

**Glassboro Board of Education
Comprehensive Annual Financial Report
for the Year Ended June 30, 2019**

**SCHOOL DISTRICT
OF
GLASSBORO, NEW JERSEY**

**Glassboro Board of Education
Glassboro, New Jersey 08028**

**Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2019**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

**Glassboro Board of Education
Glassboro, New Jersey 08028**

for the Fiscal Year Ended June 30, 2019

Prepared by:

Glassboro Board of Education Administration

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INTRODUCTORY SECTION

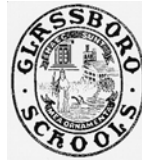
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Danielle Sochor
Chief Academic Officer



Jennifer Johnson
Business Administrator

Mark J. Silverstein, MBA, Ed.D, Superintendent of Schools

December 12, 2019

Honorable President
Members of the Board of Education
Glassboro School District
560 Joseph Bowe Boulevard
Glassboro, New Jersey 08028

Dear Members of the Board,

Please accept for your review, the comprehensive annual financial report for the Glassboro Public Schools covering the year ending June 30, 2019. Responsibility for the accuracy of the data, completeness, and fairness of presentation, including all disclosures, rests with the Management of the Board of Education. 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 various funds and account groups 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 general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996, the Uniform Guidance, and the New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

EQUAL OPPORTUNITY EMPLOYER

REPORTING ENTITY AND ITS SERVICES

The Glassboro School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The Glassboro Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular and vocational as well as special education for handicapped students. The District's average daily enrollment for 2018-19 fiscal year was 1,917 students, which is 71 students less than the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last ten years.

| Fiscal Year | Average Daily Enrollment Student Enrollment |
|-------------|--|
| 2018-19 | 1,917 |
| 2017-18 | 1,988 |
| 2016-17 | 2,099 |
| 2015-16 | 2,101 |
| 2014-15 | 2,165 |
| 2013-14 | 2,195 |
| 2012-13 | 2,181 |
| 2011-12 | 2,222 |
| 2010-11 | 2,217 |
| 2009-10 | 2,115 |

ECONOMIC CONDITIONS AND OUTLOOK

The Borough of Glassboro continues to experience development and expansion. This trend is expected to continue with the successes of the Economic Redevelopment Authority, Rowan University, and the community growth potentials. Over the past ten school years, the District's Average Daily Enrollment has decreased by 198 students or 9.36% as a byproduct of a shrinking housing market.

MAJOR INITIATIVES

District Goals

Over the next three years' improvement efforts will be made to inspire all stakeholders to work in a collaborative effort to enhance teacher pedagogy, student achievement, and foster professional learning communities. Glassboro is one of the first districts in the county to commit to the development of the whole child by incorporating social and emotional learning. All stakeholders will work hard each day to support each child as a whole and to promote academic, social, and emotional growth, because we believe children have the potential to be successful both in and out of the classroom. We will also continue to implement Positive Behavior Interventions Support (PBIS) program will support the diverse needs of our students. Our practices and systems establish a foundation of regular, proactive support while preventing aberrant behaviors. All our schools provide these universal supports to all students.

Our curriculum is continually re-aligned with the evolving New Jersey Student Learning Standards and associated frameworks. The faculty has been striving to achieve and exceed the standards set by the state, as well as the building level goals we set for ourselves. Differentiating instruction to meet the needs of all students, and to be able to hone our delivery for specific students, is a major initiative of our professional development. New to the academic program this year is the use of MAP - or Measure of Academic Performance - an immediate benchmark assessment tool for teachers. Training in the program has already begun, and the goal is to improve instructional results and shore up curricular gaps.

Rodgers Initiatives

Rodgers School will improve achievement by focusing on curriculum, instruction, and assessment. Glassboro revised our curriculums to reflect the NJSLs while focusing on common assessments and benchmarks district wide. Our curriculum is reviewed annually to ensure alignment with the standards and to address any achievement gaps.

The Rogers School will continue to implement Guided Reading, Read Alouds, and Writing Workshop Model. The school will continue to foster classrooms where excellent teaching is targeted to the variable learning needs of our diverse population through Differentiated Instruction and Cultural Relevancy.

Bullock Initiatives

Bullock School will improve achievement by focusing on curriculum, instruction, and assessment. Glassboro revised our ELA and Math curriculums to reflect the NJSLs while focusing on common assessments and benchmarks district wide. Our new curriculum plan is reviewed annually to ensure alignment with the standards and to address any achievement gaps between each school.

The Bullock School will continue to implement Guided Reading, Shared Reading, and Writing Workshop Model. The school implemented a new standard based math program, Eureka Math. We will continue to foster classrooms where excellent teaching is targeted to the variable learning needs of our diverse population through Differentiated Instruction and Teaching for Cultural Relevancy.

Bowe Initiatives

Bowe School will improve achievement by focusing on curriculum, instruction, and assessment. Glassboro revised our ELA and Math curriculums to reflect the NJSLs while focusing on common assessments and benchmarks district wide. Our new curriculum plan will be reviewed annually to ensure alignment with the standards and to address any achievement gaps between each school.

The Bowe School will continue to implement Guided Reading, Read Aloud, and Writing Workshop Model. The school has implemented a new standards-based math program, Eureka Math. The school currently offers an Honor Algebra class to 6th grade students. We will continue to foster classrooms where excellent teaching is targeted to the variable learning needs of our diverse population through Differentiated Instruction and Teaching for Relevancy. The Bowe School is implementing a social and emotional elective to meet the social/emotional needs of our students.

Intermediate School Initiatives

Intermediate School will improve achievement by focusing on curriculum, instruction, and assessment. Glassboro revised our ELA and Math curriculums to reflect the NJSLS while focusing on common assessments and benchmarks district wide. Our curriculum plan is reviewed annually to ensure alignment with the standards and to address any achievement gaps between each school.

The school currently offers an Honors Math and Science Program in addition to a STEM class. We will continue to foster classrooms where excellent teaching is targeted to the variable learning needs of our diverse population through Differentiated Instruction and Teaching for Cultural Relevancy.

We also offer an extended school day program to our at-risk students.

High School Initiatives

Our STEM and Fine and Performing Arts Academies are comprised of students electing to attend Glassboro High School through the CHOICE program and resident students. The Academies offer advanced learning opportunities to students in the 7th-12th grades and Rowan University Courses to members in the 11th and 12th grades. Through our Business Academy our students will be able to receive a Quick Books Certification.

We will continue to foster classrooms where excellent teaching is targeted to the variable learning needs of our diverse population through Differentiated Instruction and Teaching for Cultural Relevancy.

We also offer an extended school day program to our at-risk students.

A wide variety of co-curricular and extracurricular activities provide students with a rich schooling experience. Glassboro encourages parents and guardians to become actively involved in their children's education. The District offers numerous opportunities for community participation and input, including comprehensive parent/family nights that afford families an opportunity to learn together.

Preparing Our Students for the Future

Academically, students will develop the essentials that will enable them to be productive members of the 21 century and to be informed citizens. Students will attain literacy skills that allow them to comprehend material in all content areas. All students will acquire the math skills needed to function in society, and any student with an advanced aptitude will be offered more intensive training in higher-level concepts. Students will be taught each day using "real world" applications of information. They will be encouraged to make modern day connections to cultivate a better understanding of the world around them and how they can make a positive impact on that world.

Operations

The district is looking to continue upgrading and maintaining school structures. The last referendum, \$26m was approved in 2015. Another smaller referendum will go to voters in 2020. The goal is to obtain approval for a small referendum every five years. The Governing Body and School Board maintain an excellent working relationship. The Borough has funded various capital projects such as tennis courts, press box repairs, resurfacing of the track, bleachers, and boilers.

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 is 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 assurances 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 internal control, including that portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2019.

ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards (GASB). The accounting system of the District is organized on the basis of funds and account groups.

DEBT ADMINISTRATION

At June 30, 2019, the District's outstanding debt issues included \$20,787,000 of General Obligation Bonds.

CASH MANAGEMENT

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

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.

OTHER INFORMATION

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Petroni & Associates LLC was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996, the Uniform Guidance and New Jersey State Treasury Circular Letter 15-08. The auditor’s report on the basic financial statements 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.

ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the Board of Education 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,

Mark J. Silverstein, MBA, Ed.D

Mark J. Silverstein, MBA, Ed.D
Superintendent of Schools

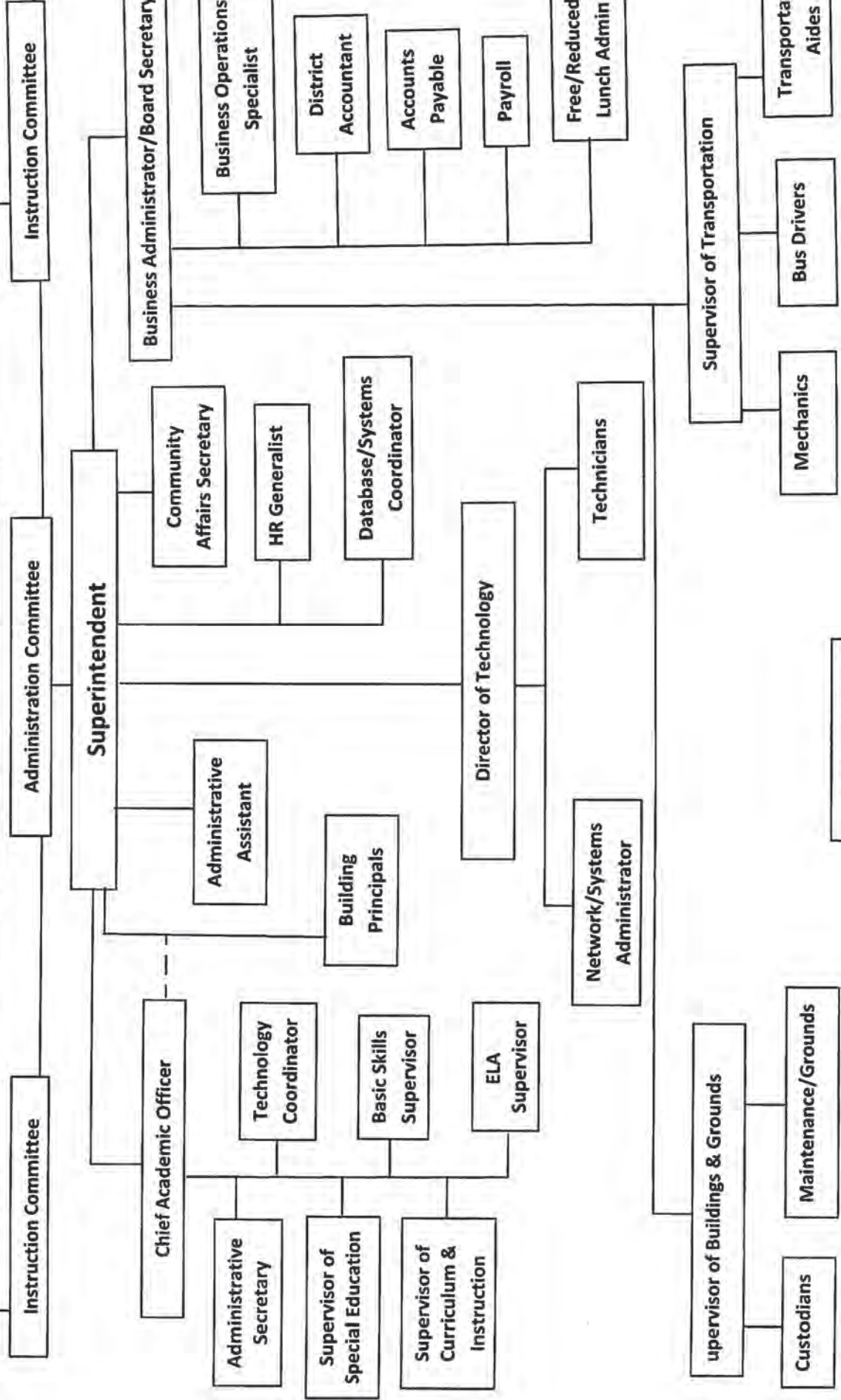
Jennifer Johnson

Jennifer Johnson
Business Administrator/Board Secretary

GLASSBORO SCHOOL DISTRICT ORGANIZATIONAL CHART 2018-2019

BOARD OF EDUCATION (In Order of Seniority)

| | | | | | | | | |
|-----------------------------|--------------------------------|----------------|-----------------|---------------|-------------|--------------|--------------|-------------|
| Peter J. Calvo President | Edward Keith Vice-President | Elizabeth Volz | Alex Fanfarillo | Brian Redondo | Chris Esgro | Raymond Cibo | Ben Stephens | Ryan Hughes |
|-----------------------------|--------------------------------|----------------|-----------------|---------------|-------------|--------------|--------------|-------------|



June 15, 2018

GLASSBORO BOARD OF EDUCATION
Glassboro, NJ 08028

ROSTER OF OFFICIALS
June 30, 2019

| MEMBERS OF THE BOARD OF EDUCATION | Term Expires |
|--|---------------------|
| Peter J. Calvo, President | 2019 |
| Elizabeth Volz, Vice President | 2020 |
| Ray Cibo, Jr. | 2020 |
| Chris Esgro | 2019 |
| Alex Fanfarillo | 2019 |
| Ryan Hughes | 2021 |
| Michelle Ricci | 2021 |
| Benjamin Stephens | 2020 |
| Stacie Tattersdill | 2021 |

OTHER OFFICIALS

Dr. Mark J. Silverstein, MBA, Ed.D, Superintendent of Schools
Jennifer Johnson, Business Administrator/Board Secretary
Karyn Paccione, Treasurer

GLASSBORO BOARD OF EDUCATION
Glassboro, NJ 08028

CONSULTANTS AND ADVISORS

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OFFICIAL DEPOSITORY

Republic Bank
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Glassboro, NJ 08028

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PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
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(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA
Wendy G. Fama, CPA
Denise R. Nevico, CPA
Deanna L. Roller, CPA, RMA

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Glassboro School District
560 Joseph Bowe Boulevard
Glassboro, New Jersey 08028

Report on the Financial Statements

We have audited the accompanying financial statements of the Governmental Activities, the Business-type Activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Glassboro School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Governmental Activities, the Business-type Activities, each major fund, and the aggregate remaining fund information of the Glassboro Board of Education as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information identified in the table of contents 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 Glassboro Board of Education's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, and the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.


The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* 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. 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 and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2019, on our consideration of the Glassboro Board of Education's internal control over financial reporting and our test 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 internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering Glassboro Board of Education's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542
Glassboro, New Jersey

December 12, 2019

Required Supplementary Information – Part I

**GLASSBORO SCHOOL DISTRICT
GLASSBORO, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED**

The discussion and analysis of Glassboro School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB's) Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999. Certain comparative information between the current year (2018-2019) and the prior year (2017-2018) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2019 are as follows:

- * General revenues accounted for \$49,559,108 in revenue or 94 percent of all revenues.
- * Program specific revenues, in the form of charges for services and grants and contributions, accounted for \$3,363,646 or 6 percent of total revenues of \$52,922,754.
- * The School District had \$49,050,811 in expenses; only \$3,363,646 of these expenses were offset by program specific charges for services, grants or contributions.
- * Among Governmental Funds, the General Fund had \$43,021,865 in revenues and the General Fund's fund balance increased \$1,065,673 over 2019.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Glassboro Public School District as a financial whole; an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For Governmental Funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Glassboro School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and ask the question, "How did we do financially during 2019?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those positions. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs, and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- * **Governmental Activities** - All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation, and extracurricular activities.
- * **Business-type Activity** - This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service, Professional Development, and Technology Fund Enterprise Funds are reported as business activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

The School District's activities are reported in Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The Governmental Fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental Fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

The relationship (or differences) between Governmental Activities (reported in the Statement of Net Position and the Statement of Activities) and Governmental Funds is reconciled in the financial statements.

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as Business-type Activities; therefore, these statements are essentially the same.

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.

The School District as a Whole

The Statement of Net Position provides the perspective of the School District as a whole. Net positions may serve over time as a useful indicator of a government's financial position.

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 1 provides a summary of the School District's net position for 2019, with comparative data from 2018.

Table 1
Summary of Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|--|----------------------------|------------------|-----------------------------|------------|---------------|------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Current & other assets | \$ 7,247,499 | \$ 4,793,133 | \$ 378,357 | \$ 267,524 | \$ 7,625,856 | \$ 5,060,657 |
| Capital assets | 41,763,890 | 41,961,598 | 45,598 | 42,678 | 41,809,488 | 42,004,276 |
| Total assets | 49,011,389 | 46,754,731 | 423,955 | 310,202 | 49,435,344 | 47,064,933 |
| Deferred outflows | 546,155 | 877,357 | | | 546,155 | 877,357 |
| Long-term liabilities | 22,796,017 | 25,653,914 | | | 22,796,017 | 25,653,914 |
| Other liabilities | 2,160,541 | 311,460 | 154,450 | 46,163 | 2,314,991 | 357,623 |
| Net pension liability | 10,811,068 | 13,351,281 | | | 10,811,068 | 13,351,281 |
| Net OPEB liability | | 101,884,684 | | | | 101,884,684 |
| Total liabilities | 35,767,626 | 141,201,339 | 154,450 | 46,163 | 35,922,076 | 141,247,502 |
| Deferred inflows | 3,684,941 | 14,356,052 | | | 3,684,941 | 14,356,052 |
| Net position: | | | | | | |
| Invested in capital assets, net of debt | 20,497,000 | 17,852,025 | | | 20,497,000 | 17,852,025 |
| Restricted | 5,556,201 | 5,112,301 | | | 5,556,201 | 5,112,301 |
| Unrestricted | (15,948,224) | (130,889,629) | 269,505 | 264,039 | (15,678,719) | (130,625,590) |
| Total net position | \$ 10,104,977 | \$ (107,925,303) | \$ 269,505 | \$ 264,039 | \$ 10,374,482 | \$ (107,661,264) |

The District's combined net position was \$10,374,482 on June 30, 2019. This was an increase from the prior year. This was mainly due to a prior period adjustment of OPEB liability in the amount of \$114,163,803 required by the adoption of GASB Statement No. 75 (See Note 23 in the Notes to the Financial Statements).

Table 2 shows changes in net position for fiscal year 2019 with comparative data from 2018.

The School District as a Whole (Continued)

Table 2
Changes in Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|----------------------------------|----------------------------|-------------------------|-----------------------------|-------------------|----------------------|-------------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 17,000 | \$ 10,000 | \$ 242,089 | \$ 232,337 | \$ 259,089 | \$ 242,337 |
| Operating grants & contributions | 2,411,414 | 2,770,577 | 693,143 | 733,602 | 3,104,557 | 3,504,179 |
| General revenues: | | | | | | |
| Property taxes | 22,388,803 | 21,982,063 | | | 22,388,803 | 21,982,063 |
| Grants & entitlements | 26,656,181 | 22,679,174 | | | 26,656,181 | 22,679,174 |
| Other | 511,979 | 4,403,967 | 2,145 | 813 | 514,124 | 4,404,780 |
| Total revenues | <u>51,985,377</u> | <u>51,845,781</u> | <u>937,377</u> | <u>966,752</u> | <u>52,922,754</u> | <u>52,812,533</u> |
| Expenses: | | | | | | |
| Instruction | 15,363,299 | 15,970,337 | | | 15,363,299 | 15,970,337 |
| Support services | 30,970,573 | 31,825,208 | | | 30,970,573 | 31,825,208 |
| Capital outlay | | 44,746 | | | | 44,746 |
| Transfer to charter schools | 13,512 | 30,587 | | | 13,512 | 30,587 |
| Unallocated depreciation | 1,039,616 | 980,311 | | | 1,039,616 | 980,311 |
| Interest on debt | 731,900 | 832,225 | | | 731,900 | 832,225 |
| Food service | | | 931,210 | 946,741 | 931,210 | 946,741 |
| Other | | | 701 | 2,841 | 701 | 2,841 |
| Total expenses | <u>48,118,900</u> | <u>49,683,414</u> | <u>931,911</u> | <u>949,582</u> | <u>49,050,811</u> | <u>50,632,996</u> |
| Change in net position | 3,866,477 | 2,162,367 | 5,466 | 17,170 | 3,871,943 | 2,179,537 |
| Beginning net position restated | 6,238,500 | (110,087,670) | 264,039 | 246,869 | 6,502,539 | (109,840,801) |
| Ending net position | <u>\$ 10,104,977</u> | <u>\$ (107,925,303)</u> | <u>\$ 269,505</u> | <u>\$ 264,039</u> | <u>\$ 10,374,482</u> | <u>\$ (107,661,264)</u> |

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 46 percent of revenues for governmental activities for the Glassboro School District for fiscal year 2019. The District's total revenues were \$48,856,432 for the year ended June 30, 2019. Federal, state, and local aid accounted for another 53 percent of revenue.

The total cost of all governmental programs and services was \$48,417,694. Instruction comprises 44 percent of District expenses.

Business-Type Activities

Revenues for the District's Business-type Activity (food service and professional development programs) was comprised of charges for services and federal and state reimbursements.

* Income exceeded expenditures by \$5,466.

* Charges for services represent \$242,089 of revenue.

* Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$693,143.

Statement of Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for the year 2019, with comparative data for 2018. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

| | Total Cost of Services | | Net Cost of Services | |
|--|------------------------|----------------------|----------------------|----------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Instruction | \$ 15,363,299 | \$ 15,970,337 | \$ 13,866,611 | \$ 14,336,918 |
| Support services: | | | | |
| Pupil & instructional staff | 6,774,489 | 6,783,711 | 5,920,797 | 5,636,553 |
| General administration, school administration & business operation | 2,991,247 | 3,143,407 | 2,991,247 | 3,143,407 |
| Operation & maintenance of facilities | 3,004,266 | 2,910,593 | 3,004,266 | 2,910,593 |
| Pupil transportation | 2,700,819 | 2,358,150 | 2,700,819 | 2,358,150 |
| Interest | 731,900 | 832,225 | 731,900 | 832,225 |
| Other | 16,552,880 | 17,684,991 | 16,474,846 | 17,684,991 |
| | <u>\$ 48,118,900</u> | <u>\$ 49,683,414</u> | <u>\$ 45,690,486</u> | <u>\$ 46,902,837</u> |

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

"Other" includes unallocated benefits, capital outlay, special schools, and unallocated depreciation.

The School 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 \$48,856,432 and expenditures were \$48,417,694.

General Fund Budgeting Highlights

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

General Fund Budgeting Highlights (Continued)

During the course of the fiscal 2019 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control program budgets but provide flexibility for program management.

For the General Fund, the final budget basis revenue and other financing sources, not including non-budgeted state contributions, was \$37,303,695, which was \$417,508 more than original budgeted estimates of \$36,886,187.

The General Fund revenue exceeded the expenditures and other financing sources of the School District for the year by \$896,407.

Capital Assets

At the end of the fiscal year 2019 the School District had \$41,809,488 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2019 balances compared to 2018.

Table 4
Capital Assets (Net of Depreciation) at June 30,

| | <u>2019</u> | <u>2018</u> |
|----------------------------------|----------------------|----------------------|
| Sites | \$ 235,104 | \$ 235,104 |
| Construction in progress | 23,475,931 | 23,122,307 |
| Site improvements | 359,182 | 417,213 |
| Building & building improvements | 15,412,561 | 15,870,068 |
| Machinery & equipment | <u>2,326,710</u> | <u>2,359,584</u> |
| | <u>\$ 41,809,488</u> | <u>\$ 42,004,276</u> |

Overall capital assets decreased \$194,788 from fiscal year 2018 to fiscal year 2019. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2019, the School District had \$22,785,017 of outstanding debt. Of this amount, \$1,529,127 is for compensated absences; \$479,890 is for various capital leases; and \$20,787,000 is for serial bonds for school construction.

Table 5
Outstanding Serial Bonds at June 30,

| | <u>2019</u> | <u>2018</u> |
|-------------------------|----------------------|----------------------|
| Refunding Bonds of 2006 | | \$ 1,825,000 |
| Bonds of 2015 | <u>\$ 20,787,000</u> | <u>21,752,000</u> |
| | <u>\$ 20,787,000</u> | <u>\$ 23,577,000</u> |

For more detailed information, please refer to the Notes to the Financial Statements.

For the Future

The Glassboro School District is in good financial condition presently. The School District is proud of its community support of the public schools. A major concern is the sustained enrollment of the District with the increased reliance on local property taxes. However, future finances are not without challenges as the community continues to grow and State funding is decreased.

In conclusion, the Glassboro School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Ms. Jennifer Johnson, Business Administrator/Board Secretary at Glassboro Board of Education, George Beach Administration Building, 560 Joseph Bowe Boulevard, Glassboro, New Jersey 08028. Please visit our website at: www.glassboroschools.us.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

GLASSBORO SCHOOL DISTRICT
Statement of Net Position
June 30, 2019

| | Governmental Activities | Business-type Activities | Total |
|---|----------------------------|-----------------------------|----------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 5,254,545 | \$ 220,454 | \$ 5,474,999 |
| Receivables, net | 1,850,086 | 143,493 | 1,993,579 |
| Due from other funds | 142,868 | | 142,868 |
| Inventory | | 14,410 | 14,410 |
| Capital assets: | | | |
| Non-depreciable | 23,711,035 | | 23,711,035 |
| Other capital assets, net | 18,052,855 | 45,598 | 18,098,453 |
| Total assets | 49,011,389 | 423,955 | 49,435,344 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows related to pension | 546,155 | | 546,155 |
| LIABILITIES | | | |
| Deficit in restricted cash and cash equivalents | 92,346 | | 92,346 |
| Accounts payable | 405,884 | | 405,884 |
| Due to other funds | | 142,868 | 142,868 |
| Payable to state government | 17,037 | | 17,037 |
| Deferred revenue | 1,645,274 | 11,582 | 1,656,856 |
| Noncurrent liabilities: | | | |
| Due within one year | 1,162,351 | | 1,162,351 |
| Due beyond one year | 21,633,666 | | 21,633,666 |
| Net pension liability | 10,811,068 | | 10,811,068 |
| Total liabilities | 35,767,626 | 154,450 | 35,922,076 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows related to pension | 3,684,941 | | 3,684,941 |
| NET POSITION | | | |
| Invested in capital assets, net of related debt | 20,497,000 | | 20,497,000 |
| Restricted for: | | | |
| Other purposes | 5,556,201 | | 5,556,201 |
| Unrestricted | (15,948,224) | 269,505 | (15,678,719) |
| Total net position | \$ 10,104,977 | \$ 269,505 | \$ 10,374,482 |

See accompanying notes to the basic financial statements.

GLASSBORO SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2019

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Position | | Total |
|--|----------------------|----------------------|------------------------------------|---|-------------------------|---------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | |
| Governmental activities: | | | | | | |
| Instruction: | | | | | | |
| Regular | \$ 9,183,586 | | | | \$ (9,183,586) | \$ (9,183,586) |
| Special education | 5,047,369 | | \$ 1,496,688 | | (3,550,681) | (3,550,681) |
| Other special instruction | 618,120 | | | | (618,120) | (618,120) |
| School sponsored activities | 494,704 | | | | (494,704) | (494,704) |
| Other instruction | 19,520 | | | | (19,520) | (19,520) |
| Support services: | | | | | | |
| Tuition | 2,476,288 | | | | (2,476,288) | (2,476,288) |
| Student & instructional related services | 4,298,201 | | 853,692 | | (3,444,509) | (3,444,509) |
| General administration | 639,919 | | | | (639,919) | (639,919) |
| School administrative services | 1,319,670 | | | | (1,319,670) | (1,319,670) |
| Central services | 489,332 | | | | (489,332) | (489,332) |
| Administrative information technology | 542,326 | | | | (542,326) | (542,326) |
| Plant operations & maintenance | 3,004,266 | | | | (3,004,266) | (3,004,266) |
| Pupil transportation | 2,700,819 | | | | (2,700,819) | (2,700,819) |
| Unallocated benefits | 15,499,752 | \$ 17,000 | 61,034 | | (15,421,718) | (15,421,718) |
| Transfer to Charter Schools | 13,512 | | | | (13,512) | (13,512) |
| Interest on long-term debt | 731,900 | | | | (731,900) | (731,900) |
| Unallocated depreciation | 1,039,616 | | | | (1,039,616) | (1,039,616) |
| Total governmental activities | 48,118,900 | 17,000 | 2,411,414 | | (45,690,486) | (45,690,486) |
| Business-type activities: | | | | | | |
| Food service | 931,210 | 222,669 | 693,143 | | | \$ (15,398) |
| Other | 701 | 19,420 | | | | 18,719 |
| Total business-type activities | 931,911 | 242,089 | 693,143 | | 3,321 | 3,321 |
| Total primary government | \$ 49,050,811 | \$ 259,089 | \$ 3,104,557 | | \$ (45,690,486) | \$ 3,321 |
| General revenues: | | | | | | |
| Taxes: | | | | | | |
| Property taxes, levied for general purposes | | | | | \$ 19,651,946 | \$ 19,651,946 |
| Taxes levied for debt service | | | | | 2,736,857 | 2,736,857 |
| Federal and state aid not restricted | | | | | 26,656,181 | 26,656,181 |
| Tuition received | | | | | 218,600 | 218,600 |
| Transportation fees | | | | | 109,190 | 109,190 |
| Investment earnings | | | | | 100,389 | \$ 2,145 |
| Miscellaneous Income | | | | | 253,640 | 253,640 |
| Prior year receivable canceled | | | | | (1,386) | (1,386) |
| Loss on retirement of asset | | | | | (168,454) | (168,454) |
| Total general revenues, special items, extraordinary items, and transfers | | | | | 49,556,963 | 2,145 |
| Change in net position | | | | | 3,866,477 | 5,466 |
| Net position - beginning | | | | | (107,925,303) | 264,039 |
| Prior period adjustment of OPEB liability | | | | | 114,163,803 | |
| Restated net position - beginning | | | | | 6,238,500 | 264,039 |
| Net position - end | | | | | \$ 10,104,977 | \$ 269,505 |

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

GLASSBORO SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2019

| | Major Funds | | | | Total Governmental Funds |
|---|---------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 5,252,805 | | \$ 299,212 | \$ 512,543 | \$ 6,064,560 |
| Receivables from other governments | 510,998 | \$ 1,114,340 | | | 1,625,338 |
| Other receivables | 224,748 | | | | 224,748 |
| Interfund receivable | 142,868 | | | 128,143 | 271,011 |
| Total assets | \$ 6,131,419 | \$ 1,114,340 | \$ 299,212 | \$ 640,686 | 8,185,657 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Cash deficit | | \$ 904,101 | | | 904,101 |
| Accounts payable | \$ 174,492 | 231,392 | | | 405,884 |
| Interfund payable | | | \$ 128,143 | | 128,143 |
| Payable to state government | | 17,037 | | | 17,037 |
| Deferred revenue | 982,164 | 11,378 | | \$ 651,732 | 1,645,274 |
| Total liabilities | 1,156,656 | 1,163,908 | 128,143 | 651,732 | 3,100,439 |
| Fund balances: | | | | | |
| Restricted for: | | | | | |
| Excess surplus - designated for subsequent year's expenditures | 2,410,152 | | | | 2,410,152 |
| Excess surplus | 2,703,299 | | | | 2,703,299 |
| School bus advertising 50% fuel offset -prior year | 9,674 | | | | 9,674 |
| Capital projects | | | 171,069 | | 171,069 |
| Emergency reserves | 50,000 | | | | 50,000 |
| Assigned to: | | | | | |
| Debt service fund | | | | (11,046) | (11,046) |
| Designated for subsequent year's expenditures | 180,713 | | | | 180,713 |
| Year-end encumbrances | 42,340 | | | | 42,340 |
| Unassigned: | | | | | |
| General fund | (421,415) | | | | (421,415) |
| Special revenue fund | | (49,568) | | | (49,568) |
| Total fund balances | 4,974,763 | (49,568) | 171,069 | (11,046) | 5,085,218 |
| Total liabilities and fund balances | \$ 6,131,419 | \$ 1,114,340 | \$ 299,212 | \$ 640,686 | |

Amounts reported for Governmental Activities in the Statement of Net Assets (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 assets is \$62,985,352 and the accumulated depreciation is \$21,221,462 (See Note 7).

41,763,890

Internal Service Funds are used by management to charge the cost of certain activities to individual funds. Assets and liabilities of the internal service fund are included in Governmental Activities in the Statement of Net Position.

1,740

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 8).

(22,796,017)

Net pension liability adjustment

(13,949,854)

Net position of Governmental Activities

\$ 10,104,977

See accompanying notes to the basic financial statements.

GLASSBORO SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

| | Major Funds | | | | Total Governmental Funds |
|---|---------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | |
| REVENUES: | | | | | |
| Local sources: | | | | | |
| Local tax levy | \$ 19,651,946 | | | \$ 2,736,857 | \$ 22,388,803 |
| Tuition charges | 218,600 | | | | 218,600 |
| Transportation fees | 109,190 | | | | 109,190 |
| Interest earned - capital projects | | | \$ 7,985 | | 7,985 |
| Miscellaneous | 346,008 | \$ 15,377 | | | 361,385 |
| | 20,325,744 | 15,377 | 7,985 | 2,736,857 | 23,085,963 |
| State sources | 22,583,016 | 530,487 | | 678,311 | 23,791,814 |
| Federal sources | 113,105 | 1,865,550 | | | 1,978,655 |
| Total revenues | 43,021,865 | 2,411,414 | 7,985 | 3,415,168 | 48,856,432 |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| Regular instruction | 9,214,852 | | | | 9,214,852 |
| Special education instruction | 3,342,285 | 1,705,084 | | | 5,047,369 |
| Other special instruction | 618,120 | | | | 618,120 |
| School sponsored activities | 494,704 | | | | 494,704 |
| Other instruction | 19,520 | | | | 19,520 |
| Support: | | | | | |
| Tuition | 2,476,288 | | | | 2,476,288 |
| Student & instruction related services | 3,605,217 | 853,692 | | | 4,458,909 |
| General administration | 639,919 | | | | 639,919 |
| School administrative services | 1,316,018 | | | | 1,316,018 |
| Central services | 489,332 | | | | 489,332 |
| Administrative information technology | 542,326 | | | | 542,326 |
| Plant operations and maintenance | 3,004,266 | | | | 3,004,266 |
| Pupil transportation | 2,700,819 | | | | 2,700,819 |
| Employee benefits | 12,802,319 | | | | 12,802,319 |
| Debt Service: | | | | | |
| Principal | | | | 2,790,000 | 2,790,000 |
| Interest | | | | 731,900 | 731,900 |
| Capital outlay | 642,863 | 61,034 | 353,624 | | 1,057,521 |
| Transfer to charter schools | 13,512 | | | | 13,512 |
| Total expenditures | 41,922,360 | 2,619,810 | 353,624 | 3,521,900 | 48,417,694 |
| Excess (deficiency) of revenues over expenditures | 1,099,505 | (208,396) | (345,639) | (106,732) | 438,738 |
| Other financing sources (uses): | | | | | |
| Capital leases (non-budgeted) | 167,584 | | | | 167,584 |
| Transfers in | | 200,030 | | 7,985 | 208,015 |
| Transfers out | (200,030) | | (7,985) | | (208,015) |
| Prior year receivables canceled | (1,386) | | | | (1,386) |
| Total other financing sources (uses) | (33,832) | 200,030 | (7,985) | 7,985 | 166,198 |
| Net change in fund balances | 1,065,673 | (8,366) | (353,624) | (98,747) | 604,936 |
| Fund balance - July 1 | 3,909,090 | (41,202) | 524,693 | 87,701 | 4,480,282 |
| Fund balance - June 30 | \$ 4,974,763 | \$ (49,568) | \$ 171,069 | \$ (11,046) | \$ 5,085,218 |

See accompanying notes to the basic financial statements.

GLASSBORO SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
 of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2019

| | | |
|---|--|----------------|
| Total net change in fund balances - Governmental Funds (from B-2) | | \$ 604,936 |
| Amounts reported for Governmental Activities in the Statement of Activities (A-2) are different because: | | |
| Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period. | | |
| Depreciation expense | | \$ (1,039,616) |
| Capital outlays | | 1,010,362 |
| Loss on retirement of asset | | (168,454) |
| | | (197,708) |
| Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities. | | |
| Bond principal | | 2,790,000 |
| Capital lease obligation principal | | 220,267 |
| Proceeds from debt issues are a financing source in the Governmental Funds. They are not revenue in the Statement of Activities; issuing debt increases long-term liabilities in the Statement of Net Position. | | |
| Capital lease proceeds | | (167,584) |
| Internal Service Funds are used by Management to charge the costs of certain activities to individual funds. Net revenue (expense) of Internal Service Funds is reported with Governmental Activities. | | |
| | | 349 |
| In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation. | | |
| | | 15,214 |
| Pension contributions are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments | | |
| | | 601,003 |
| Change in net position of Governmental Activities | | \$ 3,866,477 |

See accompanying notes to the basic financial statements.

GLASSBORO SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2019

| | Business-type Activities Enterprise Funds | | | Totals | Governmental Activities - Internal Service Fund |
|----------------------------------|--|-----------------------------|--------------------|-------------------|--|
| | Food Service | Professional Development | Technology Fund | | |
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | \$ 182,330 | \$ 3,364 | \$ 34,760 | \$ 220,454 | \$ 1,740 |
| Receivables, net | 143,493 | | | 143,493 | |
| Inventory | 14,410 | | | 14,410 | |
| Total current assets | <u>340,233</u> | <u>3,364</u> | <u>34,760</u> | <u>378,357</u> | <u>1,740</u> |
| Noncurrent assets: | | | | | |
| Furniture, machinery & equipment | 472,248 | | | 472,248 | |
| Less: accumulated depreciation | 426,650 | | | 426,650 | |
| Total noncurrent assets | <u>45,598</u> | | | <u>45,598</u> | |
| Total assets | <u>385,831</u> | <u>3,364</u> | <u>34,760</u> | <u>423,955</u> | <u>1,740</u> |
| LIABILITIES | | | | | |
| Interfund payable - general fund | 142,868 | | | 142,868 | |
| Deferred revenue | 11,582 | | | 11,582 | |
| Total liabilities | <u>154,450</u> | | | <u>154,450</u> | |
| NET POSITION | | | | | |
| Unrestricted | <u>231,381</u> | <u>3,364</u> | <u>34,760</u> | <u>269,505</u> | <u>1,740</u> |
| Total net position | <u>\$ 231,381</u> | <u>\$ 3,364</u> | <u>\$ 34,760</u> | <u>\$ 269,505</u> | <u>\$ 1,740</u> |

See accompanying notes to the basic financial statements.

GLASSBORO SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2019

| | Business-type Activities Enterprise Funds | | | Totals | Governmental Activities - Internal Service Fund |
|---|--|-----------------------------|--------------------|------------|--|
| | Food Service | Professional Development | Technology Fund | | |
| Operating revenues: | | | | | |
| Charges for services: | | | | | |
| Daily sales - program meals | \$ 115,425 | | | \$ 115,425 | |
| Daily sales - non-program meals | 100,709 | | | 100,709 | |
| Special functions/miscellaneous | 6,535 | | | 6,535 | |
| Professional development fees | | \$ 2,290 | \$ 17,130 | 19,420 | |
| Workers' compensation contributions | | | | | \$ 17,000 |
| Total operating revenues | 222,669 | 2,290 | 17,130 | 242,089 | 17,000 |
| Operating expenses: | | | | | |
| Cost of sales - program meals | 364,891 | | | 364,891 | |
| Cost of sales - non-program meals | 46,249 | | | 46,249 | |
| Salaries | 297,570 | | | 297,570 | |
| Employee benefits | 66,407 | | | 66,407 | |
| Contracted services | 58,040 | 53 | | 58,093 | |
| Cleaning, repair and maintenance | 22,896 | | | 22,896 | |
| Insurance | 13,687 | | | 13,687 | |
| Supplies and materials | 36,891 | | 648 | 37,539 | |
| Miscellaneous expenditures | 14,558 | | | 14,558 | |
| Claims expense | | | | | 16,687 |
| Depreciation | 10,021 | | | 10,021 | |
| Total operating expenses | 931,210 | 53 | 648 | 931,911 | 16,687 |
| Operating income (loss) | (708,541) | 2,237 | 16,482 | (689,822) | 313 |
| Non-operating revenues (expenses): | | | | | |
| Interest earned | 2,145 | | | 2,145 | 36 |
| State sources: | | | | | |
| State school lunch program | 8,792 | | | 8,792 | |
| Federal sources: | | | | | |
| School breakfast program | 185,621 | | | 185,621 | |
| National school lunch program | 428,040 | | | 428,040 | |
| Food distribution program | 70,690 | | | 70,690 | |
| Total non-operating revenues (expenses) | 695,288 | | | 695,288 | 36 |
| Change in net position | (13,253) | 2,237 | 16,482 | 5,466 | 349 |
| Total net position - beginning | 244,634 | 1,127 | 18,278 | 264,039 | 1,391 |
| Total net position - ending | \$ 231,381 | \$ 3,364 | \$ 34,760 | \$ 269,505 | \$ 1,740 |

See accompanying notes to the basic financial statements.

GLASSBORO SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

| | Business-type Activities Enterprise Funds | | | Totals | Governmental Activities - Internal Service Fund |
|---|--|-----------------------------|--------------------|---------------------|--|
| | Food Service | Professional Development | Technology Fund | | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | | |
| Receipts from customers | \$ 224,835 | \$ 2,290 | \$ 17,130 | \$ 244,255 | |
| Receipts for internal service activities | | | | | \$ 17,000 |
| Payments to employees | (297,570) | | | (297,570) | |
| Payments for employee benefits | (66,407) | | | (66,407) | |
| Payments to suppliers | (486,259) | (53) | (648) | (486,960) | |
| Payment for claims | | | | | (16,687) |
| | <u>(625,401)</u> | <u>2,237</u> | <u>16,482</u> | <u>(606,682)</u> | <u>313</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | | | | | |
| State sources | 7,574 | | | 7,574 | |
| Federal sources | 525,807 | | | 525,807 | |
| Transfer from (to) other funds | 107,454 | | | 107,454 | |
| | <u>640,835</u> | | | <u>640,835</u> | |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | | |
| Purchase of capital assets | (12,941) | | | (12,941) | |
| | <u>(12,941)</u> | | | <u>(12,941)</u> | |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | |
| Interest earned | 2,145 | | | 2,145 | 36 |
| | <u>2,145</u> | | | <u>2,145</u> | <u>36</u> |
| Net increase (decrease) in cash and cash equivalents | 4,638 | 2,237 | 16,482 | 23,357 | 349 |
| Balances - beginning of year | 177,692 | 1,127 | 18,278 | 197,097 | 1,391 |
| Balances - end of year | <u>\$ 182,330</u> | <u>\$ 3,364</u> | <u>\$ 34,760</u> | <u>\$ 220,454</u> | <u>\$ 1,740</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Operating income (loss) | \$ (708,541) | \$ 2,237 | \$ 16,482 | \$ (689,822) | \$ 313 |
| Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | | | |
| Depreciation | 10,021 | | | 10,021 | |
| Food distribution program | 70,690 | | | 70,690 | |
| (Increase) decrease in accounts receivable | 1,332 | | | 1,332 | |
| (Increase) decrease in inventory | 263 | | | 263 | |
| Increase (decrease) in deferred revenue | 834 | | | 834 | |
| Net cash provided by (used for) operating activities | <u>\$ (625,401)</u> | <u>\$ 2,237</u> | <u>\$ 16,482</u> | <u>\$ (606,682)</u> | <u>\$ 313</u> |

See accompanying notes to the basic financial statements.

GLASSBORO SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

| | Unemployment Compensation Trust | Private Purpose Scholarship Trust | Agency Fund |
|---|---------------------------------------|---|----------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 30,368 | \$ 39,170 | \$ 648,060 |
| Accounts receivable | | | 5,766 |
| Interfund receivable - Agency funds | 151,831 | | |
| Total assets | \$ 182,199 | \$ 39,170 | \$ 653,826 |
| LIABILITIES | | | |
| Payroll deductions and withholdings | | | \$ 5,247 |
| Accrued salaries and wages | | | 324,592 |
| Due to student groups | | | 172,156 |
| Interfund payable - Unemployment trust | | | 151,831 |
| Total liabilities | | | \$ 653,826 |
| NET POSITION | | | |
| Held in trust for unemployment claims | \$ 182,199 | | |
| Reserve for scholarships | | \$ 39,170 | |

See accompanying notes to the basic financial statements.

GLASSBORO SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2019

| | Unemployment Compensation Trust | Private Purpose Scholarship Trust |
|----------------------------------|---------------------------------------|---|
| | <u> </u> | <u> </u> |
| ADDITIONS: | | |
| Contributions | \$ 39,681 | |
| Interest earned | 611 | \$ 598 |
| Total additions | <u> 40,292</u> | <u> 598</u> |
| DEDUCTIONS: | | |
| Unemployment claims | 35,614 | |
| Scholarships awarded | | 3,500 |
| Total deductions | <u> 35,614</u> | <u> 3,500</u> |
| Change in net position | 4,678 | (2,902) |
| Net position - beginning of year | <u> 177,521</u> | <u> 42,072</u> |
| Net position - end of year | <u><u> 182,199</u></u> | <u><u> 39,170</u></u> |

See accompanying notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The Glassboro School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials who are 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.

The financial statements of the Board of Education of Glassboro School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to Governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing Governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in (GAAP) and used by the District are discussed below.

A. Reporting Entity

The Glassboro School District is a Type II District located in the County of Gloucester, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-12.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's Board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

B. Basic Financial Statements – District-Wide Statements

The District's basic financial statements include both District-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds.) Both the District-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's general, special revenue, capital projects, and debt service are classified as Governmental Activities. The District's food service program is classified as a Business-type Activity. Fiduciary Funds are excluded from the Government-wide financial statements.

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements – District-Wide Statements (Continued)

In the District-wide Statement of Net Position, both the Governmental and Business-type Activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts: invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The District-wide Statement of Activities reports both the gross and net costs of each of the District's functions and Business-type Activities (food service). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenue, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, special education, student and instruction related services, etc.) or Business-type Activities. Operating grants include operating specific and discretionary (either operating or capital) grants while the capital grants column reflects capital specific grants.

The net costs (by function or Business-type Activity) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

The District does not allocate indirect costs, such as depreciation expense, on-behalf TPAF Pension contributions and reimbursed TPAF Social Security Contributions.

The District-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

C. Basic Financial Statements - Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the Governmental or Business-type Activities categories. Non-major funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education (NJDOE) has elected to require New Jersey Districts to treat each governmental fund as a major fund in accordance with the option in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District's fiduciary funds are presented in the fiduciary fund financial statement by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government; these funds are not incorporated into the District-wide statements.

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statements - Fund Financial Statements (Continued)

The District reports the following Governmental Funds:

GOVERNMENTAL FUNDS

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and change in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the Governmental Funds of the District:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay Subfund.

As required by the New Jersey State Department of Education, the District included budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings, and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from state and federal governments, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction, and improvement programs.

PROPRIETARY FUNDS

The focus of the Proprietary Funds measurement is upon the determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to business in the private sector. The following are descriptions of the Proprietary Funds of the District:

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Enterprise Funds - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services on a continuing basis are financed or recovered primarily through user charges.

The District's Enterprise Fund is comprised of the Food Service Fund and a Professional Development Fund.

Internal Service Fund - The Internal Service Fund accounts for the financing of services provided by one department to other departments of the School District, or to other governments on a cost-reimbursement basis.

FIDUCIARY FUNDS

The Fiduciary Fund category is comprised of Trust and Agency Funds. Trust Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and therefore are not available to support District's programs. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported on the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Both Governmental and Business-type Activities in the District-wide financial statements and the Proprietary and Fiduciary Fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The Governmental Funds financial statements are reported on the modified accrual basis of accounting. Under this method, revenues are recorded when they become both susceptible to accrual; i.e. both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenue from federal, state, or other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, claims and judgments, and compensated absences, are recorded when due.

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budgets are submitted to the county office for approval and are approved as long as the District budget is within State mandated CAP's, there is no public vote on the budget. If the budget exceeds State mandated CAP's, the voters have an

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets/Budgetary Control (Continued)

opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:23-2(g). Budget amendments/transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and, under certain circumstances, require approval by the County Superintendent of Schools. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grants 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.

F. Encumbrances

Under encumbrance accounting purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in Governmental Funds, other than Special Revenue Fund, are reported as reservations of 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.

Open encumbrances in the Special Revenue Fund, for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year-end.

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

G. Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, cash in banks, money market accounts, and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Cash and Cash Equivalents (Continued)

For purposes of determining cash equivalents the District considers all investments with an original maturity of three months or less as cash equivalents.

New Jersey School Districts are limited to the types of investments and types of financial institutions they may invest in. New Jersey statute (NJSA 18A:20-37) provides a list of permissible investments that may be purchased by New Jersey School Districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of 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.

NJSA 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks), and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least 5% of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

H. Inventories

Inventories, other than those recorded in the Enterprise Fund, are recorded as expenditures during the year of purchase. Inventories in the Enterprise Fund are recorded at cost, computed on a first-in, first-out method. In the fund based financial statements, commodities received from the U.S. Department of Agriculture are recorded as deferred revenue until consumed.

I. Interfund Transactions

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

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the Statement of Net Position, except for amounts due between Governmental and Business-type Activities or Governmental and Agency Funds, which are presented as internal balances.

J. Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value at the date of donation. The cost of normal maintenance and

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

repairs that do not add to the value of the assets' lives are not capitalized. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the estimated useful lives;

| <u>Asset Class</u> | <u>Estimated Useful Lives</u> |
|-------------------------|-----------------------------------|
| Site improvements | 20 |
| Building & improvements | 20-50 |
| Machinery & equipment | 7-20 |

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and underground pipes. Such items are considered to be part of the cost of buildings or other improvable property.

K. Compensated Absences

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and negotiated agreement with the various employee unions.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the School District's past experience of making termination payments. Salary-based payments for the employer's share of social security and Medicare taxes are included.

For the District-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the Governmental Funds, in the fund financial statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

L. Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, Governmental Fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources; are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from Governmental Funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

N. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Funds are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted funds are available.

O. Fund Balance

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Non-spendable - The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose, unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Balance (Continued)

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

Unassigned - The unassigned fund balance classification is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of Committed Funds, then Assigned Funds, and finally Unassigned Funds, as needed.

P. Revenues

Substantially all Governmental Fund revenue is accrued. Property taxes are susceptible to accrual and under New Jersey State statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." Subsidies and grants to Proprietary Funds, which finance either capital or current operations, are reported as non-operating revenue based on GASB No. 33. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

Q. Expenditures

Expenses are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

R. Accrued Salaries and Wages

Certain school district employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

U. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

V. Recent Accounting Pronouncements Not Yet Effective

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, "Fiduciary Activities." This Statement, which is effective for fiscal periods beginning after December 31, 2018, will not have any effect on the District's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases." This Statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District's financial reporting.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Costs Incurred Before the End of a Construction Period." This Statement is effective for fiscal periods beginning after December 15, 2019. Management has not yet determined the impact of this statement on the financial statements.

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, "Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61." This Statement, which is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the District's financial reporting.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations." This Statement, which is effective for fiscal periods beginning after December 15, 2020, will not have an effect on the District's financial reporting.

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is based on New Jersey statutes requiring cash to be deposited only in New Jersey banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA), or in qualified investments established in NJSA 18A:20-37 that are treated as cash equivalents. The carrying amount of the District's cash and cash equivalents at June 30, 2019 and 2018, was \$6,100,251 and \$4,288,036. As of June 30, 2019 and 2018, \$0 of the District's bank balance of \$7,067,743 and \$5,426,894, respectively, was exposed to Custodial Credit Risk.

NOTE 3: INVESTMENTS

As of June 30, 2019, the District did not have any investments.

Interest Rate Risk - The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, NJSA 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk - NJSA 18A:20-37 limits District investments to those specified in the Statutes. The type of allowable investments are: Bonds of the United States of America or of the District or the local units in which the District is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk - The District places no limit on the amount the District may invest in any one issuer.

NOTE 4: RECEIVABLES

Receivables at June 30, 2019, consisted of Intergovernmental and other receivables. All receivables are considered collectible in full. A summary of the principal items of the receivables are as follows:

| | Governmental Activities | Business- Type Activities |
|-------------|----------------------------|---------------------------------|
| State aid | \$ 508,025 | \$ 1,732 |
| Federal aid | 1,117,313 | 122,754 |
| Other | 224,748 | 19,007 |
| | <u>\$ 1,850,086</u> | <u>\$ 143,493</u> |

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 5: INTERFUND RECEIVABLES AND PAYABLES

| | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|-----------------------|---------------------------------|------------------------------|
| General Fund | \$ 142,868 | |
| Capital Projects Fund | | \$ 128,143 |
| Debt Service Fund | 128,143 | |
| Fiduciary Fund | 151,831 | 151,831 |
| Enterprise Fund | | 142,868 |
| | <u>\$ 422,842</u> | <u>\$ 422,842</u> |

NOTE 6: INVENTORY

Inventory in the Food Service Fund at June 30, 2019, consisted of the following:

| | |
|--------------------|------------------|
| Food | \$ 4,458 |
| Food - Commodities | 7,241 |
| Supplies | 2,711 |
| | <u>\$ 14,410</u> |

NOTE 7: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, was as follows:

| | <u>Balance July 1, 2018</u> | <u>Additions</u> | <u>Disposals</u> | <u>Balance June 30, 2019</u> |
|---|---------------------------------|--------------------|------------------|----------------------------------|
| Governmental activities: | | | | |
| Sites | \$ 235,104 | | | \$ 235,104 |
| Construction in progress | 23,122,307 | \$ 353,624 | | 23,475,931 |
| Site improvements | 1,892,289 | | | 1,892,289 |
| Building & building improvements | 30,918,018 | 96,540 | | 31,014,558 |
| Machinery & equipment | 6,093,032 | 560,198 | \$ 285,760 | 6,367,470 |
| Totals at historical cost | <u>62,260,750</u> | <u>1,010,362</u> | <u>285,760</u> | <u>62,985,352</u> |
| Less: accumulated depreciation for: | | | | |
| Site improvements | 1,475,076 | 58,031 | | 1,533,107 |
| Building & building improvements | 15,047,950 | 554,047 | | 15,601,997 |
| Machinery & equipment | 3,776,126 | 427,538 | 117,306 | 4,086,358 |
| Total accumulated depreciation | <u>20,299,152</u> | <u>1,039,616</u> | <u>117,306</u> | <u>21,221,462</u> |
| Governmental activities capital assets, net | <u>\$ 41,961,598</u> | <u>\$ (29,254)</u> | | <u>\$ 41,763,890</u> |
| Business-type activities: | | | | |
| Machinery & equipment | \$ 459,307 | \$ 12,941 | | \$ 472,248 |
| Less: accumulated depreciation | 416,629 | 10,021 | | 426,650 |
| Business-type capital assets, net | <u>\$ 42,678</u> | <u>\$ 2,920</u> | | <u>\$ 45,598</u> |

Depreciation was charged as an unallocated expense since it could not be specifically identified to one program/function for Governmental Activities.

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8: GENERAL LONG-TERM DEBT

Bonds are authorized in accordance with state law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Permanently funded debt as of June 30, 2019, consisted of the following:

\$23,647,000 General Obligation Bonds dated July 28, 2015, payable in annual installments through July 15, 2035. Interest is paid semi-annually at the rates of 3% to 3.75% per annum. The balance remaining at June 30, 2019, was \$20,787,000.

Changes in long-term obligations for the fiscal year ended June 30, 2019, are as follows:

| | Balance July 1, 2018 | Additions | Deductions | Balance June 30, 2019 | Due Within One Year |
|-------------------------|-------------------------|---------------------|---------------------|--------------------------|------------------------|
| Bonds payable | \$ 23,577,000 | | \$ 2,790,000 | \$ 20,787,000 | \$ 980,000 |
| Capital leases | 532,573 | \$ 167,584 | 220,267 | 479,890 | 182,351 |
| Compensated absences | 1,544,341 | 1,529,127 | 1,544,341 | 1,529,127 | |
| | <u>\$ 25,653,914</u> | <u>\$ 1,696,711</u> | <u>\$ 4,554,608</u> | <u>\$ 22,796,017</u> | <u>\$ 1,162,351</u> |

Bonds Payable

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

| Year Ended June 30, | Principal | Interest | Total |
|------------------------|----------------------|---------------------|----------------------|
| 2020 | \$ 980,000 | \$ 666,225 | \$ 1,646,225 |
| 2021 | 995,000 | 636,600 | 1,631,600 |
| 2022 | 1,020,000 | 606,375 | 1,626,375 |
| 2023 | 1,040,000 | 575,475 | 1,615,475 |
| 2024 | 1,065,000 | 543,900 | 1,608,900 |
| 2025-2029 | 5,800,000 | 2,214,056 | 8,014,056 |
| 2030-2034 | 6,810,000 | 1,195,888 | 8,005,888 |
| 2035-2036 | 3,077,000 | 116,456 | 3,193,456 |
| | <u>\$ 20,787,000</u> | <u>\$ 6,554,975</u> | <u>\$ 27,341,975</u> |

Bonds Authorized but Not Issued

There were no bonds authorized but not issued as of June 30, 2019.

Other

Interest paid on debt issued by the District is exempt from federal income tax. Because of this, bond holders are willing to accept a lower interest rate than they would on taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this as arbitrage.

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8: GENERAL LONG-TERM DEBT (CONTINUED)

Other (Continued)

on the requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally allowable returns.

Rebatable arbitrage liabilities related to District debt are not recorded in Governmental Funds. There is no recognition in the balance sheet or income statement until rebatable amounts are due and payable to the federal government. Thus, rebatable arbitrage liabilities related to governmental debt will be accrued as incurred at least annually (at fiscal year-end) on the District-wide financial statements.

For the year ended June 30, 2019, it is not necessary for the Board to establish a liability for arbitrage rebate.

Capital Lease Payable

The District has entered into lease purchase agreements for the acquisition of school buses, computers, copiers, television studio upgrades, and communications network equipment. The lease agreements range from four to ten years and carry interest rates ranging from 2.49% to 3.49%. The following is a schedule of future minimum lease payments under capital leases, together with the net present value of the minimum lease payments, as of June 30, 2019:

| Year Ended June 30, | Principal | Interest | Total |
|------------------------|------------|-----------|------------|
| 2020 | \$ 182,351 | \$ 14,372 | \$ 196,723 |
| 2021 | 134,590 | 9,079 | 143,669 |
| 2022 | 128,347 | 4,966 | 133,313 |
| 2023 | 34,602 | 1,159 | 35,761 |
| | \$ 479,890 | \$ 29,576 | \$ 509,466 |

NOTE 9: PENSION FUNDS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System (PERS) or the Teachers' Pension and Annuity Fund (TPAF), a cost-sharing, multiple-employer defined benefit pension plans, which have been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be accessed on the internet at: <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 9: PENSION FUNDS (CONTINUED)

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of NJSA 18A:66 to provide retirement benefits, death, disability, and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing, multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners and employees of the Department of Education who have titles that are unclassified, professional, and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of NJSA 43:15A to provide retirement, death, disability, and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing, multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Funding Policy - The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Effective with the first payroll to be paid on or after October 1, 2011, the employee contributions for the TPAF and the PERS increased from 5.5% of employee's annual compensation, as defined, to 6.5%. Subsequent increases will be phased in over 7 years (each July 1) to bring the total pension contribution rate to 7.5% as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in both the TPAF and the PERS. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The current TPAF and PERS rate is 7.5% of covered payroll. The District's contributions to the PERS for the years ending June 30, 2019, 2018, and 2017, were \$546,155, \$531,331, and \$535,170, respectively, equal to the required contributions for each year.

During the fiscal year ended June 30, 2019, the State of New Jersey contributed \$4,321,082 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the District \$1,227,822 during the year ended June 30, 2019, for the employer's share of Social Security contributions for the TPAF members, as calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB No. 27.

The District's total payroll for the years ended June 30, 2019, 2018, and 2017, were \$22,283,898, \$22,63,923, and \$22,456,478, respectively. Covered payroll was \$4,283,559, \$3,821,084, and \$3,991,597 for the PERS and \$16,689,816, \$15,689,744, and \$15,761,097 for the TPAF, for the same years.

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 9: PENSION FUNDS (CONTINUED)

For the year ended June 30, 2019, The District recognized pension expense of (\$54,848). At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to the PERS from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | | \$ 56,596 |
| Changes of assumptions | | 2,806,888 |
| Net difference between projected and actual earning on pension plan investments | | 42,788 |
| Changes in proportion and differences between District contributions and proportionate share of contributions | | 778,669 |
| Employer contributions subsequent to the measurement date | \$ 546,155 | |
| | \$ 546,155 | \$ 3,684,941 |

\$546,115 reported as deferred outflows of resources related to pensions resulting from School District project contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30, | |
|------------------------|----------------|
| 2020 | \$ (498,457) |
| 2021 | (751,325) |
| 2022 | (1,260,438) |
| 2023 | (905,307) |
| 2024 | (269,414) |
| | \$ (3,684,941) |

Additional Information – Collective balances at June 30, 2018 and 2017, are as follows:

| | June 30, 2017 | June 30, 2018 |
|---|------------------|------------------|
| Collective deferred outflows of resources | \$ 6,424,455,342 | \$ 4,684,852,302 |
| Collective deferred inflows of resources | 5,700,625,981 | 7,646,736,226 |
| Collective net pension liability | 23,278,401,588 | 19,689,501,539 |
| District's proportion | 0.0573548035% | 0.0549077800% |

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 9: PENSION FUNDS (CONTINUED)

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing, multiple-employer defined contribution pension fund which was established on July 1, 2007, under provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (NJAC 43:15C-1 et seq.). The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provision are established by NJSA 43:15C-1 et seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right, under the current law, to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contributes amounts for each pay period to Prudential Financial, not later than the fifth business day after the date on which the employee is paid for that pay period. The School District's contributions for the years ending June 30, 2019, 2018, and 2017, were \$27,504, \$24,046, and \$20,977 for covered employees.

NOTE 10: POSTEMPLOYMENT BENEFITS

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State's pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health care costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement, and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year's \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the re-measured total OPEB liability in Fiscal Year 2017.

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 10: POSTEMPLOYMENT BENEFITS (CONTINUED)

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

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

Total Non-Employer OPEB Liability

The State of New Jersey, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the Board of Education/Board of Trustees. The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2019, was \$86,893,278. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability. Note that actual numbers will be published in the NJ State's CAFR at: <http://www.state.nj.us/treasury/pensions/gasb-notices.shtml>.

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2018, actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

| | |
|------------------|---|
| Inflation | 2.50% |
| Salary increases | Differs by pension group (e.g. - PERS, TPAF). See Actuarial Assumptions in the Notes to Required Supplementary Information - Note 4 |
| Discount rate | 3.87% |

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond index.

Total Non-Employer OPEB Liability (Continued)

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2017, valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015, July 1, 2011 - June 30, 2014, and July 1, 2010 - June 30, 2013, for the TPAF, PERS, and PFRS, respectively.

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 10: POSTEMPLOYMENT BENEFITS (CONTINUED)

Total Non-Employer OPEB Liability (Continued)

The below table summarizes the changes in the Total OPEB liability reported by the State of New Jersey:

| | Total OPEB Liability |
|--|-------------------------|
| Balance at June 30, 2017 | \$ 53,639,841,858 |
| Changes for the year: | |
| Service cost | 1,984,642,729 |
| Interest | 1,970,236,232 |
| Changes of benefit terms | - |
| Differences between expected and actual experience | (5,002,065,740) |
| Changes in assumptions or other inputs | (5,291,448,855) |
| Contributions - Member | 42,614,005 |
| Benefit payments | (1,232,987,247) |
| Net changes | (7,529,008,876) |
| Balance at June 30, 2018 | \$ 46,110,832,982 |

There were no changes in benefit terms from 2017 to 2018.

Changes in assumptions and other inputs reflect a change in the discount rate from 2.85% in 2016 to 3.58% in 2017 to 3.87% in 2018.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate -

The State's proportionate share of the total non-employer OPEB liability as of June 30, 2018, associated with the School District using a discount rate of 3.87%, as well as using a discount rate that is 1-percent-point lower or 1-percent-point higher than the current discount rate.

| | 2.87% | 3.87% | 4.87% |
|--|----------------|---------------|---------------|
| Total OPEB Liability (School Retirees) | \$ 102,726,211 | \$ 86,893,278 | \$ 74,308,746 |

Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Cost

Trend Rates - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2018, associated with the School District, using a healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

| | 1% Decrease | Healthcare Cost Trend Rates | 1% Increase |
|--|---------------|--------------------------------|----------------|
| Total OPEB Liability (School Retirees) | \$ 86,082,645 | \$ 86,893,278 | \$ 119,991,544 |

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 10: POSTEMPLOYMENT BENEFITS (CONTINUED)

Additional information – Collective balances at June 30, 2018 and 2017, are as follows:

| | <u>June 30, 2018</u> | <u>June 30, 2017</u> |
|---|----------------------|----------------------|
| Collective deferred outflows of resources | \$ 1,377,313,892 | \$ 99,843,255 |
| Collective deferred inflows of resources | 16,189,378,926 | 6,443,612,287 |
| Collective OPEB Expense | <u>2,129,660,368</u> | <u>3,348,490,523</u> |
| District's proportion | 0.19% | 0.19% |

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

For the fiscal year ended June 30, 2019, the Board of Education recognized \$449,705 in OPEB expense and revenue, in the Government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2018, measurement date.

In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | | \$ (4,476,086,167) |
| Changes of assumptions or other inputs | | <u>(10,335,978,867)</u> |
| Total | <u>None</u> | <u>\$(14,812,065,034)</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

| <u>Year Ended June 30,</u> | |
|----------------------------|----------------------------|
| 2019 | \$ (1,825,218,593) |
| 2020 | (1,825,218,593) |
| 2021 | (1,825,218,593) |
| 2022 | (1,825,218,593) |
| 2023 | (1,825,218,593) |
| Thereafter | <u>(5,685,972,069)</u> |
| | <u>\$ (14,812,065,034)</u> |

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 11: DEFERRED COMPENSATION

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

AXA Equitable Tax Shelter
Metropolitan Life Insurance

Lincoln Investment Planning, Inc.
MG Trust Company/Aspire Financial

NOTE 12: COMPENSATED ABSENCES

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and negotiated agreements with the various employee unions.

The liability for vested compensated absences is recorded in the District-wide *Statement of Net Position*. The current portion of the compensated absence balance is not considered material to the Governmental Funds total liabilities and, is therefore not shown separately from the amount due in more than one year.

NOTE 13: LABOR CONTRACTS

As of June 30, 2019, the District has a total of approximately 395 employees. Of this total, approximately 340 employees are represented by unions as follows:

Glassboro Education Association (GEA) – 250 employees
Glassboro Principals and Supervisors Association (GPSA) – 13 employees
Glassboro Educational Support Professional Association (GESPA) – 77 employees

The union agreement for GESPA expires on June 30, 2019, the other two expire on June 30, 2020.

NOTE 14: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 14: RISK MANAGEMENT (CONTINUED)

Property and Liability Insurance:

The District maintains commercial insurance coverage for property, liability, student accidents, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. Any potential liability of the District, with respect to loss claims, would be equal to the deductibles associated with policies and events which may exceed coverage limits. There have been no significant reductions in insurance coverage amounts.

New Jersey Unemployment Compensation Insurance:

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. This 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 expendable trust fund for the current and previous two years:

| Year Ended June 30, | District Contribution | Employee Contribution | Amount Reimbursed | Ending Balance |
|------------------------|--------------------------|--------------------------|----------------------|-------------------|
| 2017 | \$ 324 | \$ 36,571 | \$ 181 | \$ 129,379 |
| 2018 | None | 75,579 | 27,873 | 177,521 |
| 2019 | None | 39,681 | 35,614 | 182,199 |

NOTE 15: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Glassboro Board of Education by inclusion of \$75,000 on June 30, 2003, for the accumulation of funds, for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the 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 NJSA 19:60-2. Pursuant to NJAC 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

There was no activity in the capital reserve fund during the year.

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 16: FUND BALANCE APPROPRIATED

Restrictions of fund balances of Governmental Funds are established to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures.

The District follows the State of New Jersey's minimum fund balance policy for New Jersey Public School Districts (NJSA 18A:7F-7). Pursuant to that policy, an undesignated fund balance of 2% of the General Fund budget or \$250,000, whichever is greater may be maintained.

Specific classifications of fund balance are summarized below:

Restricted

General Fund – In accordance with NJSA 18A:7F-7, \$5,113,451 is restricted as excess surplus (\$2,410,152 of the total restricted amount has been appropriated and included as anticipated revenue for the year ending June 30, 2020). The District also has \$9,674 for school bus advertising 50% fuel offset – prior year and \$50,000 for emergency reserves.

Capital Projects Fund – The Capital Projects Fund balance as of June 30, 2019, was \$171,069.

Assigned

General Fund – As of June 30, 2019, the District had \$223,053 of assigned fund balance. The balance consisted of \$42,340 of encumbrances outstanding for purchase orders and contracts signed by the District, but not completed, as of the close of the fiscal year and \$180,713 that the District has appropriated and included as anticipated revenue for the year ending June 30, 2020.

Debt Service Fund – The Debt Service Fund balance as of June 30, 2019, was a deficit of \$11,046.

Unassigned

General Fund – As of June 30, 2019, a deficit of \$421,415 of fund balance was unassigned.

Special Revenue Fund – As of June 30, 2019, the fund balance was a deficit of \$49,568.

NOTE 17: CALCULATION OF EXCESS SURPLUS

The designation of Reserve Fund Balance - Excess surplus is a required calculation pursuant NJSA 18A:7F-7, as amended. New Jersey School Districts are required to reserve General Fund, fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2019, is \$5,113,451.

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 18: DEFICIT FUND BALANCES

The District has a deficit fund balance of \$421,415 in the General Fund and \$49,568 in the Special Revenue Fund as of June 30, 2019, as reported in the fund statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, and liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the state is recording the June state aid payment(s) in the subsequent fiscal year, the School District cannot recognize the June state aid payment(s) on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate that the District is facing financial difficulties.

Pursuant to NJSA 18A:22-44.2, any negative unassigned general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP statements of \$421,415 is less than the last state aid payments.

The deficit fund balance of \$11,046 in the Debt Service Fund was due to an error in budgeting interest expense and will be corrected in the budget for the year ended June 30, 2021.

NOTE 19: TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because NJSA 54:4-75 and NJSA 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district Board of Education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at NJSA 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 19: TAX ABATEMENT PROGRAMS (CONTINUED)

The Borough of Glassboro's tax abatements for the year ended December 31, 2018, were as follows;

The Borough entered into long-term tax abatement agreements (in excess of 5 year term) under the provisions of the New Jersey statutes as described below to promote and stimulate redevelopment and rehabilitation.

NJSA 40A:12A-1 et seq. "The Local Redevelopment and Housing Law" (LRHL), which designates "areas in need of redevelopment" as defined in the statute.

NJSA 40A:20-1 et seq. "Long Term Tax Exemption Law," which provides for long term tax exemption for the LRHL designated areas.

The statutes were utilized by the Borough to attract redevelopers. Additionally, in many, but not all of the agreements, the Borough retained ownership of the land and charged a ground lease that mitigated the impact of the tax abatement.

For the fiscal year ended December 31, 2018, the Borough abated property taxes totaling \$8,731,184.70 offset by ground leases in the amount of \$2,557,200.52, for a net effective tax abatement of \$6,173,984.18. The following agreements were in effect as of December 31, 2018, under the provisions of the aforementioned statutes:

- A 17.10% net effective abatement to a developer for construction and operation of an 884 bed student housing facility. The net effective abatement amounted to \$150,649.69.
- A 50.67% net effective abatement to a developer for construction and operation of a three-bay, six and one-half level, approximately 1,194 space parking garage. The net effective abatement amounted to \$190,663.27.
- A 54.95% effective abatement (no ground lease) to a developer for construction and operation of a 129 Room Courtyard by Marriott Hotel and Conference Area. The abatement amounted to \$321,744.10.
- A 50.00% net effective abatement to a developer for construction and operation of a mixed use building consisting of a 280 bed student housing facility with administrative housing/office space for Rowan University's honors program and retail space. The net effective abatement amounted to \$350,075.33.
- A 50.00% net effective abatement to a developer for construction and operation of a five-story building including classrooms, office space, and an 80.00% net effective abatement for the retail space. The net effective abatement amounted to \$222,218.82.
- A 77.50% net effective abatement to a developer for construction and operation mixed use building consisting of 119 student apartments, 59 market rate apartments, medical office space, and 84.00% net effective abatement for retail space. The net effective abatement amounted to \$1,529,528.27.

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 19: TAX ABATEMENT PROGRAMS (CONTINUED)

- A 68.40% effective abatement (no ground lease) to a developer for construction and operation of affordable senior housing and affordable housing for developmentally disabled and their families. The abatement amounted to \$47,481.08.
- A 21.46% effective abatement (no ground lease) to a developer for construction and operation of an 80 unit affordable housing project. The abatement amounted to \$11,583.74.
- An 84.83% effective abatement (no ground lease) to a developer for construction and operation of 41 units of residential housing for physically disabled persons. The abatement amounted to \$99,777.09.
- A 77.88% net effective abatement to a developer for construction and operation of 123 student apartments and 37 market rate apartments; a 77.50% net effective abatement for 30,000 sq. ft. of classroom space; a 97.00% net effective abatement for 75,644 sq. ft. of retail space; and a 93.00% net effective abatement for a parking garage containing 865 spaces. The net effective abatement amounted to \$1,966,096.34.
- A 98.77 % effective abatement (no ground lease) to a developer for construction and operation of 30 units of residential housing for low income homeless youth and youth aging out of foster care. The abatement amounted to \$86,631.34.
- An 82.38% net effective abatement to a developer for construction and operation of 120 student apartments and 20 market rate apartments and a 100.00% net effective abatement for 18,386 sq. ft. of retail space. The net effective abatement amounted to \$1,197,535.11.

The Borough entered into tax abatement agreements under the provisions of NJSA 40A:21-1 et seq. "The Five-Year Exemption and Abatement Law." For the fiscal year ended December 31, 2018, property taxes abated by the Borough under this law totaled \$1,756,198.94. The following is a summary of the agreements:

- An average abatement of 48.46% to multiple entities to construct dwellings, as defined in the statute. The total of all such abatements amounted to \$1,646,433.97.
- An average abatement of 100.00% to numerous entities to construct commercial or industrial structures, as defined in the statute. The total of all such abatements amounted to \$109,764.96.

NOTE 20: ECONOMIC DEPENDENCY

The District is heavily reliant on state aid and local tax levy to fund the District's operations. State sources accounted for approximately 46% of the District's 2018-2019 General Fund revenue, while local tax levy accounted for approximately 53%.

State aid had been reduced by \$1,827,498 for the 2018-19 school year, but management requested emergency aid from the state to offset this and was approved in the amount of \$1,746,858 resulting in a reduction of \$80,640. This amount was easily handled by the District.

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 21: CONTINGENT LIABILITIES

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

It is the opinion of the administration and legal counsel, that there exists no litigation or contingent liability that may be pending against the Glassboro School District that would have a material or adverse effect on the Board or the financial position of the District.

NOTE 22: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2019 and December 12, 2019, the date that the financial statements were available to be issued for possible disclosure and recognition in the financial statements and no items have come to the attention of the District that would require disclosure.

NOTE 23: CHANGE IN ACCOUNTING ESTIMATE

During the prior year beginning July 1, 2017, the District adopted the Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" whose primary objective is to improve accounting and financial reporting for postemployment benefits other than pensions (OPEB). These statements establish standards for measuring and recognizing liabilities, deferred outflows of resources and deferred inflows of resources, and expense/expenditures for OPEB.

The State is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraph 193 and 203 through 205 of GASB Statement No. 75 is zero.

The effect of the State being the only entity that has a legal obligation to make employer contributions to OPEB is to eliminate the OPEB liability and deferred inflows related to OPEB by increasing the fiscal year ended June 30, 2018, net position by \$114,163,803 which is the prior period net OPEB liability and deferred inflows related to OPEB. Financial statements for the fiscal year ended June 30, 2018, have not been restated, and the cumulative effect of the change totaling \$114,163,803, is shown as a one-time credit to net position in the fiscal year ended June 30, 2019, statement of activities.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

GLASSBORO SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|----------------------|---------------------|----------------------|----------------------|-----------------------------|
| REVENUES: | | | | | |
| Local sources: | | | | | |
| Local tax levy | \$ 19,651,946 | | \$ 19,651,946 | \$ 19,651,946 | |
| Other local government units - restricted | 15,000 | | 15,000 | | \$ (15,000) |
| Tuition from other LEA's within the state | 250,000 | | 250,000 | 218,600 | (31,400) |
| Transportation fees from other LEA's within the state | 170,000 | | 170,000 | 109,190 | (60,810) |
| Rents and royalties | 10,000 | | 10,000 | 6,866 | (3,134) |
| Miscellaneous | 70,000 | | 70,000 | 322,849 | 252,849 |
| Advertising fees - school buses | 11,300 | | 11,300 | 16,293 | 4,993 |
| Total - local sources | <u>20,178,246</u> | | <u>20,178,246</u> | <u>20,325,744</u> | <u>147,498</u> |
| State sources: | | | | | |
| School choice aid | 156,995 | | 156,995 | 156,995 | |
| Extraordinary aid | 150,000 | | 150,000 | 324,124 | 174,124 |
| Categorical special education aid | 1,207,847 | \$ (1,207,847) | | | |
| Equalization aid | 14,781,988 | (184,656) | 14,597,332 | 14,597,332 | |
| Categorical security aid | 272,057 | (272,057) | | | |
| Categorical transportation aid | 162,938 | (162,938) | | | |
| Emergency aid | | 1,746,858 | 1,746,858 | 1,746,858 | |
| Reimbursed nonpublic school transportation costs | | | | 39,537 | 39,537 |
| TPAF - post-retirement medical (on-behalf non-budgeted) | | | | 1,347,814 | 1,347,814 |
| Teachers' pension & annuity fund (on-behalf non-budgeted) | | | | 2,971,383 | 2,971,383 |
| TPAF - long-term disability insurance (on-behalf non-budgeted) | | | | 1,885 | 1,885 |
| Reimbursed TPAF social security contributions (non-budgeted) | | | | 1,227,822 | 1,227,822 |
| Total - state sources | <u>16,731,825</u> | <u>(80,640)</u> | <u>16,651,185</u> | <u>22,413,750</u> | <u>5,762,565</u> |
| Federal sources: | | | | | |
| Medicaid reimbursement | 56,756 | | 56,756 | 113,105 | 56,349 |
| Total - federal sources | <u>56,756</u> | | <u>56,756</u> | <u>113,105</u> | <u>56,349</u> |
| Total revenues | <u>\$ 36,966,827</u> | <u>\$ (80,640)</u> | <u>\$ 36,886,187</u> | <u>\$ 42,852,599</u> | <u>\$ 5,966,412</u> |

GLASSBORO SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|------------------|------------------|-----------------------------|
| EXPENDITURES: | | | | | |
| Current expense: | | | | | |
| Regular programs - instruction: | | | | | |
| Kindergarten - salaries of teachers | \$ 640,399 | | \$ 640,399 | \$ 584,979 | \$ 55,420 |
| Grades 1-5 - salaries of teachers | 2,941,311 | \$ (92,593) | 2,848,718 | 2,702,664 | 146,054 |
| Grades 6-8 - salaries of teachers | 1,863,632 | | 1,863,632 | 1,817,481 | 46,151 |
| Grades 9-12 - salaries of teachers | 2,859,425 | 7,870 | 2,867,295 | 2,867,277 | 18 |
| Regular programs - home instruction: | | | | | |
| Salaries of teachers | 18,000 | 1,369 | 19,369 | 19,369 | |
| Purchased professional - educational services | 14,999 | (1,063) | 13,936 | 11,354 | 2,582 |
| Regular programs - undistributed instruction: | | | | | |
| Other salaries for instruction | 136,819 | (20,306) | 116,513 | 77,225 | 39,288 |
| Purchased professional - educational services | 383,000 | (10,200) | 372,800 | 292,927 | 79,873 |
| Purchased technical services | | 500 | 500 | 85 | 415 |
| Other purchased services | 256,507 | 3,263 | 259,770 | 236,176 | 23,594 |
| General supplies | 531,931 | 78,324 | 610,255 | 532,600 | 77,655 |
| Textbooks | 82,900 | (9,428) | 73,472 | 70,984 | 2,488 |
| Other objects | 3,483 | (481) | 3,002 | 1,731 | 1,271 |
| Total regular programs - instruction | <u>9,732,406</u> | <u>(42,745)</u> | <u>9,689,661</u> | <u>9,214,852</u> | <u>474,809</u> |
| Special education instruction: | | | | | |
| Learning and/or language disabilities: | | | | | |
| Salaries of teachers | 190,169 | 363 | 190,532 | 190,532 | |
| Other salaries for instruction | 165,939 | (363) | 165,576 | 114,861 | 50,715 |
| Purchased professional - educational services | 10,000 | | 10,000 | 5,810 | 4,190 |
| Other purchased services | 9,000 | | 9,000 | 2,341 | 6,659 |
| General supplies | 10,000 | (1,561) | 8,439 | 8,046 | 393 |
| Other objects | 1,000 | | 1,000 | | 1,000 |
| Total learning and/or language disabilities | <u>386,108</u> | <u>(1,561)</u> | <u>384,547</u> | <u>321,590</u> | <u>62,957</u> |

GLASSBORO SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|------------------|------------------|-----------------------------|
| Behavioral disabilities: | | | | | |
| Purchased professional - educational services | 2,000 | | 2,000 | | 2,000 |
| Other purchased services | 1,000 | | 1,000 | | 1,000 |
| General supplies | 1,000 | (260) | 740 | | 740 |
| Total behavioral disabilities | 4,000 | (260) | 3,740 | | 3,740 |
| Multiple disabilities: | | | | | |
| Salaries of teachers | 313,442 | (2,207) | 311,235 | 306,086 | 5,149 |
| Other salaries for instruction | 38,740 | | 38,740 | 38,642 | 98 |
| Purchased professional - educational services | 5,000 | 1,540 | 6,540 | 6,540 | |
| Other purchased services | 3,000 | (605) | 2,395 | 2,243 | 152 |
| General supplies | 11,000 | (1,400) | 9,600 | 8,110 | 1,490 |
| Other objects | | 625 | 625 | 625 | |
| Total multiple disabilities | 371,182 | (2,047) | 369,135 | 362,246 | 6,889 |
| Resource room/resource center: | | | | | |
| Salaries of teachers | 2,254,769 | (2,084) | 2,252,685 | 2,224,349 | 28,336 |
| Other salaries for instruction | 97,034 | (20,040) | 76,994 | 72,727 | 4,267 |
| Purchased professional - educational services | 55,000 | 484 | 55,484 | 55,483 | 1 |
| Other purchased services | 7,000 | (5,100) | 1,900 | 1,755 | 145 |
| General supplies | 26,600 | 2,200 | 28,800 | 23,715 | 5,085 |
| Total resource room/resource center | 2,440,403 | (24,540) | 2,415,863 | 2,378,029 | 37,834 |
| Autism: | | | | | |
| Salaries of teachers | | 63,683 | 63,683 | 63,682 | 1 |
| Purchased professional - educational services | | 2,250 | 2,250 | 1,574 | 676 |
| Other purchased services | | 2,000 | 2,000 | 1,325 | 675 |
| General supplies | | 3,000 | 3,000 | 2,797 | 203 |
| Total autism | | 70,933 | 70,933 | 69,378 | 1,555 |
| Preschool disabilities - part time: | | | | | |
| Salaries of teachers | 147,896 | (62,476) | 85,420 | 85,419 | 1 |
| Other salaries for instruction | 42,249 | 24,640 | 66,889 | 66,888 | 1 |
| Purchased professional - educational services | 2,500 | (750) | 1,750 | 1,694 | 56 |
| Other purchased services | 4,000 | (2,000) | 2,000 | 1,658 | 342 |
| General supplies | 6,000 | (3,500) | 2,500 | 527 | 1,973 |
| Total preschool disabilities - part time | 202,645 | (44,086) | 158,559 | 156,186 | 2,373 |

GLASSBORO SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|-----------------|------------|-----------------------------|
| Home instruction: | | | | | |
| Salaries of teachers | 30,000 | 14,465 | 44,465 | 44,464 | 1 |
| Purchased professional - educational services | 20,000 | (8,348) | 11,652 | 10,392 | 1,260 |
| Total home instruction | 50,000 | 6,117 | 56,117 | 54,856 | 1,261 |
| Total special education - instruction | 3,454,338 | 4,556 | 3,458,894 | 3,342,285 | 116,609 |
| Basic skills/remedial - instruction: | | | | | |
| Salaries of teachers | 518,485 | (28,723) | 489,762 | 327,278 | 162,484 |
| Purchased professional - educational services | 3,000 | 2,606 | 5,606 | 5,326 | 280 |
| Total basic skills/remedial - instruction | 521,485 | (26,117) | 495,368 | 332,604 | 162,764 |
| Bilingual education - instruction: | | | | | |
| Salaries of teachers | 257,208 | 20,000 | 277,208 | 273,908 | 3,300 |
| Purchased professional - educational services | 3,500 | | 3,500 | 3,026 | 474 |
| General supplies | 8,000 | 723 | 8,723 | 8,547 | 176 |
| Other objects | 400 | | 400 | 35 | 365 |
| Total bilingual education - instruction | 269,108 | 20,723 | 289,831 | 285,516 | 4,315 |
| School-sponsored co-curricular activities - inst.: | | | | | |
| Salaries | 94,500 | 29,801 | 124,301 | 117,246 | 7,055 |
| School-sponsored co-curricular athletics - inst.: | | | | | |
| Salaries | 258,953 | | 258,953 | 233,021 | 25,932 |
| Purchased services | 104,400 | (12,900) | 91,500 | 85,082 | 6,418 |
| Supplies and materials | 47,175 | 5,500 | 52,675 | 52,125 | 550 |
| Other objects | 7,500 | | 7,500 | 7,230 | 270 |
| Total school-sponsored co-curricular athletics - inst. | 418,028 | (7,400) | 410,628 | 377,458 | 33,170 |
| Summer school - instruction: | | | | | |
| Salaries of teachers | 6,500 | | 6,500 | 5,883 | 617 |
| Other purchased services | 12,000 | | 12,000 | 9,750 | 2,250 |
| Total summer school - instruction | 18,500 | | 18,500 | 15,633 | 2,867 |
| Summer school - support: | | | | | |
| Salaries | 4,500 | | 4,500 | 3,887 | 613 |
| Total summer school | 23,000 | | 23,000 | 19,520 | 3,480 |
| Total instruction and at-risk programs | 14,512,865 | (21,182) | 14,491,683 | 13,689,481 | 802,202 |

GLASSBORO SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|------------------|------------------|-----------------------------|
| Undistributed expenditures - instruction: | | | | | |
| Tuition to other LEA's within the state - regular | 72,996 | 39,356 | 112,352 | 85,850 | 26,502 |
| Tuition to other LEA's within the state - special | 90,000 | (27,978) | 62,022 | 31,822 | 30,200 |
| Tuition to county voc. school district - regular | 125,000 | 17,247 | 142,247 | 142,110 | 137 |
| Tuition to county voc. school district - special | 6,750 | | 6,750 | | 6,750 |
| Tuition to CSSD & regional day schools | 375,305 | (19,410) | 355,895 | 327,075 | 28,820 |
| Tuition to private schools for the disabled - within state | 1,961,000 | (33,615) | 1,927,385 | 1,855,895 | 71,490 |
| Tuition - state facilities | 33,536 | | 33,536 | 33,536 | |
| Total undistributed expenditures - instruction | <u>2,664,587</u> | <u>(24,400)</u> | <u>2,640,187</u> | <u>2,476,288</u> | <u>163,899</u> |
| Undistributed expenditures - attendance and social work: | | | | | |
| Salaries | 91,769 | (7,000) | 84,769 | 83,764 | 1,005 |
| Purchased professional and technical services | 10,000 | (815) | 9,185 | 9,185 | |
| Other purchased services | 250 | 8,415 | 8,665 | 8,603 | 62 |
| Supplies and materials | 1,600 | (600) | 1,000 | 577 | 423 |
| Total undistributed expenditures - attendance and social work | <u>103,619</u> | | <u>103,619</u> | <u>102,129</u> | <u>1,490</u> |
| Undistributed expenditures - health services: | | | | | |
| Salaries | 393,266 | 11,215 | 404,481 | 404,481 | |
| Purchased professional and technical services | 18,000 | 9,603 | 27,603 | 27,603 | |
| Other purchased services | 2,000 | (135) | 1,865 | 1,328 | 537 |
| Supplies and materials | 14,803 | (3,103) | 11,700 | 10,012 | 1,688 |
| Other objects | 500 | | 500 | 389 | 111 |
| Total undistributed expenditures - health services | <u>428,569</u> | <u>17,580</u> | <u>446,149</u> | <u>443,813</u> | <u>2,336</u> |
| Undistributed expenditures - speech, OT, PT & related services: | | | | | |
| Salaries | 281,492 | 237 | 281,729 | 281,729 | |
| Purchased professional - educational services | 60,000 | 16,763 | 76,763 | 75,675 | 1,088 |
| Supplies and materials | 7,000 | | 7,000 | 7,000 | |
| Total undistributed expenditures - speech, OT, PT & related services | <u>348,492</u> | <u>17,000</u> | <u>365,492</u> | <u>364,404</u> | <u>1,088</u> |

GLASSBORO SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|-----------------|---------|-----------------------------|
| Undistributed expenditures - other supp. serv. students - extra. serv.: | | | | | |
| Salaries | 264,856 | 27,440 | 292,296 | 292,296 | |
| Purchased professional - educational services | 178,500 | (62,655) | 115,845 | 86,198 | 29,647 |
| Total undistributed expenditures - other supp. serv. students - extra. serv. | 443,356 | (35,215) | 408,141 | 378,494 | 29,647 |
| Undistributed expenditures - guidance: | | | | | |
| Salaries of other professional staff | 634,761 | 56,373 | 691,134 | 673,981 | 17,153 |
| Salaries of secretarial and clerical assistants | 138,854 | (3,700) | 135,154 | 94,097 | 41,057 |
| Purchased professional - educational services | 8,125 | (3,300) | 4,825 | 2,955 | 1,870 |
| Purchased professional and technical services | 40,000 | 800 | 40,800 | 40,392 | 408 |
| Other purchased services | 1,000 | 7,900 | 8,900 | 8,708 | 192 |
| Supplies and materials | 6,289 | (1,251) | 5,038 | 2,619 | 2,419 |
| Other objects | 1,605 | 1,551 | 3,156 | 2,294 | 862 |
| Total undistributed expenditures - guidance | 830,634 | 58,373 | 889,007 | 825,046 | 63,961 |
| Undistributed expenditures - child study team: | | | | | |
| Salaries of other professional staff | 719,965 | (582) | 719,383 | 701,741 | 17,642 |
| Salaries of secretarial and clerical assistants | 151,074 | 582 | 151,656 | 151,656 | |
| Purchased professional - educational services | 20,000 | (2,400) | 17,600 | 12,782 | 4,818 |
| Purchased professional and technical services | 17,000 | (800) | 16,200 | 15,198 | 1,002 |
| Other purchased services | 1,500 | 1,500 | 3,000 | 2,999 | 1 |
| Miscellaneous purchased services | 2,500 | 1,700 | 4,200 | 3,965 | 235 |
| Supplies and materials | 10,549 | (1,439) | 9,110 | 6,895 | 2,215 |
| Other objects | 1,000 | | 1,000 | 865 | 135 |
| Total undistributed expenditures - child study team | 923,588 | (1,439) | 922,149 | 896,101 | 26,048 |
| Undistributed expenditures - improvement of inst. services: | | | | | |
| Salaries of supervisors of instruction | 363,914 | 17,943 | 381,857 | 381,857 | |
| Salaries of other professional staff | 22,500 | (7,738) | 14,762 | 14,762 | |
| Salaries of secretaries and clerical assistants | 42,266 | 250 | 42,516 | 42,516 | |
| Purchased professional - technical services | 25,000 | (6,330) | 18,670 | 18,670 | |
| Other purchased services | 3,000 | 773 | 3,773 | 3,571 | 202 |
| Supplies and materials | 12,350 | 312 | 12,662 | 12,210 | 452 |
| Other objects | 2,000 | 1,110 | 3,110 | 3,110 | |
| Total undistributed expenditures - improvement of inst. services | 471,030 | 6,320 | 477,350 | 476,696 | 654 |

GLASSBORO SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|------------------|------------------|-----------------------------|
| Undistributed expenditures - edu. media serv./sch. library: | | | | | |
| Salaries | 72,668 | (12,155) | 60,513 | 52,452 | 8,061 |
| Salaries of technical coordinators | 42,130 | | 42,130 | 42,130 | |
| Purchased professional and technical services | 12,500 | 1,300 | 13,800 | 13,173 | 627 |
| Supplies and materials | 4,130 | 319 | 4,449 | 3,062 | 1,387 |
| Other objects | | 650 | 650 | | 650 |
| Total Undistributed expenditures - edu. media serv./sch. library | <u>131,428</u> | <u>(9,886)</u> | <u>121,542</u> | <u>110,817</u> | <u>10,725</u> |
| Undistributed expenditures - instructional staff training | | | | | |
| Salaries of professional staff | 1,500 | | 1,500 | | 1,500 |
| Purchased professional - educational services | 8,000 | | 8,000 | 6,158 | 1,842 |
| Other purchased services | 2,751 | 135 | 2,886 | 1,381 | 1,505 |
| Supplies and materials | 1,000 | (603) | 397 | 178 | 219 |
| Total undistributed expenditures - instructional staff training | <u>13,251</u> | <u>(468)</u> | <u>12,783</u> | <u>7,717</u> | <u>5,066</u> |
| Undistributed expenditures - supp. serv. - general administration: | | | | | |
| Salaries | 226,575 | 1,622 | 228,197 | 228,196 | 1 |
| Legal services | 110,000 | | 110,000 | 102,540 | 7,460 |
| Audit fees | 35,000 | | 35,000 | 29,600 | 5,400 |
| Other purchased professional services | 20,000 | (5,600) | 14,400 | 12,058 | 2,342 |
| Communications/telephone | 80,900 | (1,654) | 79,246 | 53,986 | 25,260 |
| BOE other purchased services | 1,500 | 350 | 1,850 | 1,799 | 51 |
| Other purchased services | 175,155 | 2,648 | 177,803 | 176,580 | 1,223 |
| General supplies | 5,174 | | 5,174 | 3,678 | 1,496 |
| Judgments against the school district | 5,000 | | 5,000 | | 5,000 |
| Miscellaneous expenditures | 17,500 | (775) | 16,725 | 16,703 | 22 |
| BOE membership dues and fees | 16,000 | (475) | 15,525 | 14,779 | 746 |
| Total undistributed expenditures - supp. serv. - general administration | <u>692,804</u> | <u>(3,884)</u> | <u>688,920</u> | <u>639,919</u> | <u>49,001</u> |
| Undistributed expenditures - supp. serv. - school administration: | | | | | |
| Salaries of principals/assistant principals/program directors | 999,750 | (5,600) | 994,150 | 897,325 | 96,825 |
| Salaries of secretarial and clerical assistants | 400,290 | (11,000) | 389,290 | 357,533 | 31,757 |
| Purchased professional and technical services | 10,000 | | 10,000 | 9,185 | 815 |
| Other purchased services | 12,000 | 3,389 | 15,389 | 14,495 | 894 |
| Supplies and materials | 20,122 | 1,325 | 21,447 | 19,733 | 1,714 |
| Other objects | 21,310 | (265) | 21,045 | 17,747 | 3,298 |
| Total undist. expend. - supp. serv. - school administration | <u>1,463,472</u> | <u>(12,151)</u> | <u>1,451,321</u> | <u>1,316,018</u> | <u>135,303</u> |

GLASSBORO SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|-----------|-----------------------------|
| Undistributed expenditures - central services | | | | | |
| Salaries | 417,896 | (4,192) | 413,704 | 401,320 | 12,384 |
| Purchased professional services | 26,500 | (2,021) | 24,479 | 13,140 | 11,339 |
| Purchased technical services | 45,500 | | 45,500 | 43,714 | 1,786 |
| Miscellaneous purchased services | 29,560 | 1,739 | 31,299 | 18,210 | 13,089 |
| Supplies and materials | 11,000 | 671 | 11,671 | 11,434 | 237 |
| Other objects | 6,500 | (650) | 5,850 | 1,514 | 4,336 |
| Total undistributed expenditures - central services | 536,956 | (4,453) | 532,503 | 489,332 | 43,171 |
| Undistributed expenditures - admin. info. tech. | | | | | |
| Salaries | 333,979 | (5,508) | 328,471 | 328,470 | 1 |
| Purchased technical services | 5,500 | (2,500) | 3,000 | 3,000 | |
| Other purchased services | 180,338 | 8,044 | 188,382 | 182,790 | 5,592 |
| Supplies and materials | 14,000 | 13,983 | 27,983 | 27,246 | 737 |
| Other objects | 850 | | 850 | 820 | 30 |
| Total undistributed expenditures - admin. info. tech. | 534,667 | 14,019 | 548,686 | 542,326 | 6,360 |
| Undistributed expenditures - required maintenance for school facilities: | | | | | |
| Salaries | 112,577 | (3,000) | 109,577 | 102,577 | 7,000 |
| Cleaning, repair, and maintenance services | 134,880 | 90,489 | 225,369 | 219,831 | 5,538 |
| General supplies | 35,700 | 13,239 | 48,939 | 47,647 | 1,292 |
| Total undistributed expenditures - required maintenance for school facilities | 283,157 | 100,728 | 383,885 | 370,055 | 13,830 |
| Undistributed expenditures - custodial services: | | | | | |
| Salaries | 1,207,201 | (18,377) | 1,188,824 | 1,157,429 | 31,395 |
| Salaries of non-instructional aides | 120,097 | 277 | 120,374 | 112,841 | 7,533 |
| Unused vacation payment to terminated/retired staff | 12,627 | | 12,627 | | 12,627 |
| Purchased professional and technical services | 3,400 | (2,710) | 690 | | 690 |
| Cleaning, repair and maintenance services | 24,750 | (5,727) | 19,023 | 11,821 | 7,202 |
| Other purchased property services | 66,500 | (6,000) | 60,500 | 48,186 | 12,314 |
| Insurance | 138,000 | 4,603 | 142,603 | 142,602 | 1 |
| Miscellaneous purchased services | 11,250 | (523) | 10,727 | 8,791 | 1,936 |
| General supplies | 60,200 | 13,204 | 73,404 | 66,790 | 6,614 |
| Energy (natural gas) | 288,000 | (50,148) | 237,852 | 180,492 | 57,360 |
| Energy (electricity) | 572,000 | 24,748 | 596,748 | 581,018 | 15,730 |
| Energy (oil) | 500 | | 500 | | 500 |
| Energy (gasoline) | 14,725 | (2,900) | 11,825 | 8,505 | 3,320 |
| Other objects | 1,000 | 2,228 | 3,228 | 3,224 | 4 |
| Total undistributed expenditures - custodial services | 2,520,250 | (41,325) | 2,478,925 | 2,321,699 | 157,226 |

GLASSBORO SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|------------------|------------------|-----------------------------|
| Undistributed expenditures - care and upkeep of grounds: | | | | | |
| Salaries | 144,032 | (5,500) | 138,532 | 130,601 | 7,931 |
| Cleaning, repair, and maintenance services | 17,500 | 4,000 | 21,500 | 18,662 | 2,838 |
| General supplies | 9,204 | 650 | 9,854 | 9,634 | 220 |
| Total undistributed expenditures - care and upkeep of grounds | 170,736 | (850) | 169,886 | 158,897 | 10,989 |
| Undistributed expenditures - security: | | | | | |
| Purchased professional and technical services | 144,500 | (500) | 144,000 | 144,000 | |
| Cleaning, repair, and maintenance services | | 8,500 | 8,500 | 8,105 | 395 |
| General supplies | 4,000 | (2,000) | 2,000 | 1,510 | 490 |
| Total undistributed expenditures - security | 148,500 | 6,000 | 154,500 | 153,615 | 885 |
| Total undistributed expenditures - oper. & maint. of plant services | 3,122,643 | 64,553 | 3,187,196 | 3,004,266 | 182,930 |
| Undistributed expenditures - student transportation services: | | | | | |
| Salaries of non-instructional aides | 206,245 | 45,439 | 251,684 | 251,684 | |
| Salaries for pupils trans. (bet. home & school) - regular | 841,912 | 31,739 | 873,651 | 864,666 | 8,985 |
| Salaries for pupils trans. (bet. home & school) - special | 301,682 | (99,980) | 201,702 | 175,235 | 26,467 |
| Salaries for pupils trans. (other than bet. home & school) | 79,000 | 29,802 | 108,802 | 108,436 | 366 |
| Salaries for pupils trans. (bet. home & school) - nonpublic school | 79,848 | (7,000) | 72,848 | 65,241 | 7,607 |
| Management fee - ESC & CSA trans. program | | 43,047 | 43,047 | 41,174 | 1,873 |
| Other purchased professional/technical services | 23,400 | | 23,400 | 17,365 | 6,035 |
| Cleaning, repair, and maintenance services | 20,000 | (14,000) | 6,000 | 5,430 | 570 |
| Contract services - aid in lieu of payments - nonpublic schools | 95,000 | (16,000) | 79,000 | 71,479 | 7,521 |
| Contract services - aid in lieu of payments - charter schools | 5,000 | (1,000) | 4,000 | 89 | 3,911 |
| Contract services - aid in lieu of payments - choice schools | 12,000 | 1,000 | 13,000 | 13,000 | |
| Contract services (bet. home & school) joint agreements | 5,000 | (1,000) | 4,000 | 3,201 | 799 |
| Contract services (special ed. students) joint agreements | 61,000 | (38,000) | 23,000 | 21,715 | 1,285 |
| Contract services (regular students) ESC's & CTSA's | 78,000 | 48,275 | 126,275 | 125,024 | 1,251 |
| Contract services (special ed. students) ESC's & CTSA's | 384,969 | 105,681 | 490,650 | 490,556 | 94 |
| Travel and workshops | | 160 | 160 | 120 | 40 |
| Miscellaneous purchased services - transportation | 223,380 | 4,719 | 228,099 | 216,465 | 11,634 |
| General supplies | 3,000 | 151 | 3,151 | 2,751 | 400 |
| Transportation supplies | 241,550 | (7,526) | 234,024 | 220,472 | 13,552 |
| Fuel costs funded by advertising revenue | 3,000 | (3,000) | | | |
| Other objects | 8,400 | | 8,400 | 6,716 | 1,684 |
| Total undistributed expenditures - student transportation services: | 2,672,386 | 122,507 | 2,794,893 | 2,700,819 | 94,074 |

GLASSBORO SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|-------------------|-------------------|-----------------------------|
| Unallocated benefits - employee benefits: | | | | | |
| Group insurance | 44,000 | (5,000) | 39,000 | 35,907 | 3,093 |
| Social security contributions | 560,551 | (6,000) | 554,551 | 497,201 | 57,350 |
| Other retirement contributions - PERS | 622,866 | (16,000) | 606,866 | 548,620 | 58,246 |
| Other retirement contributions - regular | 35,000 | 4,000 | 39,000 | 37,970 | 1,030 |
| Unemployment compensation | 15,000 | | 15,000 | | 15,000 |
| Workmen's compensation | 435,500 | 17,000 | 452,500 | 451,433 | 1,067 |
| Health benefits | 6,003,566 | (276,979) | 5,726,587 | 5,355,827 | 370,760 |
| Tuition reimbursement | 60,000 | | 60,000 | 39,779 | 20,221 |
| Unused sick payment to terminated/retired staff | 343,457 | (345) | 343,112 | 286,678 | 56,434 |
| Total unallocated benefits - employee benefits | 8,119,940 | (283,324) | 7,836,616 | 7,253,415 | 583,201 |
| On-behalf contributions: | | | | | |
| On-behalf TPAF pensions contributions (non-budgeted) | | | | 2,971,383 | (2,971,383) |
| On-behalf TPAF OPEB (post-retirement medical) contributions (non-budgeted) | | | | 1,347,814 | (1,347,814) |
| On-behalf TPAF long-term disability insurance (non-budgeted) | | | | 1,885 | (1,885) |
| Reimbursed TPAF social security contributions (non-budgeted) | | | | 1,227,822 | (1,227,822) |
| Total on-behalf contributions | | | | 5,548,904 | (5,548,904) |
| Total personal services - employee benefits | 8,119,940 | (283,324) | 7,836,616 | 12,802,319 | (4,965,703) |
| Total undistributed expenditures | 23,501,422 | (74,868) | 23,426,554 | 27,576,504 | (4,149,950) |
| Total general current expense | 38,014,287 | (96,050) | 37,918,237 | 41,265,985 | (3,347,748) |
| Capital outlay: | | | | | |
| Equipment: | | | | | |
| Preschool | 9,500 | 820 | 10,320 | 8,102 | 2,218 |
| Kindergarten | 10,000 | 6,977 | 16,977 | 16,977 | |
| Grades 1 to 5 | 22,100 | 2,858 | 24,958 | 19,805 | 5,153 |
| Grades 6 to 8 | 22,100 | 2,811 | 24,911 | 19,758 | 5,153 |
| Grades 9 to 12 | 38,161 | (12,531) | 25,630 | 17,546 | 8,084 |

GLASSBORO SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|---------------------|---------------------|---------------------|---------------------|-----------------------------|
| School-sponsored and other instructional program | | 7,400 | 7,400 | 7,265 | 135 |
| Undistributed - supp. Serv. - related and extra | | 3,400 | 3,400 | 3,369 | 31 |
| Undistributed - central services | 12,500 | 400 | 12,900 | 9,980 | 2,920 |
| Undistributed - admin. info. tech. | 38,000 | | 38,000 | 33,911 | 4,089 |
| Undistributed - student transportation - non-inst. Equip. | | 3,275 | 3,275 | 3,275 | |
| School buses - regular | 103,626 | | 103,626 | 99,386 | 4,240 |
| School buses - special | 10,357 | | 10,357 | 10,356 | 1 |
| Total equipment | 266,344 | 15,410 | 281,754 | 249,730 | 32,024 |
| Facilities acquisition and construction services: | | | | | |
| Architectural/engineering services | 10,000 | | 10,000 | 7,089 | 2,911 |
| Construction services | 248,460 | | 248,460 | 96,540 | 151,920 |
| Assessment for debt service | 121,920 | | 121,920 | 121,920 | |
| Total facilities acquisition and construction services | 380,380 | | 380,380 | 225,549 | 154,831 |
| Assets acquired under capital leases (non-budgeted): | | | | | |
| Undistributed expenditures: | | | | | |
| School buses | | | | 167,584 | (167,584) |
| Total assets acquired under capital leases (non-budgeted) | | | | 167,584 | (167,584) |
| Total capital outlay | 646,724 | 15,410 | 662,134 | 642,863 | 19,271 |
| Transfer to charter schools | 17,280 | | 17,280 | 13,512 | 3,768 |
| Total expenditures | 38,678,291 | (80,640) | 38,597,651 | 41,922,360 | (3,324,709) |
| Excess (deficiency) of revenues over (under) expenditures | (1,711,464) | | (1,711,464) | 930,239 | 2,641,703 |
| Other financing sources: | | | | | |
| Operating transfer out: | | | | | |
| Transfer to special revenue fund - preschool program | (328,290) | | (328,290) | (200,030) | 128,260 |
| Increase in emergency reserve | (50,000) | | (50,000) | | 50,000 |
| Prior year receivables canceled | | | | (1,386) | (1,386) |
| Capital leases (non-budgeted) | | | | 167,584 | 167,584 |
| Total other financing sources | (378,290) | | (378,290) | (33,832) | 344,458 |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses) | (2,089,754) | | (2,089,754) | 896,407 | 2,986,161 |
| Fund balance - July 1 | 5,457,843 | | 5,457,843 | 5,457,843 | |
| Fund balance - June 30 | <u>\$ 3,368,089</u> | | <u>\$ 3,368,089</u> | <u>\$ 6,354,250</u> | <u>\$ 2,986,161</u> |

GLASSBORO SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|---------------------|-------------------------------------|
| Recapitulation: | | | | | |
| Restricted fund balance: | | | | | |
| Excess surplus designated for subsequent year's expenditures | | | | \$ 2,410,152 | |
| Excess surplus - current year | | | | 2,703,299 | |
| School bus advertising 50% fuel offset reserve - prior year | | | | 9,674 | |
| Emergency reserve | | | | 50,000 | |
| Assigned fund balance: | | | | | |
| Designated for subsequent year's expenditures | | | | 180,713 | |
| Year-end encumbrances | | | | 42,340 | |
| Unassigned fund balance | | | | 958,072 | |
| | | | | <u>6,354,250</u> | |
| Reconciliation to Governmental Fund statements (GAAP): | | | | | |
| Last state aid payments not recognized on GAAP basis | | | | (1,379,487) | |
| Fund balance per Governmental Funds (GAAP) | | | | <u>\$ 4,974,763</u> | |

GLASSBORO SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|---------------------|---------------------|---------------------|---------------------|-----------------------------|
| REVENUES: | | | | | |
| Federal sources | \$ 2,111,755 | | \$ 2,111,755 | \$ 1,795,739 | \$ (316,016) |
| State sources | 555,111 | | 555,111 | 538,074 | (17,037) |
| Other sources | 38,481 | | 38,481 | 15,377 | (23,104) |
| Total Revenues | <u>2,705,347</u> | | <u>2,705,347</u> | <u>2,349,190</u> | <u>(356,157)</u> |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Salaries of teachers | 1,032,067 | \$ (1,355) | \$ 1,030,712 | 918,162 | 112,550 |
| Other salaries for instruction | 82,619 | (350) | 82,269 | 82,232 | 37 |
| Purchased professional - educational services | 44,781 | 8,506 | 53,287 | 48,281 | 5,006 |
| Other purchased services | 626,534 | (8,200) | 618,334 | 615,479 | 2,855 |
| General supplies | 41,186 | (1) | 41,185 | 35,341 | 5,844 |
| Textbooks | 3,418 | | 3,418 | 3,133 | 285 |
| Total instruction | <u>1,830,605</u> | <u>(1,400)</u> | <u>1,829,205</u> | <u>1,702,628</u> | <u>126,577</u> |
| Support services: | | | | | |
| Salaries of program directors | 71,273 | 59,379 | 130,652 | 28,155 | 102,497 |
| Salaries of other professional staff | 338,374 | 3,400 | 341,774 | 307,851 | 33,923 |
| Salaries of secretaries and clerical assistants | 19,262 | 180 | 19,442 | 19,442 | |
| Personal services - employee benefits | 515,054 | 1,478 | 516,532 | 379,377 | 137,155 |
| Purchased professional - educational services | 145,669 | (31,604) | 114,065 | 70,808 | 43,257 |
| Other purchased services | 74,405 | (31,433) | 42,972 | 29,654 | 13,318 |
| Supplies and materials | 29,572 | | 29,572 | 11,305 | 18,267 |
| Indirect costs | 9,423 | | 9,423 | | 9,423 |
| Total support services | <u>1,203,032</u> | <u>1,400</u> | <u>1,204,432</u> | <u>846,592</u> | <u>357,840</u> |
| Total expenditures | <u>3,033,637</u> | | <u>3,033,637</u> | <u>2,549,220</u> | <u>484,417</u> |
| Other financing sources: | | | | | |
| Transfer in from general fund | 328,290 | | 328,290 | 200,030 | 128,260 |
| Total outflows | <u>\$ 2,705,347</u> | | <u>\$ 2,705,347</u> | <u>\$ 2,349,190</u> | <u>\$ 356,157</u> |

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

GLASSBORO SCHOOL DISTRICT
 Required Supplementary Information
 Budget-to-GAAP Reconciliation
 Note to RSI
 For the Fiscal Year Ended June 30, 2019

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

| | General Fund | Special Revenue Fund |
|---|-----------------|----------------------------|
| Sources/inflows of resources: | | |
| Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule. | \$ 42,852,599 | \$ 2,349,190 |
| Difference - budget to GAAP: | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | | 70,590 |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes. | 1,548,753 | 41,202 |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the following year. | (1,379,487) | (49,568) |
| Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds. | \$ 43,021,865 | \$ 2,411,414 |
| Uses/outflows of resources: | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule. | \$ 41,922,360 | \$ 2,549,220 |
| Difference - budget to GAAP: | | |
| Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes. | | 70,590 |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds. | \$ 41,922,360 | \$ 2,619,810 |

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)

GLASSBORO SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability - PERS
Last Five Fiscal Years

| | Fiscal Year Ended | | | | |
|---|-------------------|---------------|---------------|---------------|---------------|
| | June 30, 2015 | June 30, 2016 | June 30, 2017 | June 30, 2018 | June 30, 2019 |
| District's proportion of the net pension liability (asset) | 0.0700880510% | 0.0619752576% | 0.0619752576% | 0.0573548035% | 0.0549077800% |
| District's proportionate share of the net pension liability (asset) | \$ 13,122,541 | \$ 13,912,203 | \$ 17,841,575 | \$ 13,351,281 | \$ 10,811,068 |
| District's covered - employee payroll | 4,254,028 | 4,200,232 | 3,991,597 | 3,821,084 | 3,888,415 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 308.47% | 331.22% | 446.98% | 349.41% | 278.03% |
| Plan fiduciary net position as a percentage of the total pension liability | 52.08% | 47.93% | 40.13% | 48.10% | 53.59% |
| Measurement date | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 | June 30, 2018 |

GLASSBORO SCHOOL DISTRICT
 Schedule of District Contributions - PERS
 Last Five Fiscal Years

| | Fiscal Year Ended | | | | |
|--|-------------------|---------------|---------------|---------------|---------------|
| | June 30, 2015 | June 30, 2016 | June 30, 2017 | June 30, 2018 | June 30, 2019 |
| Contractually required contribution | \$ 577,802 | \$ 532,821 | \$ 535,170 | \$ 531,331 | \$ 546,155 |
| Contributions in relation to the contractually required contribution | 577,802 | 532,821 | 535,170 | 531,331 | 546,155 |
| Contribution deficiency (excess) | None | None | None | None | None |
| District's covered - employee payroll | \$ 4,254,028 | \$ 4,200,232 | \$ 3,991,597 | \$ 3,821,084 | \$ 3,888,415 |
| Contributions as a percentage of covered-employee payroll | 13.58% | 12.69% | 13.41% | 13.91% | 14.05% |
| Measurement date | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 | June 30, 2018 |

GLASSBORO SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF
Last Five Fiscal Years

| | Fiscal Year Ended | | | | |
|---|-------------------|---------------|----------------|----------------|---------------|
| | June 30, 2015 | June 30, 2016 | June 30, 2017 | June 30, 2018 | June 30, 2019 |
| District's proportion of the net pension liability (asset) | 0.1453687585% | 0.1488889207% | 0.1541352623% | 0.1504045439% | 0.1525108923% |
| District's proportionate share of the net pension liability (asset) | \$ 77,694,870 | \$ 94,104,156 | \$ 121,252,611 | \$ 101,408,167 | \$ 97,024,154 |
| District's covered - employee payroll | 15,438,884 | 15,441,481 | 15,761,097 | 15,689,744 | 15,424,275 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll | 503.24% | 609.42% | 769.32% | 646.33% | 629.04% |
| Plan fiduciary net position as a percentage of the total pension liability | 33.64% | 28.71% | 22.33% | 25.41% | 26.49% |
| Measurement date | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 | June 30, 2018 |

The data in the above schedule represents the allocation of the State of New Jersey's obligation on behalf of the District.

The Teachers' Pension and Annuity Fund (TPAF) On-behalf Payments is a Cost Sharing, Multi-Employer Defined Benefit Plan with a Special Funding Situation - 100% Legal Obligation of the State of New Jersey (State).

Since the State is the only entity with a legal obligation, the District's proportionate share percentage determined under paragraph 48 of GASB No. 68 is zero percent. Accordingly, the District did not recognize any portion of the TPAF collective net pension liability on the Statement of Net Position (A-1). Also, on the A-1, and for the same reasons, the District did not recognize any portion of the TPAF collective deferred outflows of resources and the TPAF deferred inflows of resources.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS**

GLASSBORO SCHOOL DISTRICT
Schedule of Changes in the Total OPEB Liability and Related Ratios

Last Two Fiscal Years

| | Fiscal Year Ended | |
|--|-----------------------|----------------------|
| | 2018 | 2019 |
| Total OPEB Liability | | |
| Service cost | \$ 3,765,830 | \$ 3,129,832 |
| Interest | 3,214,084 | 3,719,720 |
| Changes of benefit terms | | |
| Differences between expected and actual experience | | (9,626,328) |
| Changes of assumptions or other inputs | (12,959,812) | (9,971,439) |
| Member contributions | 86,896 | 80,304 |
| Benefit payments | (2,359,865) | (2,323,495) |
| Net change in total OPEB liability | (8,252,867) | (14,991,406) |
| Total OPEB liability - beginning | 110,137,551 | 101,884,684 |
| Total OPEB liability - ending | <u>\$ 101,884,684</u> | <u>\$ 86,893,278</u> |
| Covered employee payroll | \$ 21,157,395 | \$ 19,312,690 |
| Total OPEB liability as a percentage of covered employee payroll | 481.56% | 449.93% |

Notes to Schedule:*Changes of benefit terms:*

There were no changes in benefit terms during the year.

Changes of assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following is the discount rate used in the period:

| | |
|------|-------|
| 2018 | 3.58% |
| 2019 | 3.87% |

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART III

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019**

NOTES RELATED TO PENSIONS

NOTE 1: CONTRIBUTIONS

The contribution policy for the PERS is set by NJSA 15A and requires contributions by active members and contributing employers. The District's contribution amount was based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

NOTE 2: ACTUARIAL ASSUMPTIONS

The total pension liability for the June 30, 2018, measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2017. The actuarial valuation used the following actuarial assumptions:

| | |
|---------------------------|---------------------------|
| Inflation rate | 2.25% |
| Salary increases: | |
| Through 2026 | 1.65 – 4.15% based on age |
| Thereafter | 2.65 – 5.15% based on age |
| Investment rate of return | 7.00% |

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Tables for male and female active participants. For local employees, mortality tables are setback 2 years for males and 7 years for females. In addition, the table provides for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using a Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at: <http://www.state.nj.us/treasury/pensions/gasb-notices.shtml>.

**GLASSBORO SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019**

NOTES RELATED TO OTHER POSTEMPLOYMENT BENEFITS

NOTE 3: CONTRIBUTIONS

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with NJSA 52:14-17.32f. According to NJSA 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in or retires on a disability pension from one or more of the following plans: the Teacher's Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). 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.

NOTE 4: ACTUARIAL ASSUMPTIONS

The total nonemployer OPEB liability as of June 30, 2018, was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The total nonemployer OPEB liability as of June 30, 2017, was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

| | |
|--------------------------|--|
| Inflation rate | 2.50% |
| Salary increases (TPAF): | |
| Through 2026 | 1.55 – 4.55% based on years of service |
| Thereafter | 2.00 – 5.45% based on years of service |
| Salary increases (PERS): | |
| Through 2026 | 2.15 – 4.15% based on age |
| Thereafter | 3.15 – 5.15% based on age |

Pre-retirement healthy mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2017, valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015 and July 1, 2011 - June 30, 2014, for the TPAF and PERS, respectively.

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at: <http://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

GLASSBORO SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2019

| | Total Brought Forward (Exhibit E-1a) | Title I | Title II Part A | Title III | Title IV | IDEA Basic | IDEA Preschool | Total |
|---|---|-------------------|--------------------|-----------------|------------------|-------------------|-------------------|---------------------|
| REVENUES: | | | | | | | | |
| Federal sources | \$ 446,851 | \$ 658,603 | \$ 58,413 | \$ 1,589 | \$ 17,252 | \$ 590,867 | \$ 22,164 | \$ 1,795,739 |
| State sources | 538,074 | | | | | | | 538,074 |
| Other sources | 15,377 | | | | | | | 15,377 |
| Total revenues | \$ 1,000,302 | \$ 658,603 | \$ 58,413 | \$ 1,589 | \$ 17,252 | \$ 590,867 | \$ 22,164 | \$ 2,349,190 |
| EXPENDITURES: | | | | | | | | |
| Instruction: | | | | | | | | |
| Salaries of teachers | \$ 468,407 | \$ 448,166 | | \$ 1,589 | | | | \$ 918,162 |
| Other salaries for instruction | 82,232 | | | | | | | 82,232 |
| Purchased professional - educational services | 42,670 | 5,611 | | | | | | 48,281 |
| Other purchased services | 3,828 | | | | | \$ 589,487 | \$ 22,164 | 615,479 |
| General supplies | 35,341 | | | | | | | 35,341 |
| Textbooks | 3,133 | | | | | | | 3,133 |
| Total instruction | 635,611 | 453,777 | | 1,589 | | 589,487 | 22,164 | 1,702,628 |
| Support services: | | | | | | | | |
| Salaries of program directors | 14,199 | 4,921 | \$ 9,035 | | | | | 28,155 |
| Salaries of other professional staff | 307,851 | | | | | | | 307,851 |
| Salaries of secretarial and clerical asst. | 19,442 | | | | | | | 19,442 |
| Personal services - employees benefits | 179,472 | 199,905 | | | | | | 379,377 |
| Purchased professional - educational services | 22,531 | | 29,645 | | \$ 17,252 | 1,380 | | 70,808 |
| Other purchased services | 9,921 | | 19,733 | | | | | 29,654 |
| Supplies and materials | 11,305 | | | | | | | 11,305 |
| Total support services | 564,721 | 204,826 | 58,413 | | 17,252 | 1,380 | | 846,592 |
| Total expenditures | 1,200,332 | 658,603 | 58,413 | 1,589 | 17,252 | 590,867 | 22,164 | 2,549,220 |
| Other financing sources | | | | | | | | |
| Transfer in from general fund | 200,030 | | | | | | | 200,030 |
| Total outflows | \$ 1,000,302 | \$ 658,603 | \$ 58,413 | \$ 1,589 | \$ 17,252 | \$ 590,867 | \$ 22,164 | \$ 2,349,190 |

GLASSBORO SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2019

| | Total Brought Forward (Exhibit E-1b) | School Improvement | Perkins Basic Entitlement | Nonpublic Textbook | Nonpublic Nursing | Nonpublic Technology | Total Carried Forward |
|---|---|-----------------------|---------------------------------|-----------------------|----------------------|-------------------------|-----------------------------|
| REVENUES: | | | | | | | |
| Federal sources | | \$ 431,469 | \$ 15,382 | | | | \$ 446,851 |
| State sources | \$ 527,165 | | | \$ 3,133 | \$ 5,587 | \$ 2,189 | 538,074 |
| Other sources | 15,377 | | | | | | 15,377 |
| Total revenues | \$ 542,542 | \$ 431,469 | \$ 15,382 | \$ 3,133 | \$ 5,587 | \$ 2,189 | \$ 1,000,302 |
| EXPENDITURES: | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of teachers | \$ 468,407 | | | | | | \$ 468,407 |
| Other salaries for instruction | 82,232 | | | | | | 82,232 |
| Purchased professional - educational services | 32,421 | | \$ 4,662 | | \$ 5,587 | | 42,670 |
| Other purchased services | 3,828 | | | | | | 3,828 |
| General supplies | 8,716 | \$ 20,675 | 3,761 | | | \$ 2,189 | 35,341 |
| Textbooks | | | | \$ 3,133 | | | 3,133 |
| Total instruction | 595,604 | 20,675 | 8,423 | 3,133 | 5,587 | 2,189 | 635,611 |
| Support services: | | | | | | | |
| Salaries of program directors | 14,199 | | | | | | 14,199 |
| Salaries of other professional staff | 33,974 | 273,377 | 500 | | | | 307,851 |
| Salaries of secretarial and clerical asst. | 19,442 | | | | | | 19,442 |
| Personal services - employees benefits | 63,062 | 116,410 | | | | | 179,472 |
| Purchased professional - educational services | 8,991 | 13,540 | | | | | 22,531 |
| Other purchased services | | 4,462 | 5,459 | | | | 9,921 |
| Supplies and materials | 7,300 | 3,005 | 1,000 | | | | 11,305 |
| Total support services | 146,968 | 410,794 | 6,959 | | | | 564,721 |
| Total expenditures | 742,572 | 431,469 | 15,382 | 3,133 | 5,587 | 2,189 | 1,200,332 |
| Other financing sources | | | | | | | |
| Transfer in from general fund | 200,030 | | | | | | 200,030 |
| Total outflows | \$ 542,542 | \$ 431,469 | \$ 15,382 | \$ 3,133 | \$ 5,587 | \$ 2,189 | \$ 1,000,302 |

GLASSBORO SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2019

| | Total Brought Forward (Exhibit E-1c) | Nonpublic Handicapped Services | | | Nonpublic Auxiliary Services | | Total Carried Forward |
|---|---|--------------------------------|-----------------|-----------------|------------------------------|-----------------|-----------------------------|
| | | Corr. Speech | Exam & Class | Supp. Inst. | Comp. Ed. | Transp. | |
| REVENUES: | | | | | | | |
| State sources | \$ 496,597 | \$ 7,946 | \$ 8,190 | \$ 4,758 | \$ 8,629 | \$ 1,045 | \$ 527,165 |
| Other sources | 15,377 | | | | | | 15,377 |
| Total revenues | <u>\$ 511,974</u> | <u>\$ 7,946</u> | <u>\$ 8,190</u> | <u>\$ 4,758</u> | <u>\$ 8,629</u> | <u>\$ 1,045</u> | <u>\$ 542,542</u> |
| EXPENDITURES: | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of teachers | \$ 468,407 | | | | | | \$ 468,407 |
| Other salaries for instruction | 82,232 | | | | | | 82,232 |
| Purchased professional - educational services | 10,844 | | \$ 8,190 | \$ 4,758 | \$ 8,629 | | 32,421 |
| Other purchased services | 3,828 | | | | | | 3,828 |
| General supplies | 8,716 | | | | | | 8,716 |
| Total instruction | <u>574,027</u> | | <u>8,190</u> | <u>4,758</u> | <u>8,629</u> | | <u>595,604</u> |
| Support services: | | | | | | | |
| Salaries of program directors | 14,199 | | | | | | 14,199 |
| Salaries of other professional staff | 33,974 | | | | | | 33,974 |
| Salaries of secretarial and clerical asst. | 19,442 | | | | | | 19,442 |
| Personal services - employees benefits | 63,062 | | | | | | 63,062 |
| Purchased professional - educational services | 7,300 | \$ 7,946 | | | | \$ 1,045 | 8,991 |
| Supplies and materials | | | | | | | 7,300 |
| Total support services | <u>137,977</u> | <u>7,946</u> | | | | <u>1,045</u> | <u>146,968</u> |
| Total expenditures | 712,004 | 7,946 | 8,190 | 4,758 | 8,629 | 1,045 | 742,572 |
| Other financing sources | | | | | | | |
| Transfer in from general fund | 200,030 | | | | | | 200,030 |
| Total outflows | <u>\$ 511,974</u> | <u>\$ 7,946</u> | <u>\$ 8,190</u> | <u>\$ 4,758</u> | <u>\$ 8,629</u> | <u>\$ 1,045</u> | <u>\$ 542,542</u> |

GLASSBORO SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2019

| | Preschool Education Aid (Exhibit E-2) | Nonpublic Security Aid | STEM Grant | Safety Grant | Youth Services/ STEAM Grant | Exxon Grant | Total Carried Forward |
|---|--|---------------------------|---------------|-----------------|--------------------------------------|----------------|-----------------------------|
| REVENUES: | | | | | | | |
| State sources | \$ 495,680 | \$ 917 | | | | | \$ 496,597 |
| Other sources | | | \$ 198 | \$ 6,383 | \$ 8,609 | \$ 187 | 15,377 |
| Total revenues | <u>\$ 495,680</u> | <u>\$ 917</u> | <u>\$ 198</u> | <u>\$ 6,383</u> | <u>\$ 8,609</u> | <u>\$ 187</u> | <u>\$ 511,974</u> |
| EXPENDITURES: | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of teachers | \$ 460,161 | | | | \$ 8,246 | | \$ 468,407 |
| Other salaries for instruction | 82,232 | | | | | | 82,232 |
| Purchased professional-educational services | 10,844 | | | | | | 10,844 |
| Other purchased services | 3,828 | | | | | | 3,828 |
| General supplies | 8,331 | | \$ 198 | | | \$ 187 | 8,716 |
| Total instruction | <u>565,396</u> | | <u>198</u> | | <u>8,246</u> | <u>187</u> | <u>574,027</u> |
| Support services: | | | | | | | |
| Salaries of program directors | 14,199 | | | | | | 14,199 |
| Salaries of other professional staff | 33,974 | | | | | | 33,974 |
| Salaries of secretarial and clerical asst. | 19,442 | | | | | | 19,442 |
| Personal services - employees benefits | 62,699 | | | | 363 | | 63,062 |
| Supplies and materials | | \$ 917 | | \$ 6,383 | | | 7,300 |
| Total support services | <u>130,314</u> | <u>917</u> | | <u>6,383</u> | <u>363</u> | | <u>137,977</u> |
| Total expenditures | 695,710 | 917 | 198 | 6,383 | 8,609 | 187 | 712,004 |
| Other financing sources | | | | | | | |
| Transfer in from general fund | 200,030 | | | | | | 200,030 |
| Total outflows | <u>\$ 495,680</u> | <u>\$ 917</u> | <u>\$ 198</u> | <u>\$ 6,383</u> | <u>\$ 8,609</u> | <u>\$ 187</u> | <u>\$ 511,974</u> |

GLASSBORO SCHOOL DISTRICT
Special Revenue Fund
Preschool Education Aid Schedules(s) of Expenditures -
Budgetary Basis
For the Fiscal Year Ended June 30, 2019

DISTRICT-WIDE TOTAL

| | Total | | Variance |
|---|-------------------|-------------------|----------|
| | Budgeted | Actual | |
| EXPENDITURES: | | | |
| Instruction: | | | |
| Salaries of teachers | \$ 460,161 | \$ 460,161 | |
| Other salaries for instruction | 82,232 | 82,232 | |
| Purchased professional-educational services | 10,844 | 10,844 | |
| Other purchased services | 3,828 | 3,828 | |
| General supplies | 8,331 | 8,331 | |
| Total instruction | 565,396 | 565,396 | |
| Support services: | | | |
| Salaries of program directors | 14,199 | 14,199 | |
| Salaries of other professional staff | 33,974 | 33,974 | |
| Salaries of secretarial and clerical asst. | 19,442 | 19,442 | |
| Personal services - employees benefits | 62,699 | 62,699 | |
| Total support services | 130,314 | 130,314 | |
| Total expenditures | \$ 695,710 | \$ 695,710 | |

CALCULATION OF BUDGET & CARRYOVER

| | |
|--|----------------|
| Total revised 2018-19 Preschool Education Aid Allocation | \$ 495,680 |
| Add: Budgeted Transfer from General Fund 2018-19 | 200,030 |
| Total Preschool Education Aid Funds available for 2018-19 Budget | 695,710 |
| Less: 2018-19 Budgeted Preschool Education Aid (including prior year budgeted carryover) | (695,710) |

CAPITAL PROJECTS FUND

GLASSBORO SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2019

| Project Title/Issue | Approval Date | Revised Budgetary Appropriations | GAAP Expenditures to Date | | Unexpended Appropriations June 30, 2019 |
|------------------------------------|---------------|--|------------------------------|-----------------|---|
| | | | Prior Years | Current Year | |
| Various improvements to facilities | 3/10/2015 | \$ 23,647,000 | \$ 23,122,307 | \$ 353,624 | \$ 171,069 |

GLASSBORO SCHOOL DISTRICT
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budgetary Basis
 For the Year Ended June 30, 2019

Revenues and other financing sources:

| | |
|--------------------------------|-----------------|
| Interest earned on investments | <u>\$ 7,985</u> |
|--------------------------------|-----------------|

Expenditures and other financing uses:

| | |
|---|---------|
| Purchased professional and technical services | 204,718 |
|---|---------|

| | |
|-----------------------|----------------|
| Construction services | <u>148,906</u> |
|-----------------------|----------------|

| | |
|--------------------|----------------|
| Total expenditures | <u>353,624</u> |
|--------------------|----------------|

Other financing sources (uses):

| | |
|-------------------------------|----------------|
| Transfer to debt service fund | <u>(7,985)</u> |
|-------------------------------|----------------|

| | |
|---|------------------|
| Excess (deficiency) of revenues over (under) expenditures | <u>(353,624)</u> |
|---|------------------|

| | |
|--------------------------|----------------|
| Fund balance - beginning | <u>524,693</u> |
|--------------------------|----------------|

| | |
|-----------------------|--------------------------|
| Fund balance - ending | <u><u>\$ 171,069</u></u> |
|-----------------------|--------------------------|

GLASSBORO SCHOOL DISTRICT
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Roof Replacement to Elementary School
From Inception and for the Year Ended June 30, 2019

| | Current Period | Totals | Revised Authorized Costs |
|--|---------------------|-------------------|--------------------------------|
| Revenues and other financing sources: | | | |
| Bond proceeds and transfers | | \$ 23,647,000 | \$ 23,647,000 |
| Total revenues | | <u>23,647,000</u> | <u>23,647,000</u> |
| Expenditures and other financing uses: | | | |
| Legal fees | | 41,981 | 42,214 |
| Purchased professional and technical services | \$ 204,718 | 2,846,873 | 2,967,403 |
| Construction services | 148,906 | 20,538,086 | 20,588,392 |
| Supplies and materials | | 48,991 | 48,991 |
| Total expenditures | <u>353,624</u> | <u>23,475,931</u> | <u>23,647,000</u> |
| Excess (deficiency) of revenues over (under) expenses | <u>\$ (353,624)</u> | <u>\$ 171,069</u> | |
| Additional project information: | | | |
| Bond authorization/referendum date | | 03/10/15 | |
| Bonds authorized | | \$ 23,647,000 | |
| Bonds issued | | 23,647,000 | |
| Original project authorized cost | | 23,647,000 | |
| Percentage completion | | 99% | |
| Original target completion date | | 09/30/17 | |
| Revised target completion date | | 11/30/18 | |

PROPRIETARY FUNDS

GLASSBORO SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Net Position
For the Fiscal Year Ended June 30, 2019

| | Food Service Fund | Professional Development Fund | Technology Fund | Total Enterprise Fund |
|-------------------------------------|-------------------------|-------------------------------------|--------------------|-----------------------------|
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 182,330 | \$ 3,364 | \$ 34,760 | \$ 220,454 |
| Receivables, net | 143,493 | | | 143,493 |
| Inventory | 14,410 | | | 14,410 |
| Total current assets | <u>340,233</u> | <u>3,364</u> | <u>34,760</u> | <u>378,357</u> |
| Noncurrent assets: | | | | |
| Furniture, machinery, and equipment | 472,248 | | | 472,248 |
| Less: accumulated depreciation | <u>426,650</u> | | | <u>426,650</u> |
| Total noncurrent assets | <u>45,598</u> | | | <u>45,598</u> |
| Total assets | <u>385,831</u> | <u>3,364</u> | <u>34,760</u> | <u>423,955</u> |
| LIABILITIES | | | | |
| Interfund payable - general fund | 142,868 | | | 142,868 |
| Deferred revenue | <u>11,582</u> | | | <u>11,582</u> |
| Total liabilities | <u>154,450</u> | | | <u>154,450</u> |
| NET POSITION | | | | |
| Unrestricted | <u>231,381</u> | <u>3,364</u> | <u>34,760</u> | <u>269,505</u> |
| Total net position | <u>\$ 231,381</u> | <u>\$ 3,364</u> | <u>\$ 34,760</u> | <u>\$ 269,505</u> |

GLASSBORO SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Revenues, Expenses,
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2019

| | Food Service Fund | Professional Development Fund | Technology Fund | Total Enterprise Fund |
|---|-------------------------|-------------------------------------|--------------------|-----------------------------|
| Operating revenues: | | | | |
| Charges for services: | | | | |
| Daily sales - program meals | \$ 115,425 | | | \$ 115,425 |
| Daily sales - non-program meals | 100,709 | | | 100,709 |
| Special functions/miscellaneous | 6,535 | | | 6,535 |
| Professional development fees | | \$ 2,290 | \$ 17,130 | 19,420 |
| Total operating revenue | <u>222,669</u> | <u>2,290</u> | <u>17,130</u> | <u>242,089</u> |
| Operating expenses: | | | | |
| Cost of sales - program meals | 364,891 | | | 364,891 |
| Cost of sales - non-program meals | 46,249 | | | 46,249 |
| Salaries | 297,570 | | | 297,570 |
| Employee benefits | 66,407 | | | 66,407 |
| Contracted services | 58,040 | 53 | | 58,093 |
| Cleaning, repair and maintenance | 22,896 | | | 22,896 |
| Insurance | 13,687 | | | 13,687 |
| Supplies and materials | 36,891 | | 648 | 37,539 |
| Miscellaneous expenditures | 14,558 | | | 14,558 |
| Depreciation | 10,021 | | | 10,021 |
| Total operating expenses | <u>931,210</u> | <u>53</u> | <u>648</u> | <u>931,911</u> |
| Operating income (loss) | <u>(708,541)</u> | <u>2,237</u> | <u>16,482</u> | <u>(689,822)</u> |
| Non-operating revenues (expenses): | | | | |
| Interest earned | 2,145 | | | 2,145 |
| State sources: | | | | |
| State school lunch program | 8,792 | | | 8,792 |
| Federal sources: | | | | |
| School breakfast program | 185,621 | | | 185,621 |
| National school lunch program | 428,040 | | | 428,040 |
| Food distribution program commodities | 70,690 | | | 70,690 |
| Total non-operating revenues (expenses) | <u>695,288</u> | | | <u>695,288</u> |
| Change in net position | (13,253) | 2,237 | 16,482 | 5,466 |
| Total net position - beginning | 244,634 | 1,127 | 18,278 | 264,039 |
| Total net position - ending | <u>\$ 231,381</u> | <u>\$ 3,364</u> | <u>\$ 34,760</u> | <u>\$ 269,505</u> |

GLASSBORO SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2019

| | Food Service Fund | Professional Development Fund | Technology Fund | Total Enterprise Fund |
|--|-------------------------|-------------------------------------|--------------------|-----------------------------|
| Cash flows from operating activities: | | | | |
| Receipts from customers | \$ 224,835 | \$ 2,290 | \$ 17,130 | \$ 244,255 |
| Payments to employees | (297,570) | | | (297,570) |
| Payments for employee benefits | (66,407) | | | (66,407) |
| Payments to suppliers | (486,259) | (53) | (648) | (486,960) |
| Net cash provided by (used for) operating activities | <u>(625,401)</u> | <u>2,237</u> | <u>16,482</u> | <u>(606,682)</u> |
| Cash flows from non-capital financing activities: | | | | |
| State sources | 7,574 | | | 7,574 |
| Federal sources | 525,807 | | | 525,807 |
| Transfer from (to) other funds | 107,454 | | | 107,454 |
| Net cash provided by non-capital financing activities | <u>640,835</u> | | | <u>640,835</u> |
| Cash flows from capital and related financing activities: | | | | |
| Purchase of capital assets | (12,941) | | | (12,941) |
| Net cash provided by capital and related financing activities | <u>(12,941)</u> | | | <u>(12,941)</u> |
| Cash flows from investing activities | | | | |
| Interest earned | 2,145 | | | 2,145 |
| Net cash provided by investing activities | <u>2,145</u> | | | <u>2,145</u> |
| Net increase (decrease) in cash and cash equivalents | 4,638 | 2,237 | 16,482 | 23,357 |
| Balance - beginning of year | 177,692 | 1,127 | 18,278 | 197,097 |
| Balance - end of year | <u>\$ 182,330</u> | <u>\$ 3,364</u> | <u>\$ 34,760</u> | <u>\$ 220,454</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Operating income (loss) | \$ (708,541) | \$ 2,237 | \$ 16,482 | \$ (689,822) |
| Adjustments to reconcile operating (loss) to net cash provided by (used for) operating activities: | | | | |
| Depreciation | 10,021 | | | 10,021 |
| Food distribution program | 70,690 | | | 70,690 |
| (Increase) decrease in accounts receivable | 1,332 | | | 1,332 |
| (Increase) decrease in inventory | 263 | | | 263 |
| Increase (decrease) in deferred revenue | 834 | | | 834 |
| Net cash provided by (used for) operating activities | <u>\$ (625,401)</u> | <u>\$ 2,237</u> | <u>\$ 16,482</u> | <u>\$ (606,682)</u> |

GLASSBORO SCHOOL DISTRICT
Internal Service Fund
Combining Schedule of Net Position
For the Fiscal Year Ended June 30, 2019

| | Workmen's Compensation Fund |
|---------------------------|-----------------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 1,740 |
| NET POSITION | |
| Unrestricted | \$ 1,740 |

GLASSBORO SCHOOL DISTRICT
Internal Service Fund
Combining Schedule of Revenues, Expenses,
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2019

| | Workmen's Compensation Fund |
|-------------------------------------|-----------------------------------|
| Operating revenue: | |
| Workers' compensation contributions | \$ 17,000 |
| Operating expenses: | |
| Claims expense | 16,687 |
| Operating income (loss) | 313 |
| Non-operating revenues (expenses): | |
| Interest earned | 36 |
| Net income (loss) | 349 |
| Total net position - beginning | 1,391 |
| Total net position - ending | \$ 1,740 |

GLASSBORO SCHOOL DISTRICT
Internal Service Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2019

| | Workmen's Compensation Fund |
|---|-----------------------------------|
| Cash flows from operating activities: | |
| Receipts for internal service activities | \$ 17,000 |
| Payments for claims | (16,687) |
| | 313 |
| Net cash provided by (used for) operating activities | |
| Cash flows from investing activities: | |
| Interest earned | 36 |
| | 36 |
| Net cash provided by investing activities | |
| Balance - beginning of year | 1,391 |
| Balance - end of year | \$ 1,740 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | |
| Operating income (loss) | \$ 313 |
| Net cash provided by (used for) operating activities | \$ 313 |

FIDUCIARY FUNDS

GLASSBORO SCHOOL DISTRICT
Combining Statement of Fiduciary Net Position
For the Fiscal Year Ended June 30, 2019

| | Trust | | Agency Funds | Total 2019 |
|--|------------------------------|--------------------|-------------------|-------------------|
| | Unemployment Compensation | Private Purpose | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 30,368 | \$ 39,170 | \$ 648,060 | \$ 717,598 |
| Accounts receivable | | | 5,766 | 5,766 |
| Interfund receivable: | | | | |
| Agency funds | 151,831 | | | 151,831 |
| Total assets | <u>\$ 182,199</u> | <u>\$ 39,170</u> | <u>\$ 653,826</u> | <u>\$ 875,195</u> |
| LIABILITIES | | | | |
| Payroll deductions and withholdings | | | \$ 5,247 | 5,247 |
| Accrued salaries and wages | | | 324,592 | 324,592 |
| Due to student groups | | | 172,156 | 172,156 |
| Interfund payable: | | | | |
| Unemployment trust | | | 151,831 | 151,831 |
| Total liabilities | | | <u>\$ 653,826</u> | <u>\$ 653,826</u> |
| NET POSITION | | | | |
| Held in trust for unemployment claims | \$ 182,199 | | | 182,199 |
| Reserved for scholarships | | \$ 39,170 | | 39,170 |
| Total net position | <u>\$ 182,199</u> | <u>\$ 39,170</u> | | <u>\$ 221,369</u> |

GLASSBORO SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2019

| | Unemployment Compensation Trust | Private Purpose Scholarship Trust | Total 2019 |
|--------------------------|---------------------------------------|---|-------------------|
| ADDITIONS: | | | |
| Contributions | \$ 39,681 | | \$ 39,681 |
| Interest earned | 611 | \$ 598 | 1,209 |
| Total additions | <u>40,292</u> | <u>598</u> | <u>40,890</u> |
| DEDUCTIONS: | | | |
| Unemployment claims | 35,614 | | 35,614 |
| Scholarships awarded | | 3,500 | 3,500 |
| Total deductions | <u>35,614</u> | <u>3,500</u> | <u>39,114</u> |
| Change in net position | 4,678 | (2,902) | 1,776 |
| Net position - beginning | <u>177,521</u> | <u>42,072</u> | <u>219,593</u> |
| Net position - end | <u>\$ 182,199</u> | <u>\$ 39,170</u> | <u>\$ 221,369</u> |

GLASSBORO SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2019

| | <u>Balance July 1, 2018</u> | <u>Cash Receipts</u> | <u>Cash Disbursements</u> | <u>Transfers</u> | <u>Balance June 30, 2019</u> |
|------------------------------|---------------------------------|--------------------------|-------------------------------|------------------|----------------------------------|
| ACTIVITIES: | | | | | |
| Dorothy L. Bullock School | \$ 19,000 | \$ 9,369 | \$ 11,350 | | \$ 17,019 |
| J.H. Rodgers Memorial School | 4,105 | 2,221 | 3,857 | | 2,469 |
| Thomas E. Bowe School | 24,742 | 44,907 | 48,287 | | 21,362 |
| Intermediate School | 21,441 | 50,118 | 48,808 | \$ 90 | 22,841 |
| High School | 100,687 | 159,136 | 161,265 | (40) | 98,518 |
| Special Services/Other | 6,560 | 30,729 | 27,292 | (50) | 9,947 |
| | <u>\$ 176,535</u> | <u>\$ 296,480</u> | <u>\$ 300,859</u> | | <u>\$ 172,156</u> |

GLASSBORO SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2019

| | Balance July 1, 2018 | Additions | Deletions | Balance June 30, 2019 |
|--|-------------------------|----------------------|----------------------|--------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 614,750 | \$ 26,129,326 | \$ 26,268,172 | \$ 475,904 |
| Accounts receivable | | 5,766 | | 5,766 |
| Total assets | <u>\$ 614,750</u> | <u>\$ 26,135,092</u> | <u>\$ 26,268,172</u> | <u>\$ 481,670</u> |
| LIABILITIES | | | | |
| Employees net payroll | | \$ 13,360,142 | \$ 13,360,142 | |
| Accrued salaries and wages | \$ 273,536 | 708,768 | 657,712 | \$ 324,592 |
| Payroll deductions and withholdings | 229,064 | 12,013,949 | 12,237,766 | 5,247 |
| Interfund payable | | | | |
| Unemployment trust | 112,150 | 39,681 | | 151,831 |
| General fund | | 12,552 | 12,552 | |
| Total liabilities | <u>\$ 614,750</u> | <u>\$ 26,135,092</u> | <u>\$ 26,268,172</u> | <u>\$ 481,670</u> |

LONG-TERM DEBT

GLASSBORO SCHOOL DISTRICT
 Schedule of Serial Bonds
 June 30, 2019

| Issue | Date of Issue | Amount of Issue | Annual Maturities | | Interest Rate | Balance July 1, 2018 | Issued | Retired | Balance June 30, 2019 |
|-------------------------------------|---------------|-----------------|-------------------|------------|---------------|----------------------|--------|---------------------|-----------------------|
| | | | Date | Amount | | | | | |
| Refunding School Bonds, Series 2006 | 12/19/06 | \$ 9,500,000 | | | | \$ 1,825,000 | | \$ 1,825,000 | |
| General Bonds, Series 2015 | 7/28/15 | 23,647,000 | 7/15/19 | \$ 980,000 | 3.000% | | | | |
| | | | 7/15/20 | 995,000 | 3.000% | | | | |
| | | | 7/15/21 | 1,020,000 | 3.000% | | | | |
| | | | 7/15/22 | 1,040,000 | 3.000% | | | | |
| | | | 7/15/23 | 1,065,000 | 3.000% | | | | |
| | | | 7/15/24 | 1,095,000 | 3.000% | | | | |
| | | | 7/15/25 | 1,125,000 | 3.000% | | | | |
| | | | 7/15/26 | 1,155,000 | 3.000% | | | | |
| | | | 7/15/27 | 1,195,000 | 3.000% | | | | |
| | | | 7/15/28 | 1,230,000 | 3.125% | | | | |
| | | | 7/15/29 | 1,270,000 | 3.250% | | | | |
| | | | 7/15/30 | 1,315,000 | 3.500% | | | | |
| | | | 7/15/31 | 1,360,000 | 3.500% | | | | |
| | | | 7/15/32 | 1,405,000 | 3.625% | | | | |
| | | | 7/15/33 | 1,460,000 | 3.750% | | | | |
| | | | 7/15/34 | 1,510,000 | 3.750% | | | | |
| | | | 7/15/35 | 1,567,000 | 3.750% | | | | |
| | | | | | | 21,752,000 | | 965,000 | \$ 20,787,000 |
| | | | | | | <u>\$ 23,577,000</u> | None | <u>\$ 2,790,000</u> | <u>\$ 20,787,000</u> |

GLASSBORO SCHOOL DISTRICT
Schedule of Obligations Under Capital Leases
For the Fiscal Year Ended June 30, 2019

| Purpose | Date of Lease | Term of Lease | Amount of Original Lease | | Interest Rate | Balance June 30, 2018 | Issued | Retired | Balance June 30, 2019 |
|--------------------|---------------|---------------|--------------------------|-----------|---------------|-----------------------|-------------------|-------------------|-----------------------|
| | | | Principal | Interest | | | | | |
| Copiers | 1/28/15 | 4 Years | \$ 283,334 | \$ 20,756 | 3.49% | \$ 37,627 | | \$ 37,627 | |
| School buses | 7/22/15 | 7 Years | 167,369 | 14,981 | 2.97% | 96,930 | | 23,184 | \$ 73,746 |
| Computer equipment | 8/01/16 | 4 Years | 204,519 | 7,693 | 2.97% | 102,228 | | 50,478 | 51,750 |
| School bus | 10/30/16 | 5 Years | 47,420 | 4,362 | 2.49% | 28,639 | | 9,157 | 19,482 |
| School bus | 9/15/17 | 5 Years | 177,982 | 9,896 | 2.78% | 140,406 | | 33,670 | 106,736 |
| Computer equipment | 9/15/17 | 5 Years | 160,670 | 8,765 | 2.79% | 126,743 | | 30,390 | 96,353 |
| School buses | 9/14/18 | 5 Years | 167,584 | 11,219 | 3.30% | | \$ 167,584 | 35,761 | 131,823 |
| | | | | | | <u>\$ 532,573</u> | <u>\$ 167,584</u> | <u>\$ 220,267</u> | <u>\$ 479,890</u> |

GLASSBORO SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|------------------|--------------------|-----------------------------|
| REVENUES: | | | | | |
| Local sources: | | | | | |
| Local tax levy | \$ 2,736,857 | | \$ 2,736,857 | \$ 2,736,857 | |
| State sources: | | | | | |
| Debt service aid type II | 678,311 | | 678,311 | 678,311 | |
| Total revenues | <u>3,415,168</u> | | <u>3,415,168</u> | <u>3,415,168</u> | |
| EXPENDITURES: | | | | | |
| Regular debt service: | | | | | |
| Interest | 701,735 | | 701,735 | 731,900 | \$ (30,165) |
| Redemption of principal | 2,790,000 | | 2,790,000 | 2,790,000 | |
| Total expenditures | <u>3,491,735</u> | | <u>3,491,735</u> | <u>3,521,900</u> | <u>(30,165)</u> |
| Excess (deficiency) of revenue over (under) expenditures | (76,567) | | (76,567) | (106,732) | (30,165) |
| Other financing sources: | | | | | |
| Operating transfers in: | | | | | |
| Interest earned in capital projects fund | | | | 7,985 | 7,985 |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures | (76,567) | | (76,567) | (98,747) | (22,180) |
| Fund balance - July 1 | 87,701 | | 87,701 | 87,701 | |
| Fund balance - June 30 | <u>\$ 11,134</u> | | <u>\$ 11,134</u> | <u>\$ (11,046)</u> | <u>\$ (22,180)</u> |

STATISTICAL SECTION (UNAUDITED)

GLASSBORO SCHOOL DISTRICT
Statistical Section

| Contents | Page |
|--|---------|
| Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time. | 119-124 |
| Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax. | 125-128 |
| Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future. | 129-132 |
| Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. | 133-134 |
| Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. | 135-139 |

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The District implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting District-wide information include information beginning in that year.

GLASSBORO SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years
Unaudited

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---------------------|---------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|-------------------|-------------------------|----------------------|
| Governmental activities: | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 8,126,925 | \$ 9,025,089 | \$ 9,878,118 | \$ 10,594,644 | \$ 10,784,196 | \$ 10,228,863 | \$ (10,106,873) | \$ 6,628,428 | \$ 17,852,025 | \$ 20,497,000 |
| Restricted | 1,070,568 | 1,799,540 | 2,774,030 | 2,892,083 | 2,244,902 | 2,776,209 | 23,181,211 | 9,309,326 | 5,112,301 | 5,556,201 |
| Unrestricted | (2,360,909) | (2,325,251) | (2,463,655) | (2,457,987) | (2,372,386) | (14,702,604) | (14,912,074) | (15,887,873) | (130,889,629) | (15,948,224) |
| Total governmental activities net position | \$ 6,836,584 | \$ 8,499,378 | \$ 10,188,493 | \$ 11,028,740 | \$ 10,656,712 | \$ (1,697,532) | \$ (1,837,736) | \$ 49,881 | \$ (107,925,303) | \$ 10,104,977 |
| Business-type activities: | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 61,565 | \$ 47,278 | \$ 32,990 | \$ 21,625 | \$ 10,260 | | | | | |
| Unrestricted | 124,326 | 154,646 | 190,749 | 212,339 | 237,732 | \$ 224,608 | \$ 231,219 | \$ 246,869 | \$ 264,039 | \$ 269,505 |
| Total governmental activities net position | \$ 185,891 | \$ 201,924 | \$ 223,739 | \$ 233,964 | \$ 247,992 | \$ 224,608 | \$ 231,219 | \$ 246,869 | \$ 264,039 | \$ 269,505 |
| District-wide: | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 8,188,490 | \$ 9,072,367 | \$ 9,911,108 | \$ 10,616,269 | \$ 10,794,456 | \$ 10,228,863 | \$ (10,106,873) | \$ 6,628,428 | \$ 17,852,025 | \$ 20,497,000 |
| Restricted | 1,070,568 | 1,799,540 | 2,774,030 | 2,892,083 | 2,244,902 | 2,776,209 | 23,181,211 | 9,309,326 | 5,112,301 | 5,556,201 |
| Unrestricted | (2,236,583) | (2,170,605) | (2,272,906) | (2,245,648) | (2,134,654) | (14,477,996) | (14,680,855) | (15,641,004) | (130,625,590) | (15,678,719) |
| Total district-wide net position | \$ 7,022,475 | \$ 8,701,302 | \$ 10,412,232 | \$ 11,262,704 | \$ 10,904,704 | \$ (1,472,924) | \$ (1,606,517) | \$ 296,750 | \$ (107,661,264) | \$ 10,374,482 |

Source: District records

GLASSBORO SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
Unaudited

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Expenses: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | \$ 9,786,955 | \$ 8,859,404 | \$ 8,976,002 | \$ 9,027,811 | \$ 9,702,464 | \$ 9,419,002 | \$ 9,448,996 | \$ 9,374,880 | \$ 9,455,832 | \$ 9,183,586 |
| Special education | 2,890,714 | 3,212,700 | 3,188,639 | 4,870,826 | 5,025,765 | 5,105,734 | 5,128,540 | 5,470,063 | 5,417,684 | 5,047,369 |
| Other special instruction | 2,264,542 | 2,162,713 | 1,815,288 | 559,694 | 490,921 | 525,918 | 694,969 | 738,469 | 602,058 | 618,120 |
| Other instruction | 524,418 | 383,760 | 403,600 | 492,690 | 444,454 | 452,855 | 477,587 | 490,237 | 494,763 | 514,224 |
| Support services: | | | | | | | | | | |
| Tuition | 1,962,359 | 1,900,756 | 1,995,833 | 2,225,349 | 2,209,226 | 2,388,303 | 2,526,303 | 2,534,071 | 2,420,352 | 2,476,288 |
| Student & instructional related services | 3,894,998 | 3,611,726 | 3,525,899 | 3,799,163 | 3,856,111 | 3,801,784 | 3,647,240 | 3,066,224 | 4,363,359 | 4,298,201 |
| School administration services | 1,392,744 | 1,349,197 | 1,278,562 | 1,400,253 | 1,388,360 | 1,420,107 | 1,397,355 | 1,394,150 | 1,454,375 | 639,919 |
| General & business administrative services | 1,476,094 | 1,436,766 | 1,512,868 | 1,601,083 | 1,662,966 | 1,569,717 | 1,540,894 | 1,658,967 | 1,689,032 | 2,351,328 |
| Plant operations & maintenance | 2,986,573 | 3,032,171 | 2,889,225 | 2,849,602 | 3,085,931 | 2,948,844 | 2,826,276 | 2,909,254 | 2,910,593 | 3,004,266 |
| Pupil transportation | 1,925,499 | 1,806,204 | 2,018,285 | 2,081,236 | 2,171,642 | 2,135,851 | 2,319,113 | 2,406,552 | 2,358,150 | 2,700,819 |
| Employee benefits | 7,828,318 | 8,221,190 | 8,778,641 | 9,482,779 | 9,456,216 | 10,156,037 | 10,934,216 | 12,007,192 | 16,629,347 | 15,499,752 |
| Capital outlay | 1,069,913 | 83,374 | 244,572 | 210,156 | 1,048,753 | 1,437,496 | 1,339,004 | 386,701 | 44,746 | |
| Transfer to charter school | | 30,665 | 31,661 | 58,539 | 85,764 | 77,831 | 114,584 | 106,872 | 30,587 | 13,512 |
| Interest on long-term debt | 528,742 | 531,772 | 493,551 | 438,307 | 381,963 | 330,700 | 620,024 | 940,850 | 832,225 | 731,900 |
| Unallocated depreciation | 1,027,835 | 975,910 | 1,088,023 | 969,265 | 877,168 | 1,009,782 | 1,082,433 | 1,015,938 | 980,311 | 1,039,616 |
| Total governmental activities expenses | 39,559,704 | 37,598,308 | 38,240,649 | 40,066,753 | 41,887,704 | 42,779,961 | 44,097,534 | 44,500,420 | 49,683,414 | 48,118,900 |
| Business-type activities: | | | | | | | | | | |
| Food service | 878,870 | 832,884 | 867,873 | 912,712 | 856,172 | 864,403 | 947,540 | 967,075 | 946,741 | 931,210 |
| Professional development | | | | | | 2,965 | 1,973 | | 2,841 | 701 |
| Total business-type activities expenses | 878,870 | 832,884 | 867,873 | 912,712 | 856,172 | 867,368 | 949,513 | 967,075 | 949,582 | 931,911 |
| Total district-wide expenses | \$ 40,438,574 | \$ 38,431,192 | \$ 39,108,522 | \$ 40,979,465 | \$ 42,743,876 | \$ 43,647,329 | \$ 45,047,047 | \$ 45,467,495 | \$ 50,632,996 | \$ 49,050,811 |
| Program revenues: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General & business administrative services | | \$ 2,300 | \$ 7,000 | \$ 7,000 | \$ 4,000 | \$ 9,000 | \$ 10,000 | \$ 9,500 | \$ 10,000 | \$ 17,000 |
| Operating grants & contributions | \$ 2,418,049 | 2,597,744 | 1,937,408 | 2,049,157 | 2,196,841 | 2,113,616 | 2,115,160 | 2,278,782 | 2,770,577 | 2,411,414 |
| Total governmental activities program revenues | 2,418,049 | 2,600,044 | 1,944,408 | 2,056,157 | 2,200,841 | 2,122,616 | 2,125,160 | 2,288,282 | 2,780,577 | 2,428,414 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Food service | 358,789 | 316,140 | 295,552 | 297,364 | 251,268 | 214,261 | 204,762 | 202,660 | 216,222 | 222,669 |
| Professional development | | | | | | 4,600 | 1,875 | 4,594 | 16,115 | 19,420 |
| Operating grants & contributions | 576,980 | 532,698 | 592,899 | 624,095 | 617,426 | 624,976 | 749,004 | 775,030 | 733,602 | 693,143 |
| Total business-type activities revenues | 935,769 | 848,838 | 888,451 | 921,459 | 868,694 | 843,837 | 955,641 | 982,284 | 965,939 | 935,232 |
| Total district program revenues | \$ 3,353,818 | \$ 3,448,882 | \$ 2,832,859 | \$ 2,977,616 | \$ 3,069,535 | \$ 2,966,453 | \$ 3,080,801 | \$ 3,270,566 | \$ 3,746,516 | \$ 3,363,646 |
| Net (expense)/revenue: | | | | | | | | | | |
| Governmental activities | \$ (37,141,655) | \$ (34,998,264) | \$ (36,296,241) | \$ (38,010,596) | \$ (39,686,863) | \$ (40,657,345) | \$ (41,972,374) | \$ (42,212,138) | \$ (46,902,837) | \$ (45,690,486) |
| Business-type activities | 56,899 | 15,954 | 20,578 | 8,747 | 12,522 | (23,531) | 6,128 | 15,209 | 16,357 | 3,321 |
| Total district-wide net expense | \$ (37,084,756) | \$ (34,982,310) | \$ (36,275,663) | \$ (38,001,849) | \$ (39,674,341) | \$ (40,680,876) | \$ (41,966,246) | \$ (42,196,929) | \$ (46,886,480) | \$ (45,687,165) |

GLASSBORO SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
Unaudited

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General revenues & other changes in net position: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes levied for general purposes | \$ 16,209,184 | \$ 16,977,715 | \$ 16,756,877 | \$ 17,377,451 | \$ 17,231,596 | \$ 18,066,610 | \$ 18,091,942 | \$ 18,708,636 | \$ 19,356,049 | \$ 19,651,946 |
| Taxes levied for debt service | 1,462,916 | 1,498,557 | 1,464,340 | 1,595,013 | 1,661,980 | 1,664,029 | 2,184,072 | 2,589,494 | 2,626,014 | 2,736,857 |
| Other governmental units | 42,404 | 30,233 | 18,371 | 15,334 | 14,836 | 16,474 | 4,375 | 11,630 | | |
| Unrestricted grants & contributions | 18,287,464 | 17,597,793 | 18,955,677 | 19,261,387 | 19,497,952 | 20,188,084 | 20,805,904 | 22,063,617 | 22,679,174 | 26,656,181 |
| Tuition received | 178,711 | 230,822 | 351,180 | 481,604 | 390,457 | 205,525 | 406,818 | 338,838 | 176,501 | 218,600 |
| Transportation fees | 98,320 | 72,422 | 106,626 | 187,014 | 188,726 | 168,733 | 189,450 | 247,829 | 52,820 | 109,190 |
| Investment earnings | 19,389 | 3,204 | 35,181 | 37,322 | 30,440 | 1,093 | 86,487 | 54,990 | 41,923 | 100,389 |
| Miscellaneous income | 315,991 | 243,441 | 303,484 | 69,233 | 362,124 | 264,216 | 91,249 | 84,676 | 360,828 | 253,640 |
| Net proceeds refunding bond issue | 30,000 | | | | | | | | | |
| Loss on retirement of asset | (8,591) | (2,370) | (6,657) | (158,548) | (62,459) | (197,111) | (3,100) | | (12,316) | (168,454) |
| Prior year payable canceled | 459 | 24,366 | 536 | 2,065 | 4,042 | 18,111 | 17,748 | 45 | | |
| Prior year receivable canceled | (14,140) | (52,279) | (259) | (17,032) | (4,859) | (8,929) | (42,775) | | (24,215) | (1,386) |
| Contracts payable canceled | | 37,154 | | | | | | | | |
| Prior year adjustment - construction in progress | | | | | | | | | 3,808,426 | |
| Total governmental activities | 36,622,107 | 36,661,058 | 37,985,356 | 38,850,843 | 39,314,835 | 40,386,835 | 41,832,170 | 44,099,755 | 49,065,204 | 49,556,963 |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 141 | 79 | 1,237 | 1,478 | 1,506 | 147 | 483 | 441 | 813 | 2,145 |
| Total business-type activities | 141 | 79 | 1,237 | 1,478 | 1,506 | 147 | 483 | 441 | 813 | 2,145 |
| Total district-wide | \$ 36,622,248 | \$ 36,661,137 | \$ 37,986,593 | \$ 38,852,321 | \$ 39,316,341 | \$ 40,386,982 | \$ 41,832,653 | \$ 44,100,196 | \$ 49,066,017 | \$ 49,559,108 |
| Change in net position: | | | | | | | | | | |
| Governmental activities | \$ (519,548) | \$ 1,662,794 | \$ 1,689,115 | \$ 840,247 | \$ (372,028) | \$ (270,510) | \$ (140,204) | \$ 1,887,617 | \$ 2,162,367 | \$ 3,866,477 |
| Business-type activities | 57,040 | 16,033 | 21,815 | 10,225 | 14,028 | (23,384) | 6,611 | 15,650 | 17,170 | 5,466 |
| Total district-wide | \$ (462,508) | \$ 1,678,827 | \$ 1,710,930 | \$ 850,472 | \$ (358,000) | \$ (293,894) | \$ (133,593) | \$ 1,903,267 | \$ 2,179,537 | \$ 3,871,943 |

Source: District records

GLASSBORO SCHOOL DISTRICT
 Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 Unaudited

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|
| General fund: | | | | | | | | | | |
| Restricted | | \$ 1,438,703 | \$ 2,609,121 | \$ 2,811,345 | \$ 2,184,113 | \$ 2,593,225 | \$ 2,960,517 | \$ 3,176,674 | \$ 4,241,196 | \$ 5,173,125 |
| Assigned | | 293,817 | 164,906 | 80,737 | 60,789 | 182,984 | 154,828 | 201,010 | 258,711 | 223,053 |
| Unassigned | | (647,620) | (735,302) | (736,820) | (729,974) | (716,048) | (675,752) | (656,918) | (590,817) | (421,415) |
| Reserved | \$ 1,012,555 | | | | | | | | | |
| Unreserved | (692,331) | | | | | | | | | |
| Total general fund | \$ 320,224 | \$ 1,084,900 | \$ 2,038,725 | \$ 2,155,262 | \$ 1,514,928 | \$ 2,060,161 | \$ 2,439,593 | \$ 2,720,766 | \$ 3,909,090 | \$ 4,974,763 |
| All other governmental funds: | | | | | | | | | | |
| Reserved | | \$ 67,020 | \$ 3 | \$ 1 | | | | | | |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue fund | \$ (48,008) | (39,192) | (30,740) | (38,998) | \$ (31,400) | \$ (49,991) | \$ (43,491) | \$ (49,595) | \$ (41,202) | \$ (49,568) |
| Capital projects fund | 29,611 | | | | | | 19,838,574 | 5,627,783 | 524,693 | 171,069 |
| Debt service fund | 28,402 | | | | | | 227,292 | 303,859 | 87,701 | (11,046) |
| Total all other governmental funds | \$ 10,005 | \$ 27,828 | \$ (30,737) | \$ (38,997) | \$ (31,400) | \$ (49,991) | \$ 20,022,375 | \$ 5,882,047 | \$ 571,192 | \$ 110,455 |

Source: District records

GLASSBORO SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|---------------------|-------------------|-------------------|-------------------|---------------------|-------------------|----------------------|------------------------|-----------------------|-------------------|
| Revenues: | | | | | | | | | | |
| Tax levy | \$ 17,672,100 | \$ 18,476,272 | \$ 18,221,217 | \$ 18,972,464 | \$ 18,893,576 | \$ 19,730,639 | \$ 20,276,014 | \$ 21,298,130 | \$ 21,982,063 | \$ 22,388,803 |
| Other local government units - restricted | 42,404 | 30,233 | 18,371 | 15,334 | 14,836 | 16,474 | 4,375 | 11,630 | | |
| Tuition charges | 178,711 | 230,822 | 351,180 | 481,604 | 390,457 | 205,525 | 406,818 | 338,838 | 176,501 | 218,600 |
| Transportation fees | 98,320 | 72,422 | 106,626 | 187,014 | 188,726 | 168,733 | 189,450 | 247,829 | 52,820 | 109,190 |
| Interest earnings | | | | | | | 71,599 | 37,425 | 11,134 | 7,985 |
| Miscellaneous | 356,608 | 264,153 | 352,455 | 133,814 | 394,217 | 285,823 | 131,178 | 133,439 | 421,039 | 361,385 |
| State sources | 16,130,738 | 18,050,221 | 18,830,097 | 19,660,761 | 19,954,973 | 20,603,227 | 21,262,694 | 22,501,911 | 23,050,634 | 23,791,814 |
| Federal sources | 4,553,547 | 2,127,808 | 2,049,184 | 1,622,496 | 1,738,144 | 1,677,958 | 1,633,312 | 1,809,282 | 2,369,682 | 1,978,655 |
| Total revenue | 39,032,428 | 39,251,931 | 39,929,130 | 41,073,487 | 41,574,929 | 42,688,379 | 43,975,440 | 46,378,484 | 48,063,873 | 48,856,432 |
| Expenditures: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular instruction | 9,786,955 | 8,810,736 | 8,918,629 | 9,033,758 | 9,719,620 | 9,392,467 | 9,453,342 | 9,489,633 | 9,495,796 | 9,214,852 |
| Special education instruction | 2,967,361 | 3,212,700 | 3,188,639 | 4,870,826 | 5,025,765 | 5,105,734 | 5,128,540 | 5,470,063 | 5,417,684 | 5,047,369 |
| Other special instruction | 2,264,542 | 2,162,713 | 1,815,288 | 559,694 | 490,921 | 525,918 | 694,969 | 738,469 | 602,058 | 618,120 |
| Other instruction | 524,418 | 383,760 | 403,600 | 492,690 | 444,454 | 452,855 | 477,587 | 490,237 | 494,763 | 514,224 |
| Support services: | | | | | | | | | | |
| Tuition | 1,962,359 | 1,900,756 | 1,995,833 | 2,225,349 | 2,209,226 | 2,388,303 | 2,526,303 | 2,534,071 | 2,420,352 | 2,476,288 |
| Student & instruction related services | 3,913,014 | 3,604,211 | 3,514,360 | 3,816,796 | 3,884,301 | 3,734,469 | 3,646,567 | 4,082,783 | 4,620,905 | 4,458,909 |
| School administrative services | 1,392,744 | 1,349,197 | 1,278,562 | 1,385,088 | 1,410,148 | 1,404,508 | 1,412,830 | 1,367,829 | 1,455,627 | 1,316,018 |
| Other administrative services | 1,523,460 | 1,472,780 | 1,515,592 | 1,601,083 | 1,662,966 | 1,569,717 | 1,540,894 | 1,658,967 | 1,689,032 | 1,671,577 |
| Plant operations & maintenance | 2,986,573 | 3,032,171 | 2,889,225 | 2,849,602 | 3,085,931 | 2,948,844 | 2,826,276 | 2,909,254 | 2,910,593 | 3,004,266 |
| Pupil transportation | 1,925,499 | 1,806,204 | 2,018,285 | 2,081,236 | 2,171,642 | 2,135,851 | 2,319,113 | 2,406,552 | 2,358,150 | 2,700,819 |
| Employee benefits | 7,828,318 | 8,221,190 | 8,778,641 | 9,482,779 | 9,456,216 | 10,014,666 | 10,648,785 | 10,903,409 | 11,666,556 | 12,802,319 |
| Transfer to charter school | | 30,665 | 31,661 | 58,539 | 85,764 | 77,831 | 114,584 | 106,872 | 30,587 | 13,512 |
| Capital outlay | 1,815,424 | 1,028,091 | 1,092,187 | 799,781 | 1,985,799 | 2,375,481 | 4,368,170 | 14,830,634 | 5,801,513 | 1,057,521 |
| Debt service: | | | | | | | | | | |
| Principal | 1,280,000 | 1,270,000 | 1,305,000 | 1,360,000 | 1,425,000 | 1,470,000 | 1,535,000 | 2,560,000 | 2,705,000 | 2,790,000 |
| Interest | 528,742 | 531,772 | 493,551 | 438,307 | 381,963 | 330,700 | 620,024 | 940,850 | 832,225 | 731,900 |
| Total expenditures | 40,699,409 | 38,816,946 | 39,239,053 | 41,055,528 | 43,439,716 | 43,927,344 | 47,312,984 | 60,489,623 | 52,500,841 | 48,417,694 |
| Excess (deficiency) of revenues over (under) expenditures | (1,666,981) | 434,985 | 690,077 | 17,959 | (1,864,787) | (1,238,965) | (3,337,544) | (14,111,139) | (4,436,968) | 438,738 |
| Other financing sources (uses): | | | | | | | | | | |
| Bond proceeds | | | | | | | 23,647,000 | | | |
| Capital leases (non-budgeted) | 906,711 | 338,273 | 204,906 | 105,285 | 1,232,867 | 1,756,425 | 167,369 | 251,939 | 338,652 | 167,584 |
| Transfers in | 656 | 24,366 | 536 | 265,082 | 339,116 | 263,901 | 340,569 | 294,593 | 393,777 | 208,015 |
| Transfers out | (14,337) | (52,279) | (259) | (280,049) | (339,933) | (254,719) | (365,596) | (294,593) | (393,777) | (208,015) |
| Other sources | | 37,154 | | | | | | 45 | (24,215) | (1,386) |
| Total other financing sources (uses) | 893,030 | 347,514 | 205,183 | 90,318 | 1,232,050 | 1,765,607 | 23,789,342 | 251,984 | 314,437 | 166,198 |
| Net change in fund balance | \$ (773,951) | \$ 782,499 | \$ 895,260 | \$ 108,277 | \$ (632,737) | \$ 526,642 | \$ 20,451,798 | \$ (13,859,155) | \$ (4,122,531) | \$ 604,936 |
| Debt service as a percentage of noncapital expenditures | 4.88% | 5.01% | 4.95% | 4.68% | 4.56% | 4.53% | 5.28% | 8.30% | 8.20% | 8.03% |

Source: District records

GLASSBORO SCHOOL DISTRICT
 General Fund Other Local Revenue by Source
 Last Ten Fiscal Years
 Unaudited

| Fiscal Year Ended June 30, | Prior Year Refunds | Admission Fees | Rentals | Tuition | School Bus Advertising | Miscellaneous | Interest | Annual Totals |
|----------------------------------|-----------------------|-------------------|-----------|-----------|---------------------------|---------------|-----------|---------------|
| 2010 | \$ 219,947 | \$ 7,651 | \$ 13,231 | \$ 46,943 | | \$ 49,475 | \$ 19,361 | \$ 356,608 |
| 2011 | 137,436 | 8,475 | 11,766 | 83,534 | | 2,176 | 3,202 | 246,589 |
| 2012 | 129,963 | 9,596 | 13,690 | 146,500 | | 74,069 | 35,167 | 408,985 |
| 2013 | 36,041 | 11,302 | 16,141 | | | 5,749 | 37,294 | 106,527 |
| 2014 | 319,872 | 8,101 | 25,309 | | | 8,842 | 30,417 | 392,541 |
| 2015 | 37,548 | 9,882 | 12,115 | 162,242 | | 42,429 | 1,092 | 265,308 |
| 2016 | 8,270 | 11,009 | 11,233 | 32,542 | \$ 2,340 | 25,855 | 14,871 | 106,120 |
| 2017 | 29,409 | 9,334 | 10,638 | | 9,093 | 26,202 | 17,557 | 102,233 |
| 2018 | 99,743 | 12,491 | 9,592 | 178,202 | 10,642 | 50,158 | 30,776 | 391,604 |
| 2019 | 20,108 | 11,509 | 6,866 | 152,088 | 16,293 | 46,776 | 92,368 | 346,008 |

Source: District records

GLASSBORO SCHOOL DISTRICT
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years
 Unaudited

| Fiscal Year Ended June 30, | Vacant Land | Residential | Farmland | Commercial | Industrial | Apartment | Total Assessed Value | Less: Tax Exempt Property | Public Utilities | Net Valuation Taxable | Actual (County Equalized) Value | Total Direct School Tax Rate |
|----------------------------|-------------|-------------|-----------|-------------|------------|------------|----------------------|---------------------------|------------------|-----------------------|---------------------------------|------------------------------|
| 2010 | 21,389,800 | 505,513,200 | 2,000,800 | 105,460,600 | 8,341,200 | 28,817,500 | 671,523,100 | | 3,637,514 | 675,160,614 | 1,245,104,896 | 2.677 |
| 2011 | 47,616,600 | 883,217,800 | 3,198,400 | 181,429,800 | 12,319,200 | 57,259,700 | 1,185,041,500 | | 7,816,927 | 1,192,858,427 | 1,255,462,612 | 1.538 |
| 2012 | 54,928,800 | 883,463,400 | 3,198,400 | 182,279,800 | 14,400,100 | 54,728,000 | 1,192,998,500 | | 6,250,864 | 1,199,249,364 | 1,239,822,665 | 1.543 |
| 2013 | 47,763,500 | 889,836,800 | 3,190,200 | 178,235,000 | 13,384,900 | 53,769,800 | 1,186,180,200 | | 5,620,182 | 1,191,800,382 | 1,197,344,427 | 1.581 |
| 2014 | 44,272,900 | 891,128,900 | 2,583,200 | 175,876,900 | 13,084,900 | 48,249,800 | 1,175,196,600 | | 5,016,335 | 1,180,212,935 | 1,161,819,672 | 1.629 |
| 2015 | 42,946,200 | 892,810,800 | 2,637,700 | 177,599,700 | 13,084,900 | 48,096,500 | 1,177,175,800 | | 4,858,928 | 1,182,034,728 | 1,135,423,072 | 1.685 |
| 2016 | 66,243,500 | 894,384,900 | 2,604,000 | 176,305,400 | 12,069,900 | 48,390,400 | 1,199,998,100 | | 5,302,493 | 1,205,300,593 | 1,210,237,669 | 1.717 |
| 2017 | 59,946,600 | 901,323,400 | 2,395,800 | 185,555,300 | 13,384,900 | 48,390,400 | 1,210,996,400 | | 5,456,328 | 1,216,452,728 | 1,230,362,922 | 1.771 |
| 2018 | 62,025,300 | 910,827,800 | 1,717,100 | 181,668,900 | 14,911,000 | 48,390,400 | 1,219,540,500 | | 5,506,020 | 1,225,046,520 | 1,231,168,330 | 1.771 |
| 2019 | 70,856,100 | 922,709,300 | 1,717,100 | 179,332,700 | 21,536,000 | 47,759,000 | 1,243,910,200 | | 5,704,354 | 1,249,614,554 | 1,297,724,414 | 1.741 |

Source: Tax Assessor

GLASSBORO SCHOOL DISTRICT
 Direct and Overlapping Property Tax Rates
 (Rate Per \$100 of Assessed Value)
 Last Ten Fiscal Years
 Unaudited

| Fiscal Year Ended June 30, | Glassboro School District Direct Rate | | | Overlapping Rates | | Total Direct and Overlapping Tax Rate |
|----------------------------------|---------------------------------------|---------------------------------------|------------------------------------|-------------------------|----------------------|--|
| | Basic Rate | General Obligation Debt Service | Total Direct School Tax Rate | Borough of Glassboro | Gloucester County | |
| 2010 | 2.455 | 0.222 | 2.677 | 1.643 | 1.089 | 5.409 |
| 2011 | 1.413 | 0.125 | 1.538 | 0.947 | 0.613 | 3.098 |
| 2012 | 1.419 | 0.124 | 1.543 | 0.991 | 0.612 | 3.146 |
| 2013 | 1.448 | 0.133 | 1.581 | 1.034 | 0.652 | 3.267 |
| 2014 | 1.486 | 0.143 | 1.629 | 1.033 | 0.651 | 3.267 |
| 2015 | 1.543 | 0.142 | 1.685 | 1.033 | 0.672 | 3.390 |
| 2016 | 1.532 | 0.185 | 1.717 | 1.047 | 0.701 | 3.465 |
| 2017 | 1.556 | 0.215 | 1.771 | 1.047 | 0.750 | 3.568 |
| 2018 | 1.559 | 0.212 | 1.771 | 1.047 | 0.733 | 3.551 |
| 2019 | 1.528 | 0.213 | 1.741 | 1.049 | 0.759 | 3.549 |

Source: Municipal Tax Collector

GLASSBORO SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago
Unaudited

Park Crest Associates

| | 2019 | | | 2010 | | |
|------------------------------------|------------------------|------|--|------------------------|------|--|
| | Taxable Assessed Value | Rank | % of Total District Net Assessed Value | Taxable Assessed Value | Rank | % of Total District Net Assessed Value |
| Borough of Glassboro | 29,632,500 | 1 | 2.37% | | | |
| Park Crest Associates | 19,000,000 | 2 | 1.52% | 8,500,000 | 4 | 1.26% |
| Kranzco Realty Trust | 16,000,000 | 3 | 1.28% | 9,719,100 | 1 | 1.44% |
| LMX Doubletree Ctr. | 15,552,800 | 4 | 1.24% | 8,714,000 | 3 | 1.26% |
| Crossing at Glassboro LLC | 13,000,000 | 5 | 1.04% | | | |
| Hollybush Preservation Partners LP | 9,462,700 | 6 | 0.76% | | | |
| Glassboro Plaza, LLC | 8,750,000 | 7 | 0.70% | 4,560,600 | 8 | 0.68% |
| Glassboro Properties, LLC | 8,581,100 | 8 | 0.69% | 7,139,100 | 5 | 1.06% |
| Verizon - New Jersey | 7,015,654 | 9 | 0.56% | 3,637,514 | 10 | 0.54% |
| Eastern Pro Pak LLC | 6,807,400 | 10 | 0.54% | | | |
| Campus - Glassboro LLC | | | | 9,000,000 | 2 | 1.33% |
| DR Horton Inc. - New Jersey | | | | 6,226,900 | 6 | 0.92% |
| Hollybush Affordable Housing Inc. | | | | 5,043,900 | 7 | 0.75% |
| ADM Cocoa | | | | 4,149,300 | 9 | 0.61% |
| | <u>133,802,154</u> | | <u>10.71%</u> | <u>66,690,414</u> | | <u>9.85%</u> |

Source: County Assessor

GLASSBORO SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of Levy | | Collections in Subsequent Years |
|----------------------------------|--|---|-----------------------|---------------------------------------|
| | | Amount | Percentage of Levy | |
| 2010 | \$ 17,672,100 | \$ 17,672,100 | 100.00% | |
| 2011 | 18,476,272 | 18,476,272 | 100.00% | |
| 2012 | 18,221,217 | 18,221,217 | 100.00% | |
| 2013 | 18,972,464 | 18,972,464 | 100.00% | |
| 2014 | 18,893,576 | 18,893,576 | 100.00% | |
| 2015 | 19,730,639 | 19,730,639 | 100.00% | |
| 2016 | 20,276,014 | 20,276,014 | 100.00% | |
| 2017 | 21,298,130 | 21,298,130 | 100.00% | |
| 2018 | 21,982,063 | 21,982,063 | 100.00% | |
| 2019 | 22,388,803 | 22,388,803 | 100.00% | |

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

GLASSBORO SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

| Fiscal Year Ended June 30, | Governmental Activities | | | | Total District | Percentage of Personal Income | Per Capita |
|----------------------------------|--------------------------------|-------------------------------------|-------------------|---|-------------------|-------------------------------------|------------|
| | General Obligation Bonds | Certificates of Participation | Capital Leases | Bond Anticipation Notes (BANs) | | | |
| 2010 | \$ 13,560,000 | | \$ 1,507,732 | | \$ 15,067,732 | 1.93% | 811 |
| 2011 | 12,290,000 | | 1,367,777 | | 13,657,777 | 1.68% | 732 |
| 2012 | 10,985,000 | | 1,051,848 | | 12,036,848 | 1.43% | 639 |
| 2013 | 9,625,000 | | 664,585 | | 10,289,585 | 1.20% | 544 |
| 2014 | 8,200,000 | | 1,377,026 | | 9,577,026 | 1.08% | 503 |
| 2015 | 6,730,000 | | 2,636,629 | | 9,366,629 | 1.00% | 488 |
| 2016 | 28,842,000 | | 1,622,929 | | 30,464,929 | 3.08% | 1,539 |
| 2017 | 26,282,000 | | 681,825 | | 26,963,825 | 2.57% | 1,347 |
| 2018 | 23,577,000 | | 532,573 | | 24,109,573 | N/A | 1,206 |
| 2019 | 20,787,000 | | 479,890 | | 21,266,890 | N/A | N/A |

N/A - At the time of CAFR completion, this data was not available.

GLASSBORO SCHOOL DISTRICT
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

| Fiscal Year Ended June 30, | General Bonded Debt Outstanding | | Net General Bonded Debt Outstanding | Percentage of Actual Taxable Value of Property | Per Capita |
|----------------------------------|---------------------------------|------------|---|---|------------|
| | General Obligation Bonds | Deductions | | | |
| 2010 | \$ 13,560,000 | | \$ 13,560,000 | 2.00% | 730 |
| 2011 | 12,290,000 | | 12,290,000 | 1.03% | 659 |
| 2012 | 10,985,000 | | 10,985,000 | 0.92% | 583 |
| 2013 | 9,625,000 | | 9,625,000 | 0.81% | 509 |
| 2014 | 8,200,000 | | 8,200,000 | 0.69% | 430 |
| 2015 | 6,730,000 | | 6,730,000 | 0.57% | 351 |
| 2016 | 28,842,000 | | 28,842,000 | 2.39% | 1,457 |
| 2017 | 26,282,000 | | 26,282,000 | 2.16% | 1,313 |
| 2018 | 23,577,000 | | 23,577,000 | 1.92% | 1,179 |
| 2019 | 20,787,000 | | 20,787,000 | 1.66% | N/A |

N/A - At the time of CAFR completion, this data was not available.

GLASSBORO SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2019
 Unaudited

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable | Estimated Share of Overlapping Debt |
|---|---------------------|---------------------------------------|--|
| Debt repaid with property taxes | | | |
| Glassboro Borough | \$ 33,007,468 | 100.00% | \$ 33,007,468 |
| Gloucester County General Obligation Debt | 239,123,500 | 4.61% | 11,020,740 |
| Subtotal, overlapping debt | | | 44,028,208 |
| Glassboro District Direct Debt | | | 20,787,000 |
| Total direct and overlapping debt | | | \$ 64,815,208 |

Sources: Debt outstanding data provided by each governmental unit.

GLASSBORO SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

| | Equalized valuation basis |
|---|---------------------------|
| 2018 | \$ 1,210,942,806 |
| 2017 | 1,161,515,826 |
| 2016 | 1,163,239,725 |
| | <u>\$ 3,535,698,357</u> |
| Average equalized valuation of taxable property | <u>\$ 1,178,566,119</u> |
| Debt limit (4% of average equalized value) | \$ 47,142,645 |
| Total net debt applicable to limit | <u>23,577,000</u> |
| Legal debt margin | <u>\$ 23,565,645</u> |

| | Fiscal Year | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Debt limit | \$ 47,435,650 | \$ 48,595,183 | \$ 48,638,352 | \$ 47,898,764 | \$ 46,827,175 | \$ 45,405,144 | \$ 44,962,939 | \$ 45,291,638 | \$ 46,198,365 | \$ 47,142,645 |
| Total net debt applicable to limit | 13,560,000 | 12,290,000 | 10,985,000 | 9,625,000 | 8,200,000 | 6,730,000 | 28,842,000 | 26,282,000 | 23,577,000 | 20,787,000 |
| Legal debt margin | <u>\$ 33,875,650</u> | <u>\$ 36,305,183</u> | <u>\$ 37,653,352</u> | <u>\$ 38,273,764</u> | <u>\$ 38,627,175</u> | <u>\$ 38,675,144</u> | <u>\$ 16,120,939</u> | <u>\$ 19,009,638</u> | <u>\$ 22,621,365</u> | <u>\$ 26,355,645</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 28.59% | 25.29% | 22.59% | 20.09% | 17.51% | 14.82% | 64.15% | 58.03% | 51.03% | 44.09% |

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

GLASSBORO SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

| Fiscal Year Ended June 30, | Population | Personal Income | Per Capita Personal Income * | Unemployment Rate |
|----------------------------------|------------|-----------------|---------------------------------|----------------------|
| 2009 | 19,841 | \$ 824,611,801 | \$ 41,561 | 10.90% |
| 2010 | 18,570 | 780,088,560 | 42,008 | 11.60% |
| 2011 | 18,657 | 811,336,959 | 43,487 | 11.30% |
| 2012 | 18,849 | 839,591,007 | 44,543 | 11.50% |
| 2013 | 18,927 | 858,509,793 | 45,359 | 7.90% |
| 2014 | 19,051 | 888,729,150 | 46,650 | 7.10% |
| 2015 | 19,199 | 940,443,816 | 48,984 | 6.30% |
| 2016 | 19,797 | 989,968,782 | 50,006 | 5.40% |
| 2017 | 20,011 | 1,050,697,566 | 52,506 | 4.60% |
| 2018 | 19,992 | N/A | N/A | N/A |
| 2019 | N/A | N/A | N/A | N/A |

N/A At the time of CAFR completion, this data was not available.
* Represents information for Gloucester County.

Source:

Population information provided by the NJ Department of Labor and Workforce Development. Personal income has been estimated based upon the municipal population and per capita personal income presented.

Per capita personal income estimated based upon the Census published by the U.S. Bureau of Economic Analysis.

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

GLASSBORO SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago
Unaudited

| Employer | 2019 | | | 2010 | | |
|-------------------------------------|-----------|------|---------------------------------------|-----------|------|---------------------------------------|
| | Employees | Rank | % of Total Municipal Employment | Employees | Rank | % of Total Municipal Employment |
| Amazon | 4,500 | 1 | N/A | | | |
| Rowan University | 3,500 | 2 | N/A | 1,300 | 4 | N/A |
| Inspira Health | 2,051 | 3 | N/A | | | |
| Jefferson Health | 2,015 | 4 | N/A | | | |
| Washington Township School District | 1,550 | 5 | N/A | 1,504 | 2 | N/A |
| Shop Rite | 1,300 | 6 | N/A | | | |
| County of Gloucester | 1,200 | 7 | N/A | 1,500 | 3 | N/A |
| US Foodservices | 1,014 | 8 | N/A | 800 | 7 | N/A |
| Monroe Township School District | 811 | 9 | N/A | 714 | 8 | N/A |
| Walmart - Turnersville | 800 | 10 | N/A | | | |
| Underwood Memorial Hospital | | | | 1,825 | 1 | N/A |
| Kennedy Health Alliance | | | | 1,200 | 5 | N/A |
| Missa Bay, LLC | | | | 950 | 6 | N/A |
| Valero | | | | 640 | 9 | N/A |
| Goodwin Pumps | | | | 640 | 10 | N/A |
| | 18,741 | | | 11,073 | | |

Source: Gloucester County Department of Economic Development and Employer Directly

Note: The information provided is for the County of Gloucester. Information at the municipal level is not readily available.

GLASSBORO SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
Unaudited

| Function/Program | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Instruction: | | | | | | | | | | |
| Regular | 163 | 135 | 138 | 138.8 | 136 | 133.5 | 140 | 139.1 | 138.2 | 136.2 |
| Special education | 66 | 61.3 | 59.8 | 52.5 | 53 | 55 | 60 | 58.1 | 55.1 | 53.1 |
| Other instruction | 9 | 4.5 | 7.2 | 9.2 | 14.3 | 10 | 10 | 11 | 15 | 14 |
| Support Services: | | | | | | | | | | |
| Student & instruction related services | 50.5 | 38.2 | 39.2 | 40.7 | 38.5 | 40.5 | 38.8 | 38.6 | 40 | 39 |
| General administration | 3 | 2.1 | 2.1 | 2.6 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 |
| School administrative services | 18 | 17.5 | 17.0 | 17.0 | 18 | 18 | 24.3 | 23.0 | 17 | 17 |
| Other administrative services | 3 | 3 | 3 | 3 | 5 | 5 | 5 | 5 | 5 | 5 |
| Central services | 7 | 7 | 7 | 7 | 7.5 | 7.5 | 7 | 6 | 6 | 6 |
| Administrative information technology | 2.5 | 2.5 | 2.5 | 2.5 | 3 | 3.3 | 3 | 3.5 | 5 | 5 |
| Plant operations & maintenance | 41.0 | 44.3 | 38.6 | 38.6 | 39.7 | 39.7 | 39 | 40 | 39 | 39 |
| Pupil transportation | 43.0 | 28 | 30 | 29 | 33 | 30 | 31 | 30 | 30.3 | 30.3 |
| Other support services | 1 | 1 | 1 | 1 | | 1 | 1 | 1 | 1 | 1 |
| Total | 407.0 | 344.4 | 345.8 | 341.4 | 350.1 | 345.6 | 361.2 | 357.4 | 353.7 | 347.7 |

Source: District Personnel Records

GLASSBORO SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
Unaudited

| Fiscal Year Ended June 30, | Enrollment | Operating Expenditures | Cost per Pupil | Percentage Change | Teaching Staff | Pupil/Teacher Ratio | | | Average Daily Enrollment (ADE) | Average Daily Attendance (ADA) | % Change Average Daily Enrollment | Student Attendance Percentage |
|----------------------------------|------------|---------------------------|-------------------|----------------------|-------------------|---------------------|--------|------|---|---|--|-------------------------------------|
| | | | | | | Elementary | Middle | High | | | | |
| 2010 | 2,215 | \$ 37,075,243 | \$ 16,738 | 8.54% | 198 | 13 | 11 | 17 | 2,115 | 2,000 | -4.51% | 94.6% |
| 2011 | 2,234 | 35,987,083 | 16,109 | -3.76% | 182 | 18 | 26 | 18 | 2,217 | 2,085 | 4.82% | 94.0% |
| 2012 | 2,212 | 36,348,315 | 16,432 | 2.01% | 183 | 18 | 12 | 10 | 2,222 | 2,121 | 0.23% | 95.5% |
| 2013 | 2,243 | 38,457,440 | 17,146 | 4.34% | 197 | 11 | 6 | 9 | 2,181 | 2,061 | -1.85% | 94.5% |
| 2014 | 2,209 | 39,646,954 | 17,948 | 4.68% | 191 | 13 | 11 | 11 | 2,195 | 2,074 | 0.64% | 94.5% |
| 2015 | 2,274 | 39,751,163 | 17,481 | -2.60% | 191 | 13 | 11 | 11 | 2,165 | 2,056 | -1.37% | 95.0% |
| 2016 | 2,168 | 40,789,790 | 18,814 | 7.63% | 210 | 13 | 10 | 15 | 2,101 | 1,995 | -2.96% | 95.0% |
| 2017 | 2,120 | 42,158,139 | 19,886 | 5.69% | 208 | 14 | 11 | 12 | 2,099 | 1,985 | -0.10% | 94.6% |
| 2018 | 2,033 | 43,162,103 | 21,231 | 6.76% | 202 | 11 | 10 | 9 | 1,988 | 1,833 | -5.29% | 92.2% |
| 2019 | 1,932 | 37,038,273 | 19,171 | -9.70% | 198 | 11 | 10 | 9 | 1,917 | 1,807 | -3.57% | 94.3% |

Source: Enrollment based on annual October District count.

GLASSBORO SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
Unaudited

| District Building | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <u>Elementary</u> | | | | | | | | | | |
| J. Harvey Rogers (1959) | | | | | | | | | | |
| Square feet | 39,192 | 39,192 | 39,192 | 39,192 | 39,192 | 39,192 | 39,192 | 39,192 | 39,192 | 39,192 |
| Capacity (students) | 289 | 289 | 289 | 289 | 289 | 289 | 289 | 289 | 289 | 289 |
| Enrollment | 299 | 338 | 335 | 326 | 319 | 338 | 298 | 300 | 283 | 269 |
| Dorothy Bullock (1993) | | | | | | | | | | |
| Square feet | 87,700 | 87,700 | 87,700 | 87,700 | 87,700 | 87,700 | 87,700 | 87,700 | 87,700 | 87,700 |
| Capacity (students) | 580 | 580 | 580 | 580 | 580 | 580 | 580 | 580 | 580 | 580 |
| Enrollment | 481 | 480 | 479 | 497 | 503 | 549 | 523 | 517 | 458 | 423 |
| Thomas E. Bowe (1972) | | | | | | | | | | |
| Square feet | 75,514 | 75,514 | 75,514 | 75,514 | 75,514 | 75,514 | 75,514 | 75,514 | 75,514 | 75,514 |
| Capacity (students) | 571 | 571 | 571 | 571 | 571 | 571 | 571 | 571 | 571 | 571 |
| Enrollment | 490 | 470 | 459 | 446 | 450 | 479 | 446 | 439 | 457 | 450 |
| <u>Middle</u> | | | | | | | | | | |
| Intermediate (1934) | | | | | | | | | | |
| Square feet | 60,671 | 60,671 | 60,671 | 60,671 | 60,671 | 60,671 | 60,671 | 60,671 | 60,671 | 60,671 |
| Capacity (students) | 466 | 466 | 466 | 466 | 466 | 466 | 466 | 466 | 466 | 466 |
| Enrollment | 346 | 341 | 315 | 331 | 292 | 269 | 274 | 319 | 291 | 278 |
| <u>High</u> | | | | | | | | | | |
| Glassboro High (1966) | | | | | | | | | | |
| Square feet | 113,915 | 113,915 | 113,915 | 113,915 | 113,915 | 113,915 | 113,915 | 113,915 | 113,915 | 113,915 |
| Capacity (students) | 765 | 765 | 765 | 765 | 765 | 765 | 765 | 765 | 765 | 765 |
| Enrollment | 599 | 614 | 624 | 643 | 631 | 639 | 569 | 545 | 523 | 512 |

Number of Schools at June 30, 2019

 Elementary = 3

 Middle = 1

 High = 1

Source: District Office

GLASSBORO SCHOOL DISTRICT
 General Fund
 Schedule of Required Maintenance Expenditures by School Facility
 Last Ten Fiscal Years Ending June 30
 Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-xxx

| * School Facilities | Gross Square Footage | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|--------------------------------|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| Administration | 6,530 | \$ 25,743 | \$ 26,936 | \$ 25,583 | \$ 27,824 | \$ 39,007 | \$ 29,807 | \$ 56,307 | \$ 55,231 | \$ 22,186 | \$ 24,298 | \$ 332,922 |
| Elsmere | 5,358 | 3,591 | 4,791 | 1,915 | | | | | | | | 10,297 |
| High School | 113,915 | 72,096 | 70,906 | 100,072 | 81,889 | 106,177 | 64,116 | 58,832 | 60,020 | 57,571 | 73,590 | 745,269 |
| Intermediate | 60,671 | 40,878 | 44,128 | 67,500 | 46,429 | 53,973 | 38,477 | 54,782 | 35,100 | 45,903 | 69,755 | 496,925 |
| Bowe | 75,514 | 23,169 | 25,876 | 23,325 | 27,518 | 21,148 | 22,772 | 29,214 | 33,548 | 131,568 | 130,365 | 468,503 |
| Bullock | 87,700 | 39,850 | 44,110 | 73,998 | 52,863 | 34,680 | 42,415 | 34,592 | 35,605 | 32,659 | 36,936 | 427,708 |
| Rodgers | 39,192 | 22,540 | 20,114 | 32,504 | 20,920 | 37,248 | 25,691 | 24,402 | 27,167 | 45,704 | 35,111 | 291,401 |
| Total School Facilities | | \$ 227,869 | \$ 236,861 | \$ 324,897 | \$ 257,443 | \$ 292,233 | \$ 223,278 | \$ 258,129 | \$ 246,671 | \$ 335,591 | \$ 370,055 | \$ 2,773,027 |

* School facilities as defined under EFCFA.
 (NJAC 6A:26-1.2 and NJAC 6:24-1.3)

Source: District records

GLASSBORO SCHOOL DISTRICT
Insurance Schedule
June 30, 2019
Unaudited

| | <u>Coverage</u> | <u>Deductible</u> |
|--|-----------------|-------------------|
| School Package Policy (Utica National Insurance Group) | | |
| Property - Blanket Buildings & Grounds | \$ 98,319,067 | |
| Commercial General Liability | 3,000,000 | |
| Commercial Inland Marine - Data Processing | 2,005,000 | \$ 500 |
| Commercial Crime (Western Surety Company) | | |
| Employee Theft | 100,000 | 500 |
| Commercial Automobile Liability (Utica National Insurance Group) | 1,000,000 | 10,000 |
| Worker's Compensation (Educational Risk Consortium) | 2,000,000 | |
| Commercial Umbrella Liability (Utica National Insurance Group) | 10,000,000 | |
| Surety Bonds | | |
| Treasurer (Western Surety Company) | 280,000 | |
| Business Administrator/Board Secretary (Selective Insurance) | 300,000 | |

Source: District records.

SINGLE AUDIT SECTION

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA
Wendy G. Fama, CPA
Denise R. Nevico, CPA
Deanna L. Roller, CPA, RMA

EXHIBIT K-1

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 Education
Glassboro School District
560 Joseph Bowe Boulevard
Glassboro, New Jersey 08028

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the Governmental Activities, the Business-type Activities, each major fund, and the aggregate remaining fund information of the Glassboro School District, in the County of Gloucester, State of New Jersey, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Glassboro School District's basic financial statements and have issued our report thereon dated December 12, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Glassboro School District's 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 Glassboro School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies 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 Glassboro School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542
Glassboro, New Jersey

December 12, 2019

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EXHIBIT K-2

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB 15-08**

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Glassboro School District
560 Joseph Bowe Boulevard
Glassboro, New Jersey 08028

Report on Compliance for Each Major Federal and State Program

We have audited the Glassboro School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Glassboro School District's major federal and state programs for the year ended June 30, 2019. Glassboro School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Glassboro School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08,

Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, Uniform Guidance, and New Jersey OMB's Circular 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Glassboro School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Glassboro School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedules of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and New Jersey OMB's Circular 15-08

We have audited the financial statements Glassboro School District as of and for the year ended June 30, 2019, and have issued our report thereon dated December 12, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and New Jersey OMB's Circular 15-08 and are not a required part of the 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditure of federal awards and state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542
Glassboro, New Jersey

December 12, 2019

GLASSBORO SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year ended June 30, 2019

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Federal FAIN Number | Grant or State Project Number | Program or Award Amount | Grant Period | | Balance June 30, 2018 | Carryover (Walkover) Amount | Cash Received | Budgetary Expenditures | Adjustments | Repayment of Prior Years' Balances | Balance at June 30, 2019 | | | Cumulative Total Expenditures |
|--|---------------------|---------------------|-------------------------------|-------------------------|--------------|---------|-----------------------|-----------------------------|---------------|------------------------|-------------|------------------------------------|--------------------------|------------------|----------------|-------------------------------|
| | | | | | From | To | | | | | | | Accounts Receivable | Deferred Revenue | Due to Grantor | |
| U.S. Department of Education | | | | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | | | | |
| Medical Assistance Program (SEMI) | 93.778 | 1905NJ5MAP | N/A | \$ 113,105 | 7/1/18 | 6/30/19 | | | \$ 110,312 | \$ (113,105) | | | \$ (2,793) | | | \$ 113,105 |
| Medical Assistance Program (SEMI) | 93.778 | 1805NJ5MAP | N/A | 93,023 | 7/1/17 | 6/30/18 | \$ (2,952) | | 2,952 | | | | | | | 93,023 |
| Total General Fund | | | | | | | (2,952) | | 113,264 | (113,105) | | | (2,793) | | | 206,128 |
| U.S. Department of Education | | | | | | | | | | | | | | | | |
| Passed-through State Department of Education | | | | | | | | | | | | | | | | |
| Special Revenue Fund | | | | | | | | | | | | | | | | |
| Title I, Part A | 84.010A | S010A160030 | NCLB173019 | 788,983 | 7/1/18 | 6/30/19 | | | 118,464 | (658,603) | | | (540,139) | | | 658,603 |
| Title I, Part A | 84.010A | S010A160030 | NCLB173018 | 738,950 | 7/1/17 | 6/30/18 | (226,923) | | 226,923 | | | | | | | 685,763 |
| Subtotal | 84.010A | | | | | | (226,923) | | 345,387 | (658,603) | | | (540,139) | | | |
| IDEA Part B, Basic Regular | 84.027 | H027A160100 | FT173019 | 594,628 | 7/1/18 | 6/30/19 | | | 386,863 | (590,867) | | | (204,004) | | | 590,867 |
| IDEA Part B, Basic Regular | 84.027 | H027A160100 | FT173018 | 610,296 | 7/1/17 | 6/30/18 | (222,243) | | 222,243 | | | | | | | 605,493 |
| Subtotal | 84.027 | | | | | | (222,243) | | 609,106 | (590,867) | | | (204,004) | | | |
| IDEA Part B, Preschool | 84.173 | H173A160114 | FT173019 | 24,847 | 7/1/18 | 6/30/19 | | | 22,164 | (22,164) | | | | | | 22,164 |
| Subtotal | 84.173 | | | | | | | | 22,164 | (22,164) | | | | | | |
| Total Special Education Cluste | | | | | | | (222,243) | | 631,270 | (613,031) | | | (204,004) | | | |
| Title II Part A | 84.367A | S367A160029 | NCLB173019 | 136,155 | 7/1/18 | 6/30/19 | | | | (58,413) | | | (58,413) | | | 58,413 |
| Title II Part A | 84.367A | S367A160029 | NCLB173018 | 164,681 | 7/1/17 | 6/30/18 | (20,646) | | 20,646 | | | | | | | 101,722 |
| Subtotal | 84.367A | | | | | | (20,646) | | 20,646 | (58,413) | | | (58,413) | | | |
| Title III | 84.365A | S365A160030 | NCLB173019 | 8,138 | 7/1/18 | 6/30/19 | | | | (1,589) | | | (1,589) | | | 1,589 |
| Title III | 84.365A | S365A160030 | NCLB173018 | 24,410 | 7/1/17 | 6/30/18 | (7,793) | | 7,793 | | | | | | | 16,272 |
| Title III Immigrant | 84.365A | S365A160030 | NCLB173018 | 2,303 | 7/1/17 | 6/30/18 | (2,303) | | 2,303 | | | | | | | 2,303 |
| Subtotal | 84.365A | | | | | | (10,096) | | 10,096 | (1,589) | | | (1,589) | | | |
| Title IV | 84.424A | S424A170031 | NCLB173019 | 45,625 | 7/1/18 | 6/30/19 | | | | (17,252) | | | (17,252) | | | 17,252 |
| Title IV | 84.424A | S424A170031 | NCLB173018 | 13,646 | 7/1/17 | 6/30/18 | (8,555) | | 8,555 | | | | | | | 8,555 |
| Subtotal | 84.424A | | | | | | (8,555) | | 8,555 | (17,252) | | | (17,252) | | | |
| Perkins Basic Entitlement | 84.048 | V048A160030 | 18-100-034-5060-027 | 15,519 | 7/1/18 | 6/30/19 | | | 8,487 | (15,382) | \$ 29 | | (6,866) | | | 15,382 |
| Perkins Basic Entitlement | 84.048 | V048A160030 | 17-100-034-5060-027 | 16,761 | 7/1/17 | 6/30/18 | (4,895) | | 4,895 | | | | | | | 13,510 |
| Subtotal | 84.048 | | | | | | (4,895) | | 13,382 | (15,382) | 29 | | (6,866) | | | |
| School Improvement Grants | 84.377 | S377A160031 | n/a | 439,198 | 9/1/18 | 8/31/19 | | | 131,197 | (412,639) | | | (281,442) | | | 412,639 |
| School Improvement Grants | 84.377 | S377A160031 | n/a | 813,093 | 9/1/17 | 8/31/18 | (295,379) | | 314,209 | (18,830) | | | | | | 813,833 |
| Subtotal | 84.377 | | | | | | (295,379) | | 445,406 | (431,469) | | | (281,442) | | | |
| Temporary Impact Aid | 84.938C | S98C18005 | n/a | 90,375 | 7/1/17 | 6/30/18 | (90,375) | | 90,375 | | | | | | | 90,375 |
| Total Special Revenue Fund | | | | | | | (879,112) | | 1,565,117 | (1,795,739) | 29 | | (1,109,705) | | | 90,375 |
| U.S. Department of Agriculture | | | | | | | | | | | | | | | | |
| Passed-through State Department of Education: | | | | | | | | | | | | | | | | |
| Enterprise Fund | | | | | | | | | | | | | | | | |
| School Breakfast Program | 10.553 | 191NJ304N1099 | N/A | 185,621 | 7/1/18 | 6/30/19 | | | 147,212 | (185,621) | | | (38,409) | | | 185,621 |
| School Breakfast Program | 10.553 | 181NJ304N1099 | N/A | 194,622 | 7/1/17 | 6/30/18 | (10,994) | | 10,994 | | | | | | | 194,622 |
| Subtotal | 10.553 | | | | | | (10,994) | | 158,206 | (185,621) | | | (38,409) | | | |
| Food Distribution Program | 10.555 | N/A | N/A | 70,690 | 7/1/18 | 6/30/19 | | | 70,690 | (63,449) | | | \$ 7,241 | | | 63,449 |
| Food Distribution Program | 10.555 | N/A | N/A | 73,131 | 7/1/17 | 6/30/18 | 7,775 | | | (7,775) | | | | | | 65,356 |
| National School Lunch Program | 10.555 | 171NJ304N1099 | N/A | 428,040 | 7/1/18 | 6/30/19 | | | 343,695 | (428,040) | | | (84,345) | | | 428,040 |
| National School Lunch Program | 10.555 | 171NJ304N1099 | N/A | 456,122 | 7/1/17 | 6/30/18 | (23,907) | | 23,907 | | | | | | | 456,122 |
| Subtotal | 10.555 | | | | | | (16,132) | | 438,292 | (499,264) | | | (84,345) | 7,241 | | |
| Total Child Nutrition Cluster | | | | | | | (27,126) | | 596,498 | (684,885) | | | (122,754) | 7,241 | | |
| Total Enterprise Fund | | | | | | | (27,126) | | 596,498 | (684,885) | | | (122,754) | 7,241 | | 1,393,210 |
| Total Federal Financial Awards | | | | | | | \$ (909,190) | | \$ 2,274,879 | \$ (2,593,729) | \$ 29 | | \$ (1,235,252) | \$ 7,241 | | \$ 1,689,713 |

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

GLASSBORO SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year ended June 30, 2019

| State Grantor/Program Title | Grant or State Project Number | Program or Award Amount | Grant Period | | Balance June 30, 2018 | | | | Budgetary Expenditures | Adjustments/Repayment of Prior Years' Balances | Balance June 30, 2019 | | | MEMO | |
|---|-------------------------------|-------------------------|--------------|---------|--|----------------|-----------------------------|---------------|------------------------|--|-----------------------|------------------------------------|----------------|----------------------|-------------------------------|
| | | | From | To | Deferred Revenue (Accounts Receivable) | Due to Grantor | Carryover (Walkover) Amount | Cash Received | | | Accounts Receivable | Deferred Revenue/Interfund Payable | Due to Grantor | Budgetary Receivable | Cumulative Total Expenditures |
| | | | | | | | | | | | | | | | |
| State Department of Education | | | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | | | |
| State Aid Public | | | | | | | | | | | | | | | |
| Equalization Aid | 19-495-034-5120-078 | 14,597,332 | 7/1/18 | 6/30/19 | | | | | \$ 14,597,332 | \$ (14,597,332) | | | | \$ 1,363,788 | \$ 14,597,332 |
| School Choice Aid | 19-495-034-5120-068 | 156,995 | 7/1/18 | 6/30/19 | | | | 156,995 | (156,995) | | | | | 15,699 | 156,995 |
| Extraordinary Aid | 19-495-034-5120-044 | 324,124 | 7/1/18 | 6/30/19 | | | | | (324,124) | | | | | | 324,124 |
| Extraordinary Aid | 18-495-034-5120-044 | 339,602 | 7/1/17 | 6/30/18 | | | \$ (339,602) | 339,602 | | | | | | | 339,602 |
| Emergency Aid | N/A | 1,746,858 | 7/1/18 | 6/30/19 | | | | 1,746,858 | (1,746,858) | | | | | | 1,746,858 |
| Reimbursement of Nonpublic Transportation | N/A | 39,537 | 7/1/18 | 6/30/19 | | | | | (39,537) | | | | (39,537) | | 39,537 |
| Reimbursement of Nonpublic Transportation | N/A | 41,180 | 7/1/17 | 6/30/18 | | | (41,180) | 41,180 | | | | | | | 41,180 |
| On-behalf TPAF Pension Contribution | 19-495-034-5095-002 | 2,971,383 | 7/1/18 | 6/30/19 | | | | 2,971,383 | (2,971,383) | | | | | | 2,971,383 |
| On-behalf TPAF Post-retirement Contribution | 19-495-034-5095-001 | 1,347,814 | 7/1/18 | 6/30/19 | | | | 1,347,814 | (1,347,814) | | | | | | 1,347,814 |
| On-behalf TPAF Long-term Disability Insurance | 19-495-034-5095-004 | 1,885 | 7/1/18 | 6/30/19 | | | | 1,885 | (1,885) | | | | | | 1,885 |
| Reimbursed TPAF Social Security Aid | 19-495-034-5094-003 | 1,227,822 | 7/1/18 | 6/30/19 | | | | 1,172,843 | (1,227,822) | | | | (54,979) | | 1,227,822 |
| Total General Fund | | | | | | | (380,782) | 22,375,892 | (22,413,750) | | | | (418,640) | 1,379,487 | 22,794,532 |
| Special Revenue Fund: | | | | | | | | | | | | | | | |
| Preschool Education Aid | 19-495-034-5120-086 | 495,680 | 7/1/18 | 6/30/19 | | | | 495,680 | (495,680) | | | | | 49,568 | 495,680 |
| NJ Nonpublic Aid: | | | | | | | | | | | | | | | |
| Textbook Aid | 19-100-034-5120-064 | 3,418 | 7/1/18 | 6/30/19 | | | | 3,418 | (3,133) | | | | | \$ 285 | 3,133 |
| Textbook Aid | 18-100-034-5120-064 | 3,944 | 7/1/17 | 6/30/18 | | | \$ 330 | | | | | | | | 3,614 |
| Auxiliary Services: | | | | | | | | | | | | | | | |
| Compensatory Education | 19-100-034-5120-067 | 8,629 | 7/1/18 | 6/30/19 | | | | 8,629 | (8,629) | | | | | | 8,629 |
| Compensatory Education | 18-100-034-5120-067 | 10,630 | 7/1/17 | 6/30/18 | | | | 5,758 | (5,758) | | | | | | 4,872 |
| Transportation | 19-100-034-5120-067 | 1,791 | 7/1/18 | 6/30/19 | | | | 1,791 | (1,045) | | | | 746 | | 1,045 |
| Transportation | 18-100-034-5120-067 | 2,168 | 7/1/17 | 6/30/18 | | | | 773 | (773) | | | | | | 1,395 |
| Handicapped Services: | | | | | | | | | | | | | | | |
| Corrective Speech | 19-100-034-5120-066 | 12,499 | 7/1/18 | 6/30/19 | | | | 12,499 | (7,946) | | | | | 4,553 | 7,946 |
| Corrective Speech | 18-100-034-5120-066 | 11,606 | 7/1/17 | 6/30/18 | | | | 2,499 | (2,499) | | | | | | 9,107 |
| Examination and Classification | 19-100-034-5120-066 | 9,828 | 7/1/18 | 6/30/19 | | | | 9,828 | (8,190) | | | | 1,638 | | 8,190 |
| Examination and Classification | 18-100-034-5120-066 | 11,830 | 7/1/17 | 6/30/18 | | | | 3,640 | (3,640) | | | | | | 8,190 |
| Supplementary Instruction | 19-100-034-5120-066 | 5,154 | 7/1/18 | 6/30/19 | | | | 5,154 | (4,758) | | | | 396 | | 4,758 |
| Supplementary Instruction | 18-100-034-5120-066 | 5,551 | 7/1/17 | 6/30/18 | | | | 2,221 | (2,221) | | | | | | 3,330 |
| Nursing Services Aid | 19-100-034-5120-070 | 6,208 | 7/1/18 | 6/30/19 | | | | 6,208 | (5,587) | | | | 621 | | 5,587 |
| Technology Initiative | 19-100-034-5120-373 | 2,304 | 7/1/18 | 6/30/19 | | | | 2,304 | (2,189) | | | | 115 | | 2,189 |
| Technology Initiative | 18-100-034-5120-373 | 2,664 | 7/1/17 | 6/30/18 | | | | 176 | (176) | | | | | | 2,488 |
| Security Aid | 19-100-034-5120-509 | 9,600 | 7/1/18 | 6/30/19 | | | | 9,600 | (917) | | | | 8,683 | | 917 |
| Security Aid | 18-100-034-5120-509 | 5,400 | 7/1/17 | 6/30/18 | | | | 612 | (612) | | | | | | 4,788 |
| Total Special Revenue Fund | | | | | | | 16,009 | 555,111 | (538,074) | | | | (16,009) | 17,037 | 49,568 |
| Debt Services Fund: | | | | | | | | | | | | | | | |
| Debt Service Aid Type II | 19-100-034-5120-075 | 678,311 | 7/1/18 | 6/30/19 | | | | 678,311 | (678,311) | | | | | | 678,311 |
| Total Debt Service Fund | | | | | | | | 678,311 | (678,311) | | | | | | 678,311 |

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

GLASSBORO SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year ended June 30, 2019

| State Grantor/Program Title | Grant or State Project Number | Program or Award Amount | Grant Period | | Balance June 30, 2018 | | | Cash Received | Budgetary Expenditures | Adjustments/Repayment of Prior Years' Balances | Balance June 30, 2019 | | | MEMO | |
|--|-------------------------------|-------------------------|--------------|---------|--|------------------|-----------------------------|------------------------|------------------------|--|-----------------------|------------------------------------|---------------------|----------------------|-------------------------------|
| | | | From | To | Deferred Revenue (Accounts Receivable) | Due to Grantor | Carryover (Walkover) Amount | | | | Accounts Receivable | Deferred Revenue/Interfund Payable | Due to Grantor | Budgetary Receivable | Cumulative Total Expenditures |
| State Department of Agriculture | | | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | | | |
| National School Lunch Program (State Share) | 18-100-010-3350-023 | 8,792 | 7/1/18 | 6/30/19 | | | 7,060 | (8,792) | | | (1,732) | | | | 8,792 |
| National School Lunch Program (State Share) | 18-100-010-3350-023 | 9,727 | 7/1/17 | 6/30/18 | (514) | | 514 | | | | | | | | 9,727 |
| Total Enterprise Fund | | | | | (514) | | 7,574 | (8,792) | | | (1,732) | | | | 18,519 |
| Total State Financial Assistance | | | | | <u>\$ (381,296)</u> | <u>\$ 16,009</u> | <u>\$ 23,616,888</u> | <u>\$ (23,638,927)</u> | <u>\$ (16,009)</u> | <u>\$ (420,372)</u> | | <u>\$ 17,037</u> | <u>\$ 1,429,055</u> | <u>\$ 25,003,977</u> | |
| Less: On-behalf TPAF Pension System Contributions | | | | | | | | | | \$ (4,321,082) | | | | | |
| Total for State Financial Assistance - Major Program Determination | | | | | | | | | | <u>\$ (19,317,845)</u> | | | | | |

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

GLASSBORO SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2019

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Glassboro School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state 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 of expenditures of awards and financial assistance are presented on 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 Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Therefore, some amounts presented in these schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of one or more deferred June state aid payments in the current budget year, which is mandated pursuant to NJSA 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June 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, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with NJSA 18A:22-4.2.

GLASSBORO SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2019

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$169,266 for the General Fund and \$62,224 for the Special Revenue 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 basic financial statements on a GAAP basis as follows:

| | Federal | State | Total |
|-------------------------------------|---------------------|----------------------|----------------------|
| General Fund | \$ 113,105 | \$ 22,583,016 | \$ 22,696,121 |
| Special Revenue Fund | 1,865,550 | 530,487 | 2,396,037 |
| Debt Service Fund | | 678,311 | 678,311 |
| Food Service Fund | 684,351 | 8,792 | 693,143 |
| Total awards & financial assistance | <u>\$ 2,663,006</u> | <u>\$ 23,800,606</u> | <u>\$ 26,463,612</u> |

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as the TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2019. The TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for the TPAF members for the year ended June 30, 2019.

NOTE 6: ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT MAJOR PROGRAM DETERMINATION

On-behalf State Programs for the TPAF Pension and Post-Retirement Medical Benefits Contributions are excluded from State single audit 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 amounts subject to State single audit and major program determination.

NOTE 7: INDIRECT COST RATE

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

GLASSBORO SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2019

NOTE 8: ADJUSTMENTS TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The amount of \$29 shown as an adjustment to the Perkins Basic Entitlement grant was due to the liquidation of a prior year encumbrance that was charged as an expenditure in the prior fiscal year.

GLASSBORO SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness(es) identified? yes X no
- 2) Significant deficiencies identified? yes X none reported

Noncompliance material to basic financial statements noted?

 yes X no

Federal Awards

Internal Control over major programs:

- 1) Material weakness(es) identified? yes X no
- 2) Significant deficiencies identified? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 SECTION .516(a)?

 yes X no

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>FAIN Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|-----------------------|--|
| 10.553 | 191NJ304N1099 | Child Nutrition Cluster: School Breakfast Program |
| 10.555 | 191NJ304N1099 | National School Lunch Program |
| 10.555 | 191NJ304N1099 | Food Distribution Program |

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

GLASSBORO SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Section I - Summary of Auditor's Results (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

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

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB's Circular Letter 15-08? yes X no

Identification of major programs:

| <u>GMIS Number(s)</u> | <u>Name of State Program</u> |
|-----------------------|------------------------------|
| 495-034-5120-078 | State Aid Public Cluster: |
| 495-034-5120-068 | Equalization Aid |
| N/A | School Choice Aid |
| 495-034-5120-086 | Emergency Aid |
| | Preschool Education Aid |

GLASSBORO SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Section II – Financial Statement Findings

No matters were reported.

***Section III – Federal Awards and State Financial Assistance Findings and
Questioned Costs***

FEDERAL AWARDS

No matters were reported.

STATE AWARDS

No matters were reported.

GLASSBORO SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

No matters were reported