2,000,000	15,000
Group Aggregate	6,000,000	
(Subject to Sublimits)		

Source: District records

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Glen Rock Public Schools as of and for the fiscal year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Glen Rock Public Schools' basic financial statements and have issued our report thereon dated January 24, 2019.

Internal Control Over Financial Reporting

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

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

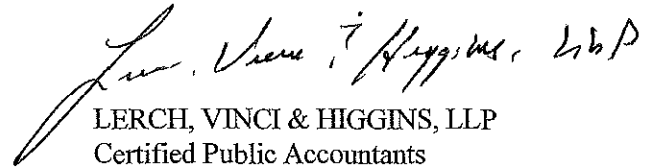
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

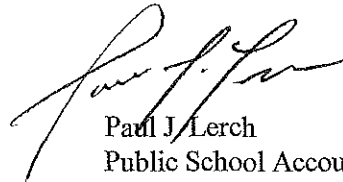
As part of obtaining reasonable assurance about whether the Glen Rock Public Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

Purpose of this Report

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



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



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
January 24, 2019



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program

We have audited the Glen Rock Public Schools' compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Glen Rock Public Schools' major state programs for the fiscal year ended June 30, 2018. The Glen Rock Public Schools' major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Program

In our opinion, the Glen Rock Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2018.

Report on Internal Control Over Compliance

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

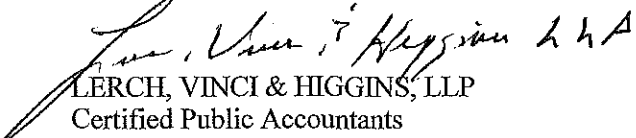
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

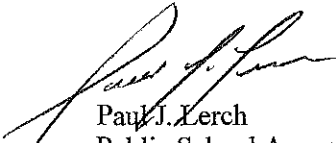
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Glen Rock Public Schools, as of and for the fiscal year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated January 24, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


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


Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
January 24, 2019

**GLEN ROCK PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	FAIN Number	Grant Period	Award Amount	Balance July 1, 2017	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year's Balance	Balance June 30, 2018			Memo GAAP Receivable
										(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education													
Passed Through State Department of Education													
E.S.E.A Consolidated Grant													
Title IIA	84.367A	S367A170029	7/1/17-6/30/18	\$ 24,778		\$ 4,501	\$ 8,809	\$ 25,726		\$ (15,969)	\$ 3,553		(12,416)
Title IIA, Carryover	84.367A	S367A160029	7/1/16-6/30/17	31,728	\$ (4,948)	(4,501)	9,449	-					-
Title III Immigrant	84.365A	S365A170030	9/1/17-8/31/18	3,192				350		(3,192)	2,842		(350)
Title III Immigrant, Carryover	84.365A	S365A160030	9/1/16-8/31/17	4,227	(863)		863	2,055		(2,055)		-	(2,055)
Title IV	84.358	S358B170030	7/1/17-6/30/18	10,000			4,956	8,012		(5,044)	1,988		(3,056)
I.D.E.A. Part B, Basic	84.027	H027A170100	7/1/17-6/30/18	510,834		10,381	460,277	501,319		(50,557)	19,896		(30,661)
I.D.E.A. Part B, Basic, Carryover	84.027	H027A160100	7/1/16-6/30/17	511,758	(76,857)	(10,381)	87,238						-
I.D.E.A. Part B, Preschool	84.173	H173A170114	7/1/17-6/30/18	22,695		5,386	17,309	28,081		(5,386)	-		(5,386)
I.D.E.A. Part B, Preschool	84.173	H173A150114	7/1/15-6/30/16	22,442	-	(5,386)	5,386	-		-	-		-
IDEA Cluster					<u>(76,857)</u>	<u>-</u>	<u>570,210</u>	<u>529,400</u>	<u>-</u>	<u>(5,386)</u>	<u>-</u>	<u>-</u>	<u>(5,386)</u>
Total Special Revenue Fund					<u>(82,668)</u>	<u>-</u>	<u>594,287</u>	<u>565,543</u>	<u>-</u>	<u>(82,203)</u>	<u>28,279</u>	<u>-</u>	<u>(53,924)</u>
Total Federal Financial Assistance					<u>\$ (82,668)</u>	<u>\$ -</u>	<u>\$ 594,287</u>	<u>\$ 565,543</u>	<u>\$ -</u>	<u>\$ (82,203)</u>	<u>\$ 28,279</u>	<u>\$ -</u>	<u>\$ (53,924)</u>

Note: This schedule is not subject to a single audit in accordance with the U.S. Uniform Guidance

GLEN ROCK PUBLIC SCHOOLS
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

State Department of Education	Grant or State Project Number	Grant	Award Amount	Balance July 1, 2017	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balance	Balance June 30, 2018			Memorandum	
										(Accts. Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Budgetary Expenditures
General Fund														
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	\$ 1,058,667			\$ 968,346	\$ 1,058,667			\$ (90,321)			\$ 1,058,667	
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	972,893	\$ (83,492)		83,492							-	
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	40,164			37,120	40,164			(3,044)			40,164	
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	40,164	(3,796)		3,796							-	
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	24,610			22,580	24,610			(2,030)			24,610	
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	24,610	(1,897)		1,897							-	
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	23,130			21,100	23,130			(2,030)			23,130	
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	23,130	(1,897)		1,897							-	
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	23,130			21,100	23,130			(2,030)			23,130	
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	23,130	(1,897)		1,897							-	
							<u>1,169,701</u>							
State Aid Public Cluster														
Transportation	18-495-034-5120-014	7/1/17-6/30/18	27,336			25,306	27,336			(2,030)			27,336	
Transportation	17-495-034-5120-014	7/1/16-6/30/17	27,336	(1,897)		1,897							-	
Extraordinary Aid	18-100-034-5120-044	7/1/17-6/30/18	500,137				500,137			(500,137)			500,137	
Extraordinary Aid	17-100-034-5120-044	7/1/16-6/30/17	442,897	(442,897)		442,897							-	
On -Behalf TPAF Pension System Contr.														
(Non-Budgeted)-Normal	18-495-034-5094-002	7/1/17-6/30/18	2,796,626			2,796,626	2,796,626			-			2,796,626	
(Non-Budgeted)-NCGI Premium	18-495-034-5094-004	7/1/17-6/30/18	67,867			67,867	67,867			-			67,867	
Post Retirement Medical Contribution	18-495-034-5094-001	7/1/17-6/30/18	1,850,115			1,850,115	1,850,115			-			1,850,115	
(Non-Budgeted)- Long Term Disability	18-495-034-5094-004	7/1/17-6/30/18	4,599			4,599	4,599			-			4,599	
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	7/1/17-6/30/18	1,376,029	-	-	1,376,029	1,376,029	-	-	-	-	-	-	1,376,029
Total General Fund				<u>(537,773)</u>	<u>-</u>	<u>7,728,561</u>	<u>7,792,410</u>	<u>-</u>	<u>-</u>	<u>(601,622)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,792,410</u>
Special Revenue Fund														
New Jersey Non-Public Aid:														
Textbook	18-100-034-5120-064	7/1/17-6/30/18	15,722			15,722	15,722						15,722	
Textbook	17-100-034-5120-064	7/1/16-6/30/17	17,004	22					\$ 22				-	
Nursing	18-100-034-5120-070	7/1/17-6/30/18	28,033			28,033	28,033						28,033	
Technology	18-100-034-5120-373	7/1/17-6/30/18	10,619			10,619	10,619						10,619	
Technology	17-100-034-5120-373	7/1/16-6/30/17	7,670	1,534					1,534				-	
Security	N/A	7/1/17-6/30/18	21,675			21,675	19,663					\$ 2,012	19,663	
Auxiliary Services:														
Compensatory Education	18-100-034-5120-067	7/1/17-6/30/18	46,064			46,064	25,335						25,335	
Compensatory Education	17-100-034-5120-067	7/1/16-6/30/17	41,564	6,001					6,001				-	
ESL	18-100-034-5120-067	7/1/17-6/30/18	2,710			2,710							2,710	
ESL	17-100-034-5120-067	7/1/16-6/30/17	914	914					914				-	
Home Instruction	N/A	7/1/17-6/30/18					54			(54)			54	
Home Instruction	N/A	7/1/16-6/30/17	1,101	(1,101)		1,101							-	
							<u>25,389</u>							
Auxiliary Services: Cluster														
Handicapped Services:														
Examination	18-100-034-5120-066	7/1/17-6/30/18	39,138	-		39,138	30,756					8,382	30,756	
Examination	17-100-034-5120-066	7/1/16-6/30/17	44,478	12,599					12,599				-	
Supplemental Instruction	18-100-034-5120-066	7/1/17-6/30/18	27,278			27,278	24,106					3,172	24,106	
Supplemental Instruction	17-100-034-5120-066	7/1/16-6/30/17	31,232	4,160					4,160				-	
Corrective Speech	18-100-034-5120-066	7/1/17-6/30/18	27,677			27,677	20,088					7,589	20,088	
Corrective Speech	17-100-034-5120-066	7/1/16-6/30/17	27,389	4,153					4,153				-	
							<u>74,950</u>							
Total Special Revenue Fund				<u>28,282</u>	<u>-</u>	<u>220,017</u>	<u>174,376</u>	<u>-</u>	<u>29,383</u>	<u>(54)</u>	<u>-</u>	<u>44,594</u>	<u>-</u>	<u>174,376</u>
Debt Service Fund														
Debt Service Aid	18-495-034-5120-075	7/1/17-6/30/18	626,313	-	-	626,313	626,313	-	-	-	-	-	-	626,313
				<u>-</u>	<u>-</u>	<u>626,313</u>	<u>626,313</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>626,313</u>
Total State Financial Assistance- Determination for Single Audit				<u>\$ (509,491)</u>	<u>\$ -</u>	<u>\$ 8,574,891</u>	<u>\$ 8,593,099</u>	<u>\$ -</u>	<u>\$ 29,383</u>	<u>\$ (601,676)</u>	<u>\$ -</u>	<u>\$ 44,594</u>	<u>\$ -</u>	<u>\$ 8,593,099</u>
Less: On -Behalf TPAF Pension System Contributions							<u>4,719,207</u>							
Amount Utilized to Determine Major Programs							<u>\$ 3,873,892</u>							

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**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$63,849 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 7,728,561	\$ 7,728,561
Special Revenue Fund	\$ 565,543	174,376	739,919
Debt Service Fund	-	626,313	626,313
Total Financial Assistance	<u>\$ 565,543</u>	<u>\$ 8,529,250</u>	<u>\$ 9,094,793</u>

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

TPAF Social Security contributions in the amount of \$1,376,029 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2018. The amount reported as TPAF Pension System Contributions in the amount of \$2,864,493, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,850,115 and TPAF Long-Term Disability Insurance in the amount of \$4,599 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2018.

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

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

NOTE 7 DE MINIMIS INDIRECT COST RATE

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

GLEN ROCK PUBLIC SCHOOLS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Part I -- Summary of Auditor's Results

Financial Statement Section

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

Federal Awards Section

Not Applicable

GLEN ROCK PUBLIC SCHOOLS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Part I – Summary of Auditor’s Results

State Awards Section

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

Internal Control over compliance:

1) Material weakness(es) identified? _____ yes X no

2) Significant deficiency(ies) identified that were not considered to be material weaknesses? _____ yes X none reported

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

Identification of major programs:

<u>State Grant/Project Number (s)</u>	<u>Name of State Program</u>
<u>495-034-5094-003</u>	<u>Reimbursed TPAF Social Security</u>
<u>495-034-5120-089</u>	<u>Special Education Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>495-034-5120-101</u>	<u>Professional Learning Community Aid</u>
_____	_____

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

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

**GLEN ROCK PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

**GLEN ROCK PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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

CURRENT YEAR FEDERAL AWARDS

Not Applicable.

CURRENT YEAR STATE AWARDS

There are none.

**GLEN ROCK PUBLIC SCHOOLS
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

There were none.