

# *GLEN ROCK PUBLIC SCHOOLS*

## *COMPREHENSIVE ANNUAL FINANCIAL REPORT*

*FOR THE FISCAL YEAR ENDED  
JUNE 30, 2019*



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Glen Rock Public Schools**

**Glen Rock, New Jersey**

**For The Fiscal Year Ended June 30, 2019**

**Prepared by**

**Business Office**

**GLEN ROCK PUBLIC SCHOOLS  
TABLE OF CONTENTS**

**Page**

**INTRODUCTORY SECTION**

Letter of Transmittal	i-iv
Organizational Chart	v
Roster of Officials	vi
Consultants and Advisors	vii

**FINANCIAL SECTION**

Independent Auditor's Report	1-3
------------------------------	-----

**REQUIRED SUPPLEMENTARY INFORMATION- PART I**

Management's Discussion and Analysis	4-17
--------------------------------------	------

**Basic Financial Statements**

**A. District-wide Financial Statements**

A-1	Statement of Net Position	18
A-2	Statement of Activities	19

**B. Fund Financial Statements**

*Governmental Funds*

B-1	Balance Sheet	20-21
B-2	Statement of Revenues, Expenditures, and Changes in Fund Balances	22
B-3	Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances With the District-Wide Statements	23

*Proprietary Funds*

B-4	Statement of Net Position	24
B-5	Statement of Revenues, Expenses, and Changes in Net Position	25
B-6	Statement of Cash Flows	26

*Fiduciary Funds*

B-7	Statement of Fiduciary Net Position	27
B-8	Statement of Changes in Fiduciary Net Position	28

<b>Notes to the Financial Statements</b>	<b>29-70</b>
--	--------------

**GLEN ROCK PUBLIC SCHOOLS  
TABLE OF CONTENTS**

**Page**

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**C. Budgetary Comparison Schedules**

C-1	General Fund - Budgetary Comparison Schedule	71-75
C-2	Special Revenue Fund - Budgetary Comparison Schedule	76

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II**

C-3	Budgetary Comparison Schedule – Note to Required Supplementary Information	77
-----	--	----

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**L. Schedules Related to Accounting and Reporting for Pensions and OPEB (GASB 68 and 75)**

L-1	Required Supplementary Information – Schedule of the District’s Proportionate	78
L-2	Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	79
L-3	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	80
L-4	Notes to Required Supplementary Information – Net Pension Liability	81
L-5	Required Supplementary Information – Schedule of Changes in District’s Proportionate Share of Total OPEB Liability	82
L-6	Notes to Required Supplementary Information – OPEB Liability	83

**OTHER SUPPLEMENTARY INFORMATION**

**D. School Level Schedules (Not applicable)**

**E. Special Revenue Fund**

E-1	Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	84-85
E-2	Schedule of Preschool Education Aid Expenditures – Budgetary Basis – N/A	86

**F. Capital Projects Fund**

F-1	Summary Schedule of Project Expenditures	87
F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	88
F-2a-c	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis	89-91

**G. Proprietary Funds**

*Enterprise Fund*

G-1	Combining Statement of Net Position – N/A	92
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position – N/A	92
G-3	Combining Statement of Cash Flows – N/A	92



# GLEN ROCK PUBLIC SCHOOLS

## TABLE OF CONTENTS

### Page

#### **H. Fiduciary Funds**

H-1	Combining Statement of Assets and Liabilities	93
H-2	Combining Statement of Changes in Net Position – N/A	93
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	94
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	94

#### **I. Long-Term Debt**

I-1	Schedule of Serial Bonds	95
I-2	Schedule of Obligations under Capital Leases – Not Applicable	96
I-3	Debt Service Fund – Budgetary Comparison Schedule – Budget and Actual	97

#### **J. STATISTICAL SECTION (Unaudited)**

##### **Financial Trends**

J-1	Net Position by Component	98
J-2	Changes in Net Position	99-100
J-3	Fund Balances – Governmental Funds	101
J-4	Changes in Fund Balances – Governmental Funds	102

##### **Revenue Capacity**

J-5	General Fund Other Local Revenue by Source	103
J-6	Assessed Value and Actual Value of Taxable Property	104
J-7	Direct and Overlapping Property Tax Rates	105
J-8	Principal Property Taxpayers	106
J-9	Property Tax Levies and Collections	107

##### **Debt Capacity**

J-10	Ratios of Outstanding Debt by Type	108
J-11	Ratios of Net General Bonded Debt Outstanding	109
J-12	Direct and Overlapping Government Activities Debt	110
J-13	Legal Debt Margin Information	111

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

J-14	Demographic and Economic Statistics	112
J-15	Principal Employers	113

##### **Operating Information**

J-16	Full Time Equivalent District Employees by Function/Program	114
J-17	Operating Statistics	115
J-18	School Building Information	116
J-19	Schedule of Required Maintenance for School Facilities	117
J-20	Insurance Schedule	118

**GLEN ROCK PUBLIC SCHOOLS  
TABLE OF CONTENTS**

**Page**

**K.**

**SINGLE AUDIT SECTION**

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	119-120
K-2	Report on Compliance for each Major State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08	121-123
K-3	Schedule of Expenditures of Federal Awards	124
K-4	Schedule of Expenditures of State Financial Assistance	125
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	126-127
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results	128-129
K-7	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	130
K-7	Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs	131
K-8	Summary Schedule of Prior Year Findings	132

## **INTRODUCTORY SECTION**

# GLEN ROCK PUBLIC SCHOOLS

**Michael Rinderknecht**  
Business Administrator/  
Board Secretary



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

December 10, 2019

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

The comprehensive annual financial report of the Borough of Glen Rock Public Schools (District) for the fiscal year ended June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the shared management of the District, specifically the Chief School Administrator and Business Administrator. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects, and is reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

The school district provides a full range of educational services to grade levels K through 12 for the students residing in the Borough of Glen Rock. These include regular as well as special education for special needs students. The District completed the 2018-2019 fiscal year with an enrollment of 2,539 resident students, which is 4 less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2018-19	2,539	(.16%)
2017-18	2,543	1.92%
2016-17	2,495	1.34%
2015-16	2,462	.90%
2014-15	2,440	.58%
2013-14	2,426	1.04%
2012-13	2,401	(1.72%)
2011-12	2,443	(1.73%)
2010-11	2,486	(1.58%)
2009-10	2,526	(3.50%)

**2. ECONOMIC CONDITION AND OUTLOOK:** The Glen Rock community consists of over 3,800 single family residences. There are approximately 61 businesses located within a small central business district that prosper despite the abundance of magnet shopping malls in the area.

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

Currently, the public school system is comprised of six schools serving a population of approximately 2,600 students in grades K-12. The original Ridgewood-Grove School, which still stands as part of a private residence, has been replaced by four elementary schools - Richard E. Byrd, Central, Clara E. Coleman and Alexander Hamilton - plus Glen Rock Middle School and Glen Rock High School.

The Glen Rock School District founded on principles of education, in partnership with a supportive community, provides an exceptional education to all students to cultivate resilient, responsible and engaged global citizens based on the New Jersey Student Learning Standards. The board of education and staff join with parents to promote self-discipline, motivation, academic excellence to achieve its ultimate goal, which is to assist all children develop into independent, self-sufficient and productive adults who will succeed and contribute responsibly to the global community.

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

The K-12 Guidance Department offers well-rounded advisement that includes a character education component, career panels, college fairs, and the traditional post-secondary advisement and counseling. Glen Rock High School is home to a premier sports facility. The district offers an array of athletic sports and extracurricular clubs and activities for students across grade levels.

Partnerships for dual enrollment exist with Bergen Community College, Fairleigh Dickinson University, Seton Hall University and now Rutgers University. Initiatives include nationally recognized STEEM (Science, Technology, Engineering, Entrepreneurship & Mathematics) program, & Standards-Based Report Cards. The district also maintains a working relationship with the Glen Rock Arboretum where students engage in hands-on authentic science workshops.

A Security Director position has been created to serve as the School Safety Specialist in coordinating and maintaining a comprehensive security/school safety program as well as implement programs and activities to reduce school violence. The district is implementing initiatives that enhance the safety, health and wellbeing of our staff and students, thus enabling every student to achieve their fullest potential as lifetime learners.

This year Glen Rock residents successfully passed a \$14 million referendum which includes renovation and modernization of the High School/Middle School Media Center and the Auditorium at Central School. This referendum also includes the air conditioning of all elementary classrooms and a total makeover of the athletic/recreational fields located behind Hamilton Elementary School.

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

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

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

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

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

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

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

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

**9. OTHER INFORMATION:**

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

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

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

Respectfully submitted,



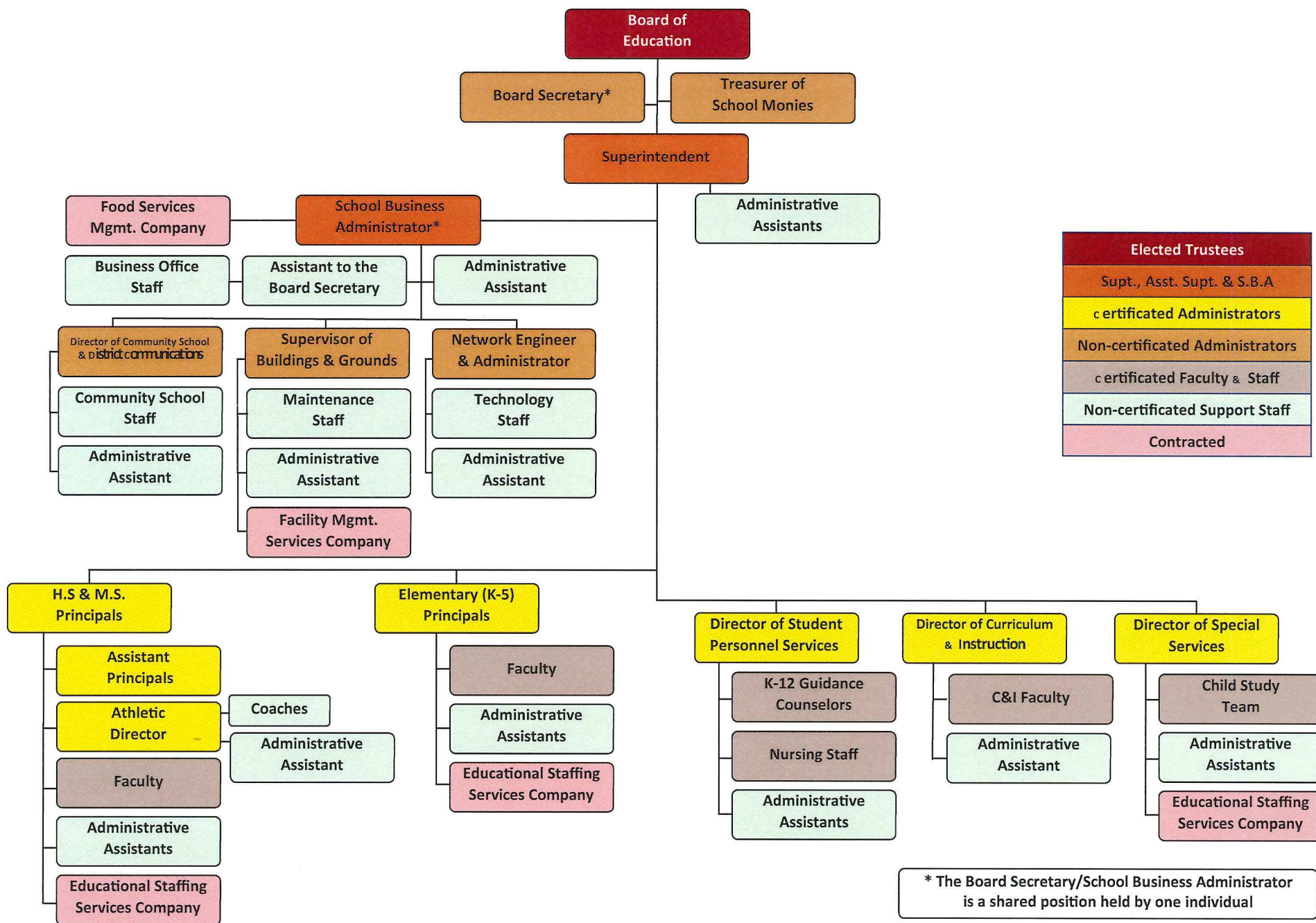
Brett Charleston  
Superintendent of Schools



Michael Rinderknecht  
School Business Administrator/  
Board Secretary



# Glen Rock Public Schools District Organizational Chart



Elected Trustees
Supt., Asst. Supt. & S.B.A
certificated Administrators
Non-certificated Administrators
certificated Faculty & Staff
Non-certificated Support Staff
Contracted

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

Approved by the Glen Rock Board of Education  
October 29, 2019



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

## **Roster of Officials 2019**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
<b>Ms. Sharon Scarpelli, President</b>	<b>2021</b>
<b>Mr. Sanjiv Ohri, Vice President</b>	<b>2019</b>
<b>Dr. Kevin Brennan</b>	<b>2019</b>
<b>Ms. Megan Findley</b>	<b>2020</b>
<b>Mr. Edmund Hayward</b>	<b>2020</b>
<b>Mr. Sheldon Hirschberg</b>	<b>2019</b>
<b>Ms. Rona McNabola</b>	<b>2020</b>
<b>Mr. Robert Scherer</b>	<b>2021</b>
<b>Mr. Bryon Torsiello</b>	<b>2021</b>

### **Other Officials**

**Mr. Bruce Watson., Interim Superintendent of Schools**

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

**Antoinette Kelly, Treasurer of School Monies**

# **GLEN ROCK PUBLIC SCHOOLS**

## **Consultants & Advisors**

**June 30, 2019**

### **District Auditor**

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

### **Attorney**

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

### **Official Depositories**

Bank of America  
208 Harristown Road  
Glen Rock, NJ 07452

## **FINANCIAL SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

## **INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Glen Rock Public Schools, as of and for the fiscal year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Glen Rock Public Schools as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

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

### *Other Information*

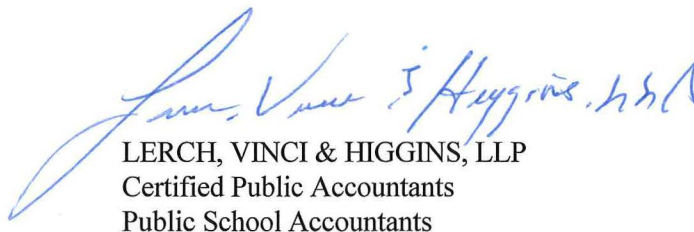
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Glen Rock Public Schools' basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures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

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

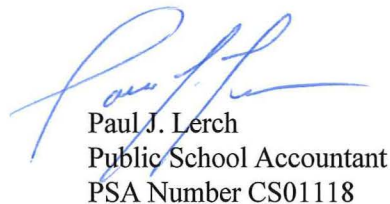
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with Government Auditing Standards, we have also issued our report dated December 10, 2019 on our consideration of the Glen Rock Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Glen Rock Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Glen Rock Public Schools' internal control over financial reporting and compliance.



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



Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
December 10, 2019

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

This discussion and analysis of the Glen Rock Public School's financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2019. The intent of this is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and the notes to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2019 are as follows:

- District-Wide - Overall revenues were \$66,626,493. General revenues accounted for \$49,553,223 or 74 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$17,073,270 or 26 percent of total revenues of \$66,626,493.
- District-Wide - The School District had \$65,602,362 in expenses; only \$17,073,270 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$49,553,223 were adequate to provide for these programs.
- Fund Financials - As of the close of the current fiscal year, the Glen Rock Public School's governmental funds reported combined ending fund balances of \$6,129,426 an increase of \$1,087,555 in comparison with the prior year.
- Fund Financials - At the end of June 30, 2019, unassigned fund balance for the General Fund was \$628,304 a decrease of \$7,207 in comparison with the prior year.



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

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

**District-wide Statements**

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

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

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

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

**District-wide Statements (Continued)**

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

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

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

**Fund Financial Statements**

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

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

The District has three kinds of funds:

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

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

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

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

**Fund Financial Statements (Continued)**

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

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

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

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

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

Table A-2 provides a summary of the school district's net position for fiscal years 2019 and 2018. For 2019 and 2018, net position were \$5,622,813 and \$4,598,682, respectively.

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

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

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

Table A-2  
Statement of Net Position  
As of June 30, 2019 and 2018

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Assets</b>						
Current and Other Assets	\$ 6,919,967	\$ 5,217,290	\$ 1,218,022	\$ 1,148,058	\$ 8,137,989	\$ 6,365,348
Capital Assets	<u>45,885,359</u>	<u>47,867,450</u>	<u>13,112</u>	<u>20,384</u>	<u>45,898,471</u>	<u>47,887,834</u>
<b>Total Assets</b>	<u>52,805,326</u>	<u>53,084,740</u>	<u>1,231,134</u>	<u>1,168,442</u>	<u>54,036,460</u>	<u>54,253,182</u>
<b>Deferred Outflows of Resources</b>						
Deferred Amounts on Refunding of Debt	2,750,550	3,063,758	-	-	2,750,550	3,063,758
Deferred Amounts on Net Pension Liability	<u>1,690,968</u>	<u>2,537,590</u>	<u>-</u>	<u>-</u>	<u>1,690,968</u>	<u>2,537,590</u>
<b>Total Deferred Outflows of Resources</b>	<u>4,441,518</u>	<u>5,601,348</u>	<u>-</u>	<u>-</u>	<u>4,441,518</u>	<u>5,601,348</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>57,246,844</u>	<u>58,686,088</u>	<u>1,231,134</u>	<u>1,168,442</u>	<u>58,477,978</u>	<u>59,854,530</u>
<b>Liabilities</b>						
Current Liabilities	1,275,541	678,920	612,723	509,372	1,888,264	1,188,292
Non-Current Liabilities	<u>47,429,904</u>	<u>51,207,921</u>	<u>-</u>	<u>-</u>	<u>47,429,904</u>	<u>51,207,921</u>
<b>Total Liabilities</b>	<u>48,705,445</u>	<u>51,886,841</u>	<u>612,723</u>	<u>509,372</u>	<u>49,318,168</u>	<u>52,396,213</u>
<b>Deferred Amounts on Net Pension Liability</b>	<u>3,536,997</u>	<u>2,859,635</u>	<u>-</u>	<u>-</u>	<u>3,536,997</u>	<u>2,859,635</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>52,242,442</u>	<u>54,746,476</u>	<u>612,723</u>	<u>509,372</u>	<u>52,855,165</u>	<u>55,255,848</u>
<b>Net Position:</b>						
Net Investment in Capital Assets	11,172,441	11,279,232	13,112	20,384	11,185,553	11,299,616
Restricted	2,207,557	1,143,855			2,207,557	1,143,855
Unrestricted	<u>(8,375,596)</u>	<u>(8,483,475)</u>	<u>605,299</u>	<u>638,686</u>	<u>(7,770,297)</u>	<u>(7,844,789)</u>
<b>Total Net Position</b>	<u>\$ 5,004,402</u>	<u>\$ 3,939,612</u>	<u>\$ 618,411</u>	<u>\$ 659,070</u>	<u>\$ 5,622,813</u>	<u>\$ 4,598,682</u>

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

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

**Governmental activities.** Governmental activities increased the District's net position by \$1,064,790. Key elements of this increase are as follows:

**Table A-3  
Changes in Net Position  
For the Fiscal Years Ended June 30, 2019 and 2018**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
<b>Revenues</b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Program Revenues						
Charges for Services	\$ 341,224	\$ 276,451	\$ 2,356,972	\$ 2,279,174	\$ 2,698,196	\$ 2,555,625
Operating Grants and Contributions	14,346,541	16,913,015			14,346,541	16,913,015
Capital Grants and Contributions	28,533	49,426			28,533	49,426
General Revenues						
Property Taxes	48,560,735	45,976,692			48,560,735	45,976,692
Other	992,044	862,808	444	-	992,488	862,808
<b>Total Revenues</b>	<b><u>64,269,077</u></b>	<b><u>64,078,392</u></b>	<b><u>2,357,416</u></b>	<b><u>2,279,174</u></b>	<b><u>66,626,493</u></b>	<b><u>66,357,566</u></b>
<b>Expenses</b>						
Instruction						
Regular	27,143,778	27,821,163			27,143,778	27,821,163
Special Education	9,103,622	8,895,937			9,103,622	8,895,937
Other Instruction	1,437,758	1,349,779			1,437,758	1,349,779
School Sponsored Activities and Ath.	1,617,568	1,544,499			1,617,568	1,544,499
Support Services						
Student and Instruction Related Serv.	8,557,365	9,365,201			8,557,365	9,365,201
Educational Media/School Library	994,909	1,118,832			994,909	1,118,832
General Administrative Services	1,299,593	1,292,970			1,299,593	1,292,970
School Administrative Services	4,757,709	4,852,112			4,757,709	4,852,112
Plant Operations and Maintenance	4,579,072	4,867,880			4,579,072	4,867,880
Pupil Transportation	1,063,883	957,459			1,063,883	957,459
Central Services	1,441,998	1,725,118			1,441,998	1,725,118
Food Service			549,969	537,142	549,969	537,142
Community School			1,748,106	1,589,835	1,748,106	1,589,835
Interest on Long-Term Debt	1,307,032	1,375,360	-	-	1,307,032	1,375,360
<b>Total Expenses</b>	<b><u>63,304,287</u></b>	<b><u>65,166,310</u></b>	<b><u>2,298,075</u></b>	<b><u>2,126,977</u></b>	<b><u>65,602,362</u></b>	<b><u>67,293,287</u></b>
Change in Net Position Before Transfers	964,790	(1,087,918)	59,341	152,197	1,024,131	(935,721)
Transfers	100,000	-	(100,000)	-	-	-
Net Position, Beginning of Year	3,939,612	5,027,530	659,070	506,873	4,598,682	5,534,403
Net Position, End of Year	<u>\$ 5,004,402</u>	<u>\$ 3,939,612</u>	<u>\$ 618,411</u>	<u>\$ 659,070</u>	<u>\$ 5,622,813</u>	<u>\$ 4,598,682</u>

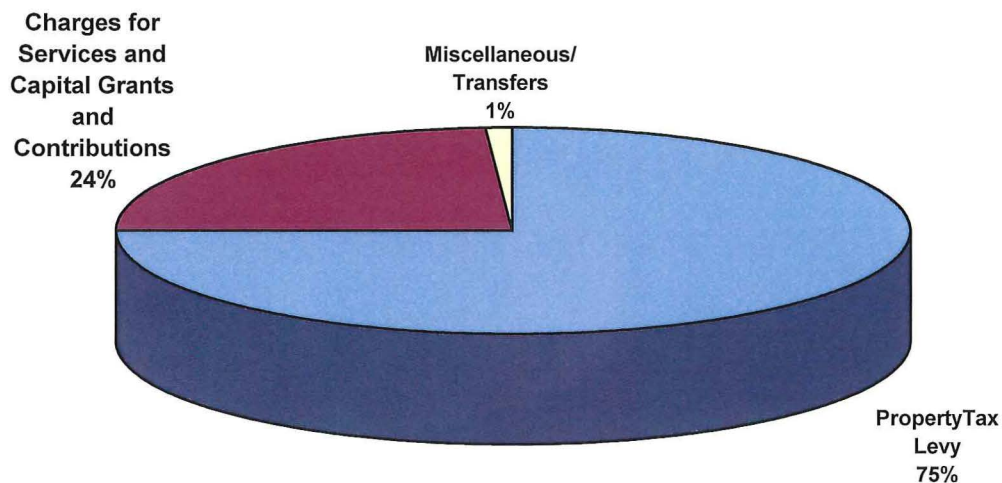
**GLEN ROCK PUBLIC SCHOOLS  
GLEN ROCK, NEW JERSEY**

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

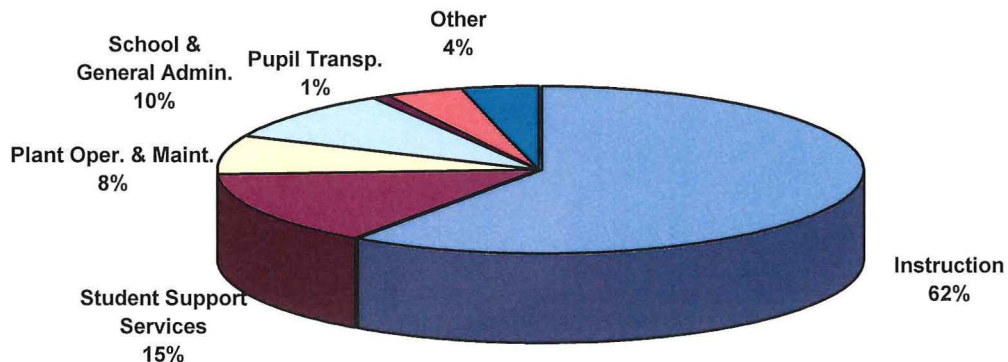
**Governmental activities.** The District's total governmental activities revenues were \$64,269,077. The local share of the revenues, that included property taxes, interest, unrestricted state aid, state aid restricted for debt service, miscellaneous revenue and transfers amounted to \$49,552,779 or 77% of total revenues. Funding from state, federal sources charges for services and capital grants and contributions amounted to \$14,716,298 or 23%. (See Table A-3)

The District's total governmental expenses were \$63,304,287 which are predominantly related to instruction and support services. Instruction totaled \$39,302,726 (62%), student support services totaled \$22,694,529 (36%) and interest on long-term debt total \$1,307,032 (2%) of total expenses. (See Table A-3.)

Revenues by Source- Governmental Activities  
For Fiscal Year 2019



Expenses by Type- Governmental Activities  
For Fiscal Year 2019



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

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

**Table A-4  
Total and Net Cost of Governmental Activities  
For the Fiscal Years Ended June 30, 2019 and 2018**

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Governmental Activities				
Instruction				
Regular	\$ 27,143,778	\$ 27,821,163	\$ 20,257,803	\$ 19,622,975
Special Education	9,103,622	8,895,937	5,501,489	5,248,855
Other Instruction	1,437,758	1,349,779	989,064	879,041
School Sponsored Activities and Athletics	1,617,568	1,544,499	1,135,135	975,865
	-			
Student and Instruction Related Svcs.	8,557,365	9,365,201	7,356,665	7,400,260
Educational Media/School Library	994,909	1,118,832	763,716	765,183
General Administrative Services	1,299,593	1,292,970	1,057,630	1,038,998
School Administrative Services	4,757,709	4,852,112	3,568,124	3,386,363
Plant Operations and Maintenance	4,579,072	4,867,880	4,324,488	4,690,199
Pupil Transportation	1,063,883	957,459	938,800	923,784
Central Services	1,441,998	1,725,118	1,388,043	1,620,535
Interest on Long-Term Debt	<u>1,307,032</u>	<u>1,375,360</u>	<u>1,307,032</u>	<u>1,375,360</u>
 Total Governmental Activities	 <u>\$ 63,304,287</u>	 <u>\$ 65,166,310</u>	 <u>\$ 48,587,989</u>	 <u>\$ 47,927,418</u>

**Business-Type Activities**

The cost of Business-Type Activities for the fiscal year ended June 30, 2019 was \$2,298,075. These costs were funded by charges for services (Detailed on Table A-3). The operations resulted in an increase in net position before transfers of \$59,341.



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

**Business-Type Activities (Continued)**

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

Food Service Program

- Food service revenues exceeded expenditures by \$5,074.
- Charges for services represent 100% percent of revenue.
- Revenues include lunches and ala carte meals paid for by the students and District staff.

Community School – Before and After Child Care

- Community School revenues exceeded expenses by \$54,267.
- Charges for services represent 100 percent of revenue.
- Revenues include tuition for Community School classes and child care programs.

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

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

As the District completed the 2018-2019 year, its governmental funds reported a combined fund balance of \$6,129,426 June 30, 2018 the fund balance was \$5,041,871.

**The District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$59,531,411 and expenditures were \$58,543,856.

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

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

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the governmental fund revenues for the fiscal years ended June 30, 2019 and 2018.

	<b>Fiscal Year Ended <u>June 30, 2019</u></b>	<b>Fiscal Year Ended <u>June 30, 2018</u></b>	<b>Amount of Increase (Decrease)</b>	<b>Percent Change</b>
Local Sources	\$ 49,133,793	\$ 46,435,801	\$ 2,697,992	5.81%
State Sources	9,826,232	8,529,250	1,296,982	15.21%
Federal Sources	<u>571,386</u>	<u>565,543</u>	<u>5,843</u>	1.03%
 Total Revenues	 <u>\$ 59,531,411</u>	 <u>\$ 55,530,594</u>	 <u>\$ 4,000,817</u>	 7.2%

The following schedule represents a summary of general fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal year ended June 30, 2019 and 2018.

	<b>Fiscal Year Ended <u>June 30, 2019</u></b>	<b>Fiscal Year Ended <u>June 30, 2018</u></b>	<b>Amount of Increase (Decrease)</b>	<b>Percent Change</b>
Instruction	\$ 33,514,226	\$ 31,334,707	\$ 2,179,519	6.96%
Support Services and Undistributed	20,853,512	20,680,660	172,852	0.84%
Capital Outlay	975,285	1,136,693	(161,408)	-14.20%
Debt Service				
Principal	1,670,000	1,484,000	186,000	12.53%
Interest and Other Charges	<u>1,530,833</u>	<u>1,603,181</u>	<u>(72,348)</u>	-4.51%
 Total Expenditures	 <u>\$ 58,543,856</u>	 <u>\$ 56,239,241</u>	 <u>\$ 2,304,615</u>	 4.1%

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

**General Fund Budgetary Highlights**

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

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

**Capital Assets.** The Glen Rock Public School's investment in capital assets for its governmental and business type activities as of June 30, 2019 amounts to \$45,898,471 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and building improvements, and machinery and equipment.

**Table A-5  
Capital Assets - Governmental Activities  
(net of accumulated depreciation) at June 30, 2019 and 2018**

	Total	
	<u>2019</u>	<u>2018</u>
Land	\$ 12,022	\$ 12,022
Construction In Progress	543,237	41,135
Land Improvements	4,020,328	3,993,261
Buildings and Building Improvements	67,910,295	67,556,360
Machinery and Equipment	<u>4,063,114</u>	<u>3,994,733</u>
 Total	 76,548,996	 75,597,511
 Less: Accumulated Depreciation	 <u>30,663,637</u>	 <u>27,730,061</u>
 Total	 <u>\$ 45,885,359</u>	 <u>\$ 47,867,450</u>

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

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

**Debt Administration.** As of June 30, 2019 the school district had long-term debt and outstanding long-term liabilities in the amount of \$47,429,904 as stated in Table A-6.

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

	<u><b>2019</b></u>	<u><b>2018</b></u>
Serial Bonds Including Premium	\$ 37,463,468	\$ 39,651,976
Net Pension Liability	8,741,950	10,375,147
Compensated Absences Payable	<u>1,224,486</u>	<u>1,180,798</u>
 Total	 <u>\$ 47,429,904</u>	 <u>\$ 51,207,921</u>

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

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

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

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

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

**FOR THE FUTURE**

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

Currently, the District is in superior financial condition. Everyone associated with the Glen Rock Board of Education is grateful for the community support of the schools, as evidenced by the successful passage of the District's March 12, 2019 referendum initiative. Student enrollment growth at the elementary schools continues to be an area of concern. The District is confident that the referendum building program will address overcrowding issues at the High School/Middle School facility and address numerous maintenance related infrastructure improvements at all of the District's schools. In the future, an environment of minimal state aid support and continued increases in New Jersey State mandates will result in a difficult balance of utilizing current district resources without comprising educational programs.

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

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

## **BASIC FINANCIAL STATEMENTS**

**GLEN ROCK PUBLIC SCHOOLS  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2019**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 5,195,556	\$ 2,783,212	\$ 7,978,768
Receivables, net	131,955	23,960	155,915
Internal Balances	1,592,456	(1,592,456)	-
Inventory		3,306	3,306
Capital Assets, net			
Not Being Depreciated	555,259		555,259
Being Depreciated	45,330,100	13,112	45,343,212
 Total Assets	 52,805,326	 1,231,134	 54,036,460
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Refunding of Debt	2,750,550		2,750,550
Deferred Amounts on Net Pension Liability	1,690,968	-	1,690,968
 Total Deferred Outflows of Resources	 4,441,518	 -	 4,441,518
 Total Assets and Deferred Outflows of Resources	 57,246,844	 1,231,134	 58,477,978
<b>LIABILITIES</b>			
Accounts Payable and Other Liabilities	734,626	35,747	770,373
Unearned Revenue	2,846	576,976	579,822
Accrued Interest Payable	485,000		485,000
Payable to Other Governments	53,069		53,069
Noncurrent Liabilities			
Due Within One Year	1,680,000		1,680,000
Due Beyond One Year	45,749,904	-	45,749,904
 Total Liabilities	 48,705,445	 612,723	 49,318,168
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	3,536,997	-	3,536,997
 Total Liabilities and Deferred Inflows of Resources	 52,242,442	 612,723	 52,855,165
<b>NET POSITION</b>			
Net Investment in Capital Assets	11,172,441	13,112	11,185,553
Restricted for			
Capital Projects	2,207,432		2,207,432
Debt Service	125		125
Unrestricted	(8,375,596)	605,299	(7,770,297)
 Total Net Position	 \$ 5,004,402	 \$ 618,411	 \$ 5,622,813

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

**GLEN ROCK PUBLIC SCHOOLS  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 27,143,778	\$ 128,413	\$ 6,729,029	\$ 28,533	\$ (20,257,803)		\$ (20,257,803)
Special Education	9,103,622		3,602,133		(5,501,489)		(5,501,489)
Other Instruction	1,437,758		448,694		(989,064)		(989,064)
School Sponsored Activities and Athletics	1,617,568	169,214	313,219		(1,135,135)		(1,135,135)
Support Services							
Student and Instruction Related Services	8,557,365		1,200,700		(7,356,665)		(7,356,665)
Educational Media/School Library	994,909		231,193		(763,716)		(763,716)
General Administrative Services	1,299,593		241,963		(1,057,630)		(1,057,630)
School Administrative Services	4,757,709		1,189,585		(3,568,124)		(3,568,124)
Plant Operations and Maintenance	4,579,072	43,597	210,987		(4,324,488)		(4,324,488)
Pupil Transportation	1,063,883		125,083		(938,800)		(938,800)
Central Services	1,441,998		53,955		(1,388,043)		(1,388,043)
Interest on Long-Term Debt	1,307,032	-	-	-	(1,307,032)	-	(1,307,032)
<b>Total Governmental Activities</b>	<b>63,304,287</b>	<b>341,224</b>	<b>14,346,541</b>	<b>28,533</b>	<b>(48,587,989)</b>	<b>-</b>	<b>(48,587,989)</b>
<b>Business-Type Activities</b>							
Food Service	549,969	555,043				\$ 5,074	5,074
Community School	1,748,106	1,801,929	-	-	-	53,823	53,823
<b>Total Business-Type Activities</b>	<b>2,298,075</b>	<b>2,356,972</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58,897</b>	<b>58,897</b>
<b>Total Primary Government</b>	<b>\$ 65,602,362</b>	<b>\$ 2,698,196</b>	<b>\$ 14,346,541</b>	<b>\$ 28,533</b>	<b>(48,587,989)</b>	<b>58,897</b>	<b>(48,529,092)</b>
<b>General Revenues and Transfers</b>							
Taxes:							
Property Taxes, Levied for General Purposes, Net					46,150,041		46,150,041
Property Taxes Levied for Debt Service					2,410,694		2,410,694
State Aid Restricted for Debt Service					759,622		759,622
Unrestricted State Aid					6,090		6,090
Miscellaneous Income					226,332	444	226,776
Transfers					100,000	(100,000)	-
<b>Total General Revenues and Transfers</b>					<b>49,652,779</b>	<b>(99,556)</b>	<b>49,553,223</b>
Change in Net Position					1,064,790	(40,659)	1,024,131
Net Position, Beginning of Year					3,939,612	659,070	4,598,682
Net Position, End of Year					<b>\$ 5,004,402</b>	<b>\$ 618,411</b>	<b>\$ 5,622,813</b>

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



## **FUND FINANCIAL STATEMENTS**

**GLEN ROCK PUBLIC SCHOOLS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 4,593,772		\$ 601,783	\$ 1	\$ 5,195,556
Receivables from Other Governments		\$ 131,955			131,955
Due from Other Funds	<u>1,705,878</u>	<u>-</u>	<u>-</u>	<u>124</u>	<u>1,706,002</u>
Total Assets	<u>\$ 6,299,650</u>	<u>\$ 131,955</u>	<u>\$ 601,783</u>	<u>\$ 125</u>	<u>\$ 7,033,513</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable and Other Liabilities	\$ 283,382	\$ 339	\$ 450,905		\$ 734,626
Due to Other Funds		78,547	34,999		113,546
Payable to State Government		53,069			53,069
Unearned Revenue	<u>2,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,846</u>
Total Liabilities	<u>286,228</u>	<u>131,955</u>	<u>485,904</u>	<u>-</u>	<u>904,087</u>
Fund Balances					
Restricted:					
Excess Surplus	1,184,899				1,184,899
Excess Surplus- Designated					
for Subsequent Year's Expenditures	1,141,945				1,141,945
Capital Reserve	1,531,553				1,531,553
Capital Reserve- Designated					
for Subsequent Year's Expenditures	560,000				560,000
Emergency Reserve	209,496				209,496
Capital Projects			115,879		115,879
Debt Service				\$ 125	125
Assigned:					
Year-End Encumbrances	608,406				608,406
Designated for Subsequent Years					
Expenditures	148,819				148,819
Unassigned:	<u>628,304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>628,304</u>
Total Fund Balances	<u>6,013,422</u>	<u>-</u>	<u>115,879</u>	<u>125</u>	<u>6,129,426</u>
Total Liabilities and Fund Balances	<u>\$ 6,299,650</u>	<u>\$ 131,955</u>	<u>\$ 601,783</u>	<u>\$ 125</u>	<u>\$ 7,033,513</u>

**GLEN ROCK PUBLIC SCHOOLS**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**AS OF JUNE 30, 2019**

**Total Government Fund Balances (B-1)** **\$ 6,129,426**

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$76,548,996 and the accumulated depreciation is \$30,663,637. 45,885,359

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

Deferred Outflows of Resources	\$ 1,690,968	
Deferred Inflows of Resources	<u>(3,536,997)</u>	
		(1,846,029)

The District has financed capital assets through the issuance of serial bonds. The interest accrual at year end is: (485,000)

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

Bonds Payable, net of Premium	\$ (37,463,468)	
Deferred Outflows of Resources- Deferred		
Amounts on Refunding of Debt	2,750,550	
Net Pension Liability	(8,741,950)	
Compensated Absences	<u>(1,224,486)</u>	
		<u>(44,679,354)</u>

**Net Position of Governmental Activities (Exhibit A-1)** **\$ 5,004,402**

**GLEN ROCK PUBLIC SCHOOLS**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 46,150,041			\$ 2,410,694	\$ 48,560,735
Miscellaneous	567,432	\$ 5,502	\$ 124	-	573,058
Total - Local Sources	46,717,473	5,502	124	2,410,694	49,133,793
State Sources	8,909,404	157,206		759,622	9,826,232
Federal Sources	-	571,386	-	-	571,386
Total Revenues	55,626,877	734,094	124	3,170,316	59,531,411
<b>EXPENDITURES</b>					
Current					
Regular Instruction	22,863,340	2,684			22,866,024
Special Education Instruction	7,669,748	501,910			8,171,658
Other Instruction	1,127,939	67,201			1,195,140
School Sponsored Activities and Athletics	1,281,404				1,281,404
Support Services					
Student and Instructional Related Services	7,880,862	136,966			8,017,828
Educational Media/School Library	847,879				847,879
General Administrative Services	1,145,711				1,145,711
School Administrative Services	4,001,168				4,001,168
Plant Operations and Maintenance	4,503,823				4,503,823
Pupil Transportation	1,053,158				1,053,158
Central Services	1,283,945				1,283,945
Debt Service					
Principal				1,670,000	1,670,000
Interest and Other Charges	15,896			1,514,937	1,530,833
Capital Outlay	381,281	25,333	568,671	-	975,285
Total Expenditures	54,056,154	734,094	568,671	3,184,937	58,543,856
Excess (Deficiency) of Revenues Over/(Under) Expenditures	1,570,723	-	(568,547)	(14,621)	987,555
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	134,875		725,685	124	860,684
Transfers Out	(725,685)	-	(34,999)	-	(760,684)
Total Other Financing Sources and (Uses)	(590,810)	-	690,686	124	100,000
Net Change in Fund Balances	979,913	-	122,139	(14,497)	1,087,555
Fund Balance (Deficit), Beginning of Year	5,033,509	-	(6,260)	14,622	5,041,871
Fund Balance, End of Year	\$ 6,013,422	\$ -	\$ 115,879	\$ 125	\$ 6,129,426

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

**GLEN ROCK PUBLIC SCHOOLS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**WITH THE DISTRICT-WIDE STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Total net change in fund balances - governmental funds (Exhibit B-2)** **\$ 1,087,555**

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

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

Capital Outlay	\$ 975,285	
Depreciation Expense	<u>(2,960,576)</u>	
		(1,985,291)

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

Increase in Capital Assets		3,200
----------------------------	--	-------

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

Increase Compensated Absences, Net	(43,688)	
Decrease in Net Pension Expense	<u>109,213</u>	
		65,525

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

Payment of Bond Principal	1,670,000	
Amortization of Bond Premium	518,508	
Amortization of Deferred Amounts on Refunding	<u>(313,208)</u>	
		1,875,300

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

The details are as follows:

Decrease in Accrued Interest		<u>18,501</u>
------------------------------	--	---------------

**Change in net position of governmental activities (Exhibit A-2)** **\$ 1,064,790**

**GLEN ROCK PUBLIC SCHOOLS  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2019**

<b>ASSETS</b>	<b><u>Food Service</u></b>	<b><u>Community School</u></b>	<b><u>Business-Type Activities Enterprise Fund Totals</u></b>
Current Assets:			
Cash and Cash Equivalents	\$ 100,850	\$ 2,682,362	\$ 2,783,212
Receivables- Other		23,960	23,960
Inventory	<u>3,306</u>	<u>-</u>	<u>3,306</u>
Total Current Assets	<u>104,156</u>	<u>2,706,322</u>	<u>2,810,478</u>
Capital Assets			
Equipment	159,916		159,916
Less: Accumulated Depreciation	<u>(146,804)</u>	<u>-</u>	<u>(146,804)</u>
Total Capital Assets, Net	<u>13,112</u>	<u>-</u>	<u>13,112</u>
Total Assets	<u>117,268</u>	<u>2,706,322</u>	<u>2,823,590</u>
<b>LIABILITIES</b>			
Current Liabilities			
Due to Other Funds		1,592,456	1,592,456
Accounts Payable	32,191	3,556	35,747
Unearned Revenue	<u>-</u>	<u>576,976</u>	<u>576,976</u>
Total Current Liabilities	<u>32,191</u>	<u>2,172,988</u>	<u>2,205,179</u>
<b>NET POSITION</b>			
Investment in Capital Assets	13,112		13,112
Unrestricted	<u>71,965</u>	<u>533,334</u>	<u>605,299</u>
Total Net Position	<u>\$ 85,077</u>	<u>\$ 533,334</u>	<u>\$ 618,411</u>

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

**GLEN ROCK PUBLIC SCHOOLS  
 PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Food Service</u>	<u>Community School</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
<b>OPERATING REVENUES</b>			
Tuition/Fees		\$ 1,801,929	\$ 1,801,929
Daily Sales	\$ 555,043	-	555,043
Total Operating Revenues	555,043	1,801,929	2,356,972
<b>OPERATING EXPENSES</b>			
Salaries, Benefits and Payroll Taxes	221,750	1,270,043	1,491,793
Cost of Sales	222,394		222,394
Trips		103,365	103,365
Purchased Services	78,943	256,316	335,259
Equipment Rental		6,629	6,629
Supplies and Materials	19,610	53,007	72,617
Miscellaneous Expenditures		58,746	58,746
Depreciation Expense	7,272	-	7,272
Total Operating Expenses	549,969	1,748,106	2,298,075
Operating Income	5,074	53,823	58,897
<b>NON-OPERATING REVENUES</b>			
Interest Earnings	-	444	444
Total Non-Operating Revenues	-	444	444
Change in Net Position Before Transfers	5,074	54,267	59,341
Transfers	-	(100,000)	(100,000)
Net Position, Beginning of Year	80,003	579,067	659,070
Net Position, End of Year	\$ 85,077	\$ 533,334	\$ 618,411

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

**GLEN ROCK PUBLIC SCHOOLS  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b><u>Food Service</u></b>	<b><u>Community School</u></b>	<b><u>Business-Type Activities Enterprise Fund Totals</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	\$ 555,043	\$ 1,880,442	\$ 2,435,485
Payments for Employees	(221,750)		(221,750)
Payments to Suppliers	<u>(305,215)</u>	<u>(154,643)</u>	<u>(459,858)</u>
Net Cash Provided By (Used For) Operating Activities	<u>28,078</u>	<u>1,725,799</u>	<u>1,753,877</u>
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>			
Payments to Other Funds	<u>-</u>	<u>(1,535,695)</u>	<u>(1,535,695)</u>
Net Cash (Used for) Non Capital Financing Activities	<u>-</u>	<u>(1,535,695)</u>	<u>(1,535,695)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest	<u>-</u>	<u>444</u>	<u>444</u>
Net Cash Provided By Investing Activities	<u>-</u>	<u>444</u>	<u>444</u>
Net Increase in Cash and Cash Equivalents	28,078	190,548	218,626
Cash and Cash Equivalents, Beginning of Year	<u>72,772</u>	<u>2,491,814</u>	<u>2,564,586</u>
Cash and Cash Equivalents, End of Year	<u>\$ 100,850</u>	<u>\$ 2,682,362</u>	<u>\$ 2,783,212</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>			
Operating Income/(Loss)	<u>\$ 5,074</u>	<u>\$ 53,823</u>	<u>\$ 58,897</u>
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used For) Operating Activities			
Depreciation Expense	7,272		7,272
Changes in Assets and Liabilities			
(Increase)/Decrease in Accounts Receivable		(8,330)	(8,330)
(Increase) Decrease in Inventories	231		231
Increase (Decrease) in Interfund Payable		1,592,456	1,592,456
Increase (Decrease) in Unearned Revenue		86,843	86,843
Increase (Decrease) in Accounts Payable	<u>15,501</u>	<u>1,007</u>	<u>16,508</u>
Total Adjustments	<u>23,004</u>	<u>1,671,976</u>	<u>1,694,980</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ 28,078</u>	<u>\$ 1,725,799</u>	<u>\$ 1,753,877</u>

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



**GLEN ROCK PUBLIC SCHOOLS  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2019**

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Trust Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 522,393	\$ 102,433	\$ 889,685
Due From Other Funds	<u>221,668</u>	<u>-</u>	<u>-</u>
Total Assets	<u>744,061</u>	<u>102,433</u>	<u>\$ 889,685</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings			\$ 259,752
Accrued Salary and Wages			344
Reserve for Flex Spending Benefits			44,865
Due to Other Funds			221,668
Due to Student Groups	<u>-</u>	<u>-</u>	<u>363,056</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 889,685</u>
<b>NET POSITION</b>			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 744,061</u>	<u>\$ 102,433</u>	

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

**GLEN ROCK PUBLIC SCHOOLS  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Trust Funds</u>
<b>ADDITIONS</b>		
Contributions		
Employee	\$ 35,274	
Investment Earnings		
Interest	<u>94</u>	\$ <u>19</u>
Total Additions	<u>35,368</u>	<u>19</u>
<b>DEDUCTIONS</b>		
Scholarship Awards		6,000
Unemployment Compensation Claims	<u>43,961</u>	<u>-</u>
Total Deductions	<u>43,961</u>	<u>6,000</u>
Change in Net Position	(8,593)	(5,981)
Net Position, Beginning of Year	<u>752,654</u>	<u>108,414</u>
Net Position, End of Year	<u>\$ 744,061</u>	<u>\$ 102,433</u>

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

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

**B. New Accounting Standards**

During fiscal year 2019, the District adopted the following GASB statement:

- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistency provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms association with debt will be disclosed.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

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

- GASB No. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.
- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective beginning with the fiscal year ending June 30, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

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

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

**District-Wide Financial Statements**

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

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

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

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

**Fund Financial Statements**

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

The District reports the following major governmental funds:

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

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

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

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

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

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

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

Additionally, the government reports the following fund types:

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

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

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

**Reclassifications**

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

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

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

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

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

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

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

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

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

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

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

***2. Receivables***

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

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

**3. *Inventories***

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

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

**4. *Capital Assets***

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

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

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

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

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

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



**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

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

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

***6. Compensated Absences***

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits.

A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

***7. Pensions***

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

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

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

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

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

GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

*Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2019 audited excess surplus that is required to be appropriated in the 2020/2021 original budget certified for taxes.

*Excess Surplus – Designated for Subsequent Year's Expenditures* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2018 audited excess surplus that was appropriated in the 2019/2020 original budget certified for taxes.

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

*Capital Reserve - Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2019/2020 District budget certified for taxes.

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

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

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

**Governmental Fund Statements (Continued)**

**Restricted Fund Balance (Continued)**

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

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

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

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2019/2020 District budget certified for taxes.

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

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

***10. Fund Balance Policies***

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

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

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**F. Revenues and Expenditures/Expenses**

***1. Program Revenues***

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

***2. Property Taxes***

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

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

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

Tuition Expenditures - Tuition charges for the fiscal years 2017-2018 and 2018-2019 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

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

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2018/2019. Also, during 2018/2019 the Board increased the original budget by \$750,999. The increase was funded by additional surplus appropriated, grant awards and the reappropriation of prior year general fund encumbrances.

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

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

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**B. Capital Reserve**

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2019 is as follows:

Balance, July 1, 2018	\$ 1,135,493
Increased by:	
Unexpended Project Funds Transferred from Capital Projects	\$ 34,875
Deposits Approved by Board Resolution	1,345,865
Deposits Approved in District Budget	<u>301,005</u>
Total Increases	<u>1,681,745</u>
Withdrawals:	
Approved in District Budget	<u>725,685</u>
Balance, June 30, 2019	<u>\$ 2,091,553</u>

The June 30, 2019 LRFP balance of local support costs of uncompleted capital projects is \$27,099,080. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan. \$560,000 of the capital reserve balance at June 30, 2019 was designated and appropriated for use in the 2019/2020 original budget certified for taxes.

**C. Emergency Reserve**

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

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

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**C. Emergency Reserve (Continued)**

The activity of the emergency reserve for the fiscal year ended June 30, 2019 is as follows:

Balance, July 1, 2018	\$ 406,000
Decreased by:	
Withdrawals Approved by Commissioner of Education	<u>196,504</u>
Balance, June 30, 2019	<u>\$ 209,496</u>

**D. Transfers to Capital Outlay**

During the 2018/2019 school year, the district transferred \$156,387 to the non-equipment capital outlay accounts. The transfer was approved by the County Superintendent to support an emergent circumstance pursuant to N.J.A.C. 6A:23A-13.3(h).

**E. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2019 is \$2,326,844. Of this amount, \$1,141,945 was designated and appropriated in the 2019/2020 original budget certified for taxes and the remaining amount of \$1,184,899 will be appropriated in the 2020/2021 original budget certified for taxes.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2019, the book value of the Board's deposits were \$9,493,279 and bank and brokerage firm balances of the Board's deposits amounted to \$11,369,023. The Board's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	\$ 10,966,131
Uninsured and Collateralized	<u>402,892</u>
	<u>\$ 11,369,023</u>

GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2019 the Board’s bank balance of \$402,892 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized

Collateral held by pledging financial institution's trust department not in the Board's name	\$ <u>402,892</u>
--	-------------------

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the “Local Authorities Fiscal Control Law,” (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2019, the Board had no outstanding investments.

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



**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**B. Receivables**

Receivables as of June 30, 2019 for the district's individual major funds in the aggregate are as follows:

	Special Revenue <u>Fund</u>	Community <u>School</u>	<u>Total</u>
Receivables:			
Accounts		\$ 23,960	\$ 23,960
Intergovernmental			
Federal	\$ 131,955	-	131,955
Net Total Receivables	<u>\$ 131,955</u>	<u>\$ 23,960</u>	<u>\$ 155,915</u>

**C. Unearned Revenue**

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

General Fund	
Student Laptop Replacement	\$ 2,846
Total Unearned Revenue for Governmental Funds	<u>\$ 2,846</u>

**GLEN ROCK PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**D. Capital Assets**

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

	Balance July 1, 2018	Increases	Decreases	Adjustments	Balance June 30, 2019
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 12,022				\$ 12,022
Construction in Progress	41,135	\$ 725,058	-	\$ (222,956)	543,237
Total capital assets, not being depreciated	53,157	725,058	-	(222,956)	555,259
Capital assets, being depreciated:					
Land Improvements	3,993,261	27,067			4,020,328
Buildings and Building Improvements	67,556,360	130,979		222,956	67,910,295
Machinery and Equipment	3,994,733	95,381	\$ (27,000)	-	4,063,114
Total capital assets being depreciated	75,544,354	253,427	(27,000)	222,956	75,993,737
Less accumulated depreciation for:					
Land Improvements	(1,539,298)	(182,070)			(1,721,368)
Buildings and Building Improvements	(22,776,381)	(2,661,725)			(25,438,106)
Machinery and Equipment	(3,414,382)	(116,781)	27,000	-	(3,504,163)
Total accumulated depreciation	(27,730,061)	(2,960,576)	27,000	-	(30,663,637)
Total capital assets, being depreciated, net	47,814,293	(2,707,149)	-	222,956	45,330,100
Governmental activities capital assets, net	\$47,867,450	\$ (1,982,091)	\$ -	\$ -	\$45,885,359

**GLEN ROCK PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**D. Capital Assets (Continued)**

	Balance <u>July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2019</u>
<b>Business-type activities:</b>				
Capital assets, being depreciated:				
Machinery and Equipment	\$ 159,916			\$ 159,916
Less accumulated depreciation for:				
Machinery and Equipment	<u>(139,532)</u>	<u>\$ (7,272)</u>	<u>-</u>	<u>(146,804)</u>
Business-type activities capital assets, net	<u>\$ 20,384</u>	<u>\$ (7,272)</u>	<u>-</u>	<u>\$ 13,112</u>

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

**Governmental activities:**

Instruction	
Regular	\$ 1,619,597
Special Education	352,851
Other Instruction	91,857
School-Sponsored Activities and Athletics	<u>75,418</u>
Total Instruction	<u>2,139,723</u>
Support Services	
Student and Instructional Related Services	256,130
Educational Media/School Library	55,668
School Administrative Services	286,433
General Administrative Services	58,261
Central Services	106,455
Plant Operations and Maintenance	50,683
Pupil Transportation	<u>7,223</u>
Total Support Services	<u>820,853</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,960,576</u>
<b>Business-Type Activities</b>	
Food Service Fund	<u>\$ 7,272</u>

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**D. Capital Assets (Continued)**

**Construction and Other Significant Commitments**

The District has the following active construction projects as of June 30, 2019:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Referendum - Facility Improvements	\$ 278,848	\$ 1,135,719
Tile Replacement Project	7,733	<u>364,726</u>
Total		<u>\$ 1,500,445</u>

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

The composition of interfund balances as of June 30, 2019, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue	\$ 78,547
General Fund	Capital Projects	34,875
General Fund	Community School	1,592,456
Debt Service	Capital Projects	124
Unemployment Fund	Payroll Agency	<u>221,668</u>
Total		<u>\$ 1,927,670</u>

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

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

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**E. Interfund Receivables, Payables, and Transfers (Continued)**

**Interfund transfers**

	Transfer In:			
	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service Fund</u>	<u>Total</u>
Transfer Out:				
Capital Projects Fund	\$ 34,875		\$ 124	\$ 34,999
General Fund- Capital Reserve		\$ 725,685		725,685
Community Program -				-
Enterprise Fund	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
				-
Total Transfers Out	<u>\$ 134,875</u>	<u>\$ 725,685</u>	<u>\$ 124</u>	<u>\$ 860,684</u>

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

**F. Leases**

**Operating Leases**

The District leases laptops under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2019 were \$409,602. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 409,602
2021	<u>124,317</u>
Total	<u>\$ 533,919</u>

**GLEN ROCK PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**G. Long-Term Debt**

**General Obligation Bonds**

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

Bonds payable at June 30, 2019 are comprised of the following issues:

\$32,910,000 2016 Refunding Bonds, due in annual installments of \$1,630,000 to \$2,925,000 through September 2033, interest at 4.25% to 4.75%	<u>\$ 32,910,000</u>
	<u>\$ 32,910,000</u>

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

**Governmental Activities:**

Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2020	\$ 1,630,000	\$ 1,455,000	\$ 3,085,000
2021	1,690,000	1,396,750	3,086,750
2022	1,755,000	1,327,850	3,082,850
2023	1,830,000	1,256,150	3,086,150
2024	1,905,000	1,181,450	3,086,450
2025-2029	10,720,000	4,634,525	15,354,525
2030-2034	<u>13,380,000</u>	<u>1,733,500</u>	<u>15,113,500</u>
Total	<u>\$ 32,910,000</u>	<u>\$ 12,985,225</u>	<u>\$ 45,895,225</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2019 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 102,760,071
Less: Net Debt	<u>47,628,320</u>
Remaining Borrowing Power	<u>\$ 55,131,751</u>

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2019, was as follows:

	Balance, July 1, 2018	Additions	Reductions	Balance, June 30, 2019	Due Within One Year
<b>Governmental activities:</b>					
Bonds Payable	\$ 34,580,000	-	\$ 1,670,000	\$ 32,910,000	\$ 1,630,000
Deferred Amounts					
Add: Premium	<u>5,071,976</u>	<u>-</u>	<u>518,508</u>	<u>4,553,468</u>	<u>-</u>
Total Bonds Payable	<u>39,651,976</u>	<u>-</u>	<u>2,188,508</u>	<u>37,463,468</u>	<u>1,630,000</u>
Net Pension Liability	10,375,147		1,633,197	8,741,950	
Compensated Absences	<u>1,180,798</u>	<u>\$ 79,858</u>	<u>36,170</u>	<u>1,224,486</u>	<u>50,000</u>
Governmental Activity Long-Term Liabilities	<u>\$ 51,207,921</u>	<u>\$ 79,858</u>	<u>\$ 3,857,875</u>	<u>\$ 47,429,904</u>	<u>\$ 1,680,000</u>

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

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

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

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

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

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

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

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

Year Ended <u>June 30,</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2019	\$ 35,274	\$ 43,961	\$ 744,061
2018	36,181	30,308	752,654
2017	36,708	17,460	746,781

**B. Contingent Liabilities**

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

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2019, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2019, the District has not estimated its arbitrage earnings due to the IRS, if any.



**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Plan Descriptions and Benefits Provided**

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

**Public Employees' Retirement System (PERS)** – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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

The following represents the membership tiers for PERS:

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

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

**Teachers' Pension and Annuity Fund (TPAF)** – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

The following represent the membership tiers for TPAF:

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

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

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

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PERS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Other Pension Funds**

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

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

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

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

**Plan Amendments**

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

**Measurement Focus and Basis of Accounting**

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

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

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Investment Valuation**

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

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

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2018 is \$19.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 53.60%. The collective net pension liability of the State funded TPAF at June 30, 2018 is \$63.81 billion and the plan fiduciary net position as a percentage of total pension liability is 26.49%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2017 which were rolled forward to June 30, 2018.

**Actuarial Methods and Assumptions**

In the July 1, 2017 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2019.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Employer and Employee Pension Contributions (Continued)**

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2019 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than this actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2019, 2018 and 2017 were equal to the required contributions.

During the fiscal years ended June 30, 2019, 2018 and 2017 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

<u>Year Ended</u> <u>June 30,</u>	<u>PERS</u>	<u>On-behalf</u> <u>TPAF</u>	<u>DCRP</u>
2019	\$ 446,486	\$ 3,809,032	\$ 6,212
2018	412,892	2,864,493	8,140
2017	422,559	2,071,855	5,312

In addition for fiscal years 2019, 2018 and 2017 the District contributed \$1,877, \$3,587 and \$1,872, respectively for PERS and the State contributed \$4,103, \$4,599 and \$5,073, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,420,890 during the fiscal year ended June 30, 2019 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 85.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Public Employees Retirement System (PERS)**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2017 through June 30, 2018. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits ("Division") administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2018 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2018.

At June 30, 2019, the District reported in the statement of net position (accrual basis) a liability of \$8,741,950 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating governmental entities, actuarially determined. At June 30, 2018, the District's proportionate share was .04440 percent, which was a decrease of .00017 percent from its proportionate share measured as of June 30, 2017 of .04457 percent.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$337,273 for PERS. The pension contribution made by the District during the current 2018/2019 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2019 with a measurement date of the prior fiscal year end of June 30, 2018. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2019 for contributions made subsequent to the measurement date. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 166,710	\$ 45,076
Changes of Assumptions	1,440,528	2,795,211
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		82,000
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>83,730</u>	<u>614,710</u>
Total	<u>\$ 1,690,968</u>	<u>\$ 3,536,997</u>

At June 30, 2019, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2020	\$ (65,826)
2021	(223,941)
2022	(786,359)
2023	(600,519)
2024	(169,384)
Thereafter	<u>-</u>
	<u>\$ (1,846,029)</u>

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Actuarial Assumptions***

The District's 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, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<b><u>PERS</u></b>
Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000

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

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.



**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2018 are summarized in the following table:

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

***Discount Rate***

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	5.66%
2018	June 30, 2017	5.00%

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Discount Rate (Continued)***

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

Period of Projected Benefit

Payments for which the Following  
Rates were Applied:

Long-Term Expected Rate of Return                      Through June 30, 2046

Municipal Bond Rate \*                                      From July 1, 2046  
and Thereafter

\* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 5.66%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.66 percent) or 1-percentage-point higher (6.66 percent) than the current rate:

	<b>1% Decrease <u>4.66%</u></b>	<b>Current Discount Rate <u>5.66%</u></b>	<b>1% Increase <u>6.66%</u></b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 10,991,995</u>	<u>\$ 8,741,950</u>	<u>\$ 6,854,306</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2018. A sensitivity analysis specific to the District's net pension liability at June 30, 2018 was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

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

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2018. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2018, the State's pension contribution was less than the actuarial determined amount.

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

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$7,042,991 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2019 the State's proportionate share of the net pension liability attributable to the District is \$120,813,268. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2018. At June 30, 2018, the State's share of the net pension liability attributable to the District was .18990 percent, which was an increase of .0057 percent from its proportionate share measured as of June 30, 2017 of .18420 percent.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

**Actuarial Assumptions**

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

	<b><u>TPAF</u></b>
Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55-4.55%
Thereafter	2.00-5.45%
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2006

Assumptions for mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational bases based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2018 are summarized in the following table:

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

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Discount Rate***

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

<b><u>Fiscal Year</u></b>	<b><u>Measurement Date</u></b>	<b><u>Discount Rate</u></b>
2019	June 30, 2018	4.86%
2018	June 30, 2017	4.25%

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

**Period of Projected Benefit**

Payments for which the Following  
Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2040
Municipal Bond Rate *	From July 1, 2040 and Thereafter

\* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.86%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.86 percent) or 1-percentage-point higher (5.86 percent) than the current rate:

	<b><u>1% Decrease (3.86%)</u></b>	<b><u>Current Discount Rate (4.86%)</u></b>	<b><u>1% Increase (5.86%)</u></b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 142,798,989</u>	<u>\$ 120,813,268</u>	<u>\$ 102,587,641</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2018. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2018 was not provided by the pension system.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Pension Plan Fiduciary Net Position***

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

**E. Post-Retirement Medical Benefits**

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

**Plan Description and Benefits Provided**

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

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

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2017:

Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>-</u>
Total	<u>362,181</u>

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2018 is \$46.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2017 which were rolled forward to June 30, 2018.



**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Actuarial Methods and Assumptions**

In the June 30, 2017 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Post-Retirement Medical Benefits Contributions**

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2018.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution, an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2019, 2018 and 2017 were \$1,727,770, \$1,850,115 and \$1,726,327, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2017 through June 30, 2018. Nonemployer allocation percentages have been rounded for presentation purposes.

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

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$3,228,277. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2019 the State's proportionate share of the OPEB liability attributable to the District is \$65,237,774. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2018. At June 30, 2018, the state's share of the OPEB liability attributable to the District was .14148 percent, which was an increase of .00426 percent from its proportionate share measured as of June 30, 2017 of .13722 percent.

**Actuarial Assumptions**

The OPEB liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases *	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.55%
Rate Thereafter	2.00% to 5.45%
Mortality	Preretirement 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. Postretirement 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 Disable Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.
Long-Term Rate of Return	1.00%

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

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

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For prescription drug benefits, the initial trend rate is 8.0 percent and decreases to a 5.0 percent long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium. The Medicare Advantage trend rate is 4.5 percent and will continue in all future years.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Long-Term Expected Rate of Return**

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% as of June 30, 2018.

**Discount Rate**

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	3.87%
2018	June 30, 2017	3.58%

The discount rate represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Changes in the Total OPEB Liability**

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2019 (measurement date June 30, 2018) is as follows:

	<u>Total OPEB Liability (State Share 100%)</u>
Balance, June 30, 2017 Measurement Date	<u>\$ 73,603,599</u>
Changes Recognized for the Fiscal Year:	
Service Cost	2,744,834
Interest on the Total OPEB Liability	2,703,393
Differences Between Expected and Actual Experience	(4,643,546)
Changes of Assumptions	(7,486,361)
Gross Benefit Payments	(1,744,435)
Contributions from the Member	60,290
<b>Net Changes</b>	<u>\$ (8,365,825)</u>
Balance, June 30, 2018 Measurement Date	<u>\$ 65,237,774</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58 percent in 2017 to 3.87 percent in 2018.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018. A change in the total OPEB liability specific to the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2018 was not provided by the pension system.

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Sensitivity of OPEB Liability**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.87%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

	<b>1% Decrease <u>(2.87%)</u></b>	<b>Current Discount Rate <u>(3.87%)</u></b>	<b>1% Increase <u>(4.87%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 77,124,329</u>	<u>\$ 65,237,774</u>	<u>\$ 55,789,190</u>

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

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability (School Retirees)	<u>\$ 53,922,820</u>	<u>\$ 65,237,774</u>	<u>\$ 80,202,234</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018 were not provided by the pension system.

**F. Subsequent Events**

On July 16, 2019, the District awarded the sale of bonds to Roosevelt and Cross in the amount of \$14,718,000 at an interest rate of 1.50-3.00%

## **BUDGETARY COMPARISON SCHEDULES**

**GLEN ROCK PUBLIC SCHOOLS  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final To Actual</b>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 46,150,041		\$ 46,150,041	\$ 46,150,041	
Miscellaneous	392,800	-	392,800	567,432	\$ 174,632
Total Revenues - Local Sources	46,542,841	-	46,542,841	46,717,473	174,632
State Sources					
Transportation Aid	131,824		131,824	131,824	
Special Education Aid	1,058,667	\$ 92,038	1,150,705	1,150,705	-
Security Aid	144,814	56,781	201,595	201,595	
Extraordinary Aid	189,960		189,960	657,421	467,461
On Behalf TPAF Pension System Contributions-					
(Non-Budgeted)- Normal					-
(Non-Budgeted)- NCGI Premium				3,730,934	3,730,934
(Non-Budgeted)-Post Retirement Medical Contribution				78,098	78,098
(Non-Budgeted)-Long Term Disability				1,727,770	1,727,770
Reimbursed TPAF Social Security Contributions-				4,103	
(Non-Budgeted)	-	-	-	1,420,890	1,420,890
Total State Sources	1,525,265	148,819	1,674,084	9,103,340	7,425,153
Total Revenues	48,068,106	148,819	48,216,925	55,820,813	7,599,785
<b>CURRENT EXPENDITURES</b>					
Instruction - Regular Programs					
Salaries of Teachers:					
Kindergarten	713,354	(52,795)	660,559	651,425	9,134
Grades 1 - 5	4,436,345	(52,688)	4,383,657	4,298,574	85,083
Grades 6 - 8	3,785,320	(5,261)	3,780,059	3,692,176	87,883
Grades 9 - 12	4,894,675	(2,714)	4,891,961	4,880,519	11,442
Regular Programs - Home Instruction					
Salaries of Teachers	12,500	(2,090)	10,410	10,360	50
Purchased Professional-Educational Services	5,000	17,884	22,884	22,884	-
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	11,000	(4,000)	7,000	6,000	1,000
Purchased Technical Services	74,015	(38,537)	35,478	6,399	29,079
Other Purchased Services	537,480	(8,473)	529,007	526,466	2,541
General Supplies	814,800	70,044	884,844	754,611	130,233
Textbooks	208,891	(45,413)	163,478	131,010	32,468
Other Objects	35,675	3,966	39,641	19,805	19,836
Total Instruction Regular Programs	15,529,055	(120,077)	15,408,978	15,000,229	408,749
Special Education					
Learning/Language Disabilities					
Salaries of Teachers	350,019	16,430	366,449	365,484	965
General Supplies	3,000	(739)	2,261	2,261	-
Total Learning/Language Disabilities	353,019	15,691	368,710	367,745	965
Resource Room/Resource Center					
Salaries of Teachers	2,306,671	150,953	2,457,624	2,456,796	828
General Supplies	18,200	(1,852)	16,348	14,632	1,716
Textbooks		-			-
Other Objects	1,000	-	1,000	318	682
Total Resource Room/Resource Center	2,325,871	149,101	2,474,972	2,471,746	3,226
Preschool Disabilities - Part Time					
Salaries of Teachers	108,822	1,077	109,899	109,899	-
General Supplies	1,000	156	1,156	1,131	25
Other Objects	2,650	(359)	2,291	2,290	1
Total Preschool Disabilities	112,472	874	113,346	113,320	26

**GLEN ROCK PUBLIC SCHOOLS  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final To Actual</b>
<b>CURRENT EXPENDITURES (Continued)</b>					
Home Instruction					
Salaries of Teachers	\$ 17,500	-	\$ 17,500	\$ 16,180	\$ 1,320
Purchased Professional-Educational Services	290,000	59,840	349,840	292,045	57,795
Total Home Instruction	307,500	59,840	367,340	308,225	59,115
Total Special Education	3,098,862	225,506	3,324,368	3,261,036	63,332
Basic Skills/Remedial					
Salaries of Teachers	462,575	6,211	468,786	468,354	432
General Supplies	2,800	(282)	2,518	2,453	65
Total Basic Skills/Remedial	465,375	5,929	471,304	470,807	497
Bilingual Education					
Salaries of Teachers	230,486	-	230,486	229,189	1,297
Other Purchased Services	1,000	5,000	6,000	213	5,787
General Supplies	5,000	(5,000)	-	-	-
Total Bilingual Education	236,486	-	236,486	229,402	7,084
School Sponsored Co/Extra Curricular Activities					
Salaries	164,573	-	164,573	151,272	13,301
Purchased Services	1,000	-	1,000	-	1,000
Supplies and Materials	57,600	5,616	63,216	39,807	23,409
Other Objects	8,250	288	8,538	7,724	814
Total School-Sponsored Co/Extra Curricular Activities	231,423	5,904	237,327	198,803	38,524
School Sponsored Athletics					
Salaries	506,576	-	506,576	478,909	27,667
Purchased Services	173,025	1,204	174,229	172,370	1,859
Supplies and Materials	43,350	3,368	46,718	37,415	9,303
Other Objects	50,500	-	50,500	44,352	6,148
Total School Sponsored Athletics	773,451	4,572	778,023	733,046	44,977
Total Instruction	20,334,652	121,834	20,456,486	19,893,323	563,163
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Special	342,581	(67,729)	274,852	274,852	-
Tuition to County Vocational School District - Regular	324,496	2,836	327,332	321,526	5,806
Tuition to County Vocational School District - Special	54,000	36,216	90,216	89,809	407
Tuition to CSSD & Reg. Day Schools	71,200	(3,340)	67,860	66,361	1,499
Tuition to APSSD Within State	2,248,242	(419,433)	1,828,809	1,681,822	146,987
Tuition to APSSD & Oth LEAs-Special-Out of State	-	229,384	229,384	229,384	-
Tuition - Other	506,506	(28,235)	478,271	423,447	54,824
Total Instruction	3,547,025	(250,301)	3,296,724	3,087,201	209,523
Attendance and Social Work					
Salaries	125,390	-	125,390	113,473	11,917
Purchased Professional and Technical Services	18,389	700	19,089	19,089	-
Other Purchased Services	400	-	400	-	400
Supplies and Materials	1,000	-	1,000	300	700
Other Objects	-	-	-	-	-
Total Attendance and Social Work	145,179	700	145,879	132,862	13,017

**GLEN ROCK PUBLIC SCHOOLS  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final To Actual</b>
<b>CURRENT EXPENDITURES (Continued)</b>					
Health Services					
Salaries	\$ 409,441	\$ 36,539	\$ 445,980	\$ 435,664	\$ 10,316
Purchased Professional and Technical Services	252,250	6,249	258,499	212,486	46,013
Other Purchased Services	1,000	(433)	567	517	50
Supplies and Materials	13,550	93,004	106,554	105,753	801
Other Objects	2,250	250	2,500	2,211	289
Total Health Services	678,491	135,609	814,100	756,631	57,469
Speech, OT/PT and Related Services					
Salaries	462,869	-	462,869	455,907	6,962
Purchased Professional/Educational Services	400,000	29,000	429,000	404,977	24,023
Supplies and Materials	3,300	(100)	3,200	2,236	964
Total Speech OT/PT and Related Services	866,169	28,900	895,069	863,120	31,949
Other Supp. Svcs.-Extraord. Serv.					
Salaries		6,864	6,864	6,864	-
Purchased Professional-Educational Services	2,377,337	(84,669)	2,292,668	2,198,610	94,058
Supplies and Materials	19,000	-	19,000	16,739	2,261
Total Other Support/Extraordinary Services	2,396,337	(77,805)	2,318,532	2,222,213	96,319
Guidance					
Salaries of Other Professional Staff	788,739	(835)	787,904	780,181	7,723
Salaries of Secretarial and Clerical Assistants	109,502	-	109,502	108,336	1,166
Other Salaries	2,436	-	2,436	1,901	535
Purchased Professional-Educational Services	99,237	3,363	102,600	99,600	3,000
Other Purchased Professional/Technical Services	11,000	-	11,000	5,539	5,461
Other Purchased Services	16,300	-	16,300	13,051	3,249
Supplies and Materials	23,190	(4,029)	19,161	8,267	10,894
Other Objects	4,550	-	4,550	3,051	1,499
Total Guidance	1,054,954	(1,501)	1,053,453	1,019,926	33,527
Child Study Team					
Salaries of Other Professional Staff	933,314	(20,173)	913,141	862,568	50,573
Salaries of Secretarial and Clerical Assistants	112,674	-	112,674	110,355	2,319
Other Salaries	63,000	-	63,000	41,822	21,178
Other Purchased Professional and Technical Services	72,935	7,269	80,204	78,360	1,844
Other Purchased Services	10,700	(155)	10,545	8,981	1,564
Supplies and Materials	22,000	(474)	21,526	18,092	3,434
Other Objects	700	(81)	619	319	300
Total Child Study Team	1,215,323	(13,614)	1,201,709	1,120,497	81,212
Improvement of Instruction					
Salaries of Secretarial Staff	77,715	91	77,806	65,479	12,327
Other Salaries	47,640	(91)	47,549	46,146	1,403
Other Purchased Professional and Technical Services	1,000	-	1,000	650	350
Other Purchased Services	4,000	(156)	3,844	722	3,122
Supplies and Materials	27,500	(15,661)	11,839	10,461	1,378
Other Objects	217,550	(5,150)	212,400	140,979	71,421
Total Improvement of Instruction	375,405	(20,967)	354,438	264,437	90,001
Educational Media Services/ School Library					
Salaries	504,657	(39,105)	465,552	465,149	403
Other Purchased Services	5,700	-	5,700	5,034	666
Supplies and Materials	78,000	21,021	99,021	88,203	10,818
Total Educational Media Services/ School Library	588,357	(18,084)	570,273	558,386	11,887



**GLEN ROCK PUBLIC SCHOOLS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final To Actual</b>
<b>CURRENT EXPENDITURES (Continued)</b>					
Instructional Staff Training Services					
Salaries of Other Professional Staff	\$ 104,742	-	\$ 104,742	\$ 103,803	\$ 939
Other Salaries	22,732	-	22,732	11,258	11,474
Purchased Professional Educational Services	36,482	\$ 1,131	37,613	14,540	23,073
Other Purchased Professional and Technical Services	5,000	-	5,000	3,000	2,000
Other Purchased Services	34,350	26,479	60,829	36,598	24,231
Supplies and Materials	100	-	100	-	100
<b>Total Instructional Staff Training Services</b>	<b>203,406</b>	<b>27,610</b>	<b>231,016</b>	<b>169,199</b>	<b>61,817</b>
Support Services General Administration					
Salaries	467,526	(57,461)	410,065	374,011	36,054
Legal Services	77,500	22,340	99,840	97,887	1,953
Audit Fees	44,500	48,737	93,237	60,737	32,500
Architectural/Engineering Services	15,000	(15,000)			-
Other Purchased Professional Services	49,750	8,294	58,044	46,488	11,556
Communications/Telephone	77,900	(1,217)	76,683	73,661	3,022
BOE Other Purchased Services	10,000	(3,841)	6,159	4,296	1,863
Miscellaneous Purchased Services	94,291	48,474	142,765	136,875	5,890
Supplies and Materials	5,500	1,217	6,717	5,769	948
Miscellaneous Expenditures	37,450	-	37,450	24,958	12,492
BOE Membership Dues and Fees	19,693	-	19,693	19,307	386
<b>Total Support Services General Administration</b>	<b>899,110</b>	<b>51,543</b>	<b>950,653</b>	<b>843,989</b>	<b>106,664</b>
Undistributed Expenditures					
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	1,565,969	(6,773)	1,559,196	1,557,013	2,183
Salaries of Other Professional Staff	245,045	80,007	325,052	325,052	-
Salaries of Secretarial Staff	512,811	-	512,811	509,058	3,753
Other Salaries	3,116	-	3,116	2,259	857
Purchased Professional and Technical Services	11,700	(200)	11,500	8,580	2,920
Other Purchased Services	46,250	573	46,823	34,163	12,660
Supplies and Materials	61,882	(2,784)	59,098	46,209	12,889
Other Objects	36,000	43	36,043	29,271	6,772
<b>Total Support Services School Administration</b>	<b>2,482,773</b>	<b>70,866</b>	<b>2,553,639</b>	<b>2,511,605</b>	<b>42,034</b>
Central Services					
Salaries	560,391	7,565	567,956	560,589	7,367
Purchased Technical Services	33,925	(444)	33,481	31,293	2,188
Miscellaneous Purchased Services	26,500	(2,476)	24,024	19,702	4,322
Supplies and Materials	8,000	599	8,599	7,089	1,510
Miscellaneous Expenditures	5,825	2,320	8,145	5,647	2,498
<b>Total Undistributed Expenditures - Central Services</b>	<b>634,641</b>	<b>7,564</b>	<b>642,205</b>	<b>624,320</b>	<b>17,885</b>
Admin. Info. Tech.					
Salaries	416,726	(36,211)	380,515	321,564	58,951
Purchased Professional Services	74,252	(26,344)	47,908	42,728	5,180
Other Purchased Services	3,300	(3,300)			-
Supplies and Materials	2,250	1,817	4,067	3,887	180
Other Objects	1,900	3,972	5,872	5,177	695
<b>Total Undistributed Expenditures - Admin. Info. Technology</b>	<b>498,428</b>	<b>(60,066)</b>	<b>438,362</b>	<b>373,356</b>	<b>65,006</b>
Required Maintenance for School Facilities					
Salaries	429,897	(2,296)	427,601	423,500	4,101
Cleaning, Repair and Maintenance Services	128,150	54,357	182,507	157,181	25,326
General Supplies	102,600	(32,671)	69,929	65,560	4,369
<b>Total Required Maint for School Facilities</b>	<b>660,647</b>	<b>19,390</b>	<b>680,037</b>	<b>646,241</b>	<b>33,796</b>

**GLEN ROCK PUBLIC SCHOOLS  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final To Actual</b>
<b>CURRENT EXPENDITURES (Continued)</b>					
Custodial Services					
Salaries	\$ 239,259	\$ 150,763	\$ 390,022	\$ 382,422	\$ 7,600
Salaries of Non-Instructional Aides	161,250	(161,250)			-
Purchased Professional and Technical Services	66,079	14,523	80,602	78,518	2,084
Cleaning, Repair and Maintenance Services	1,716,113	6,688	1,722,801	1,681,175	41,626
Other Purchased Property Services	31,250	9,318	40,568	40,568	-
Insurance	260,974	-	260,974	260,974	-
Miscellaneous Purchased Services	32,250	11	32,261	31,361	900
General Supplies	184,150	975	185,125	180,371	4,754
Energy (Electricity)	562,138	-	562,138	517,856	44,282
Energy (Natural Gas)	242,743	-	242,743	216,094	26,649
Other Objects	21,000	(7,662)	13,338	11,634	1,704
	<u>3,517,206</u>	<u>13,366</u>	<u>3,530,572</u>	<u>3,400,973</u>	<u>129,599</u>
Undistributed Expenditures					
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	140,000	79,197	219,197	180,889	38,308
General Supplies	18,000	(8,450)	9,550	8,192	1,358
	<u>158,000</u>	<u>70,747</u>	<u>228,747</u>	<u>189,081</u>	<u>39,666</u>
Total Care and Upkeep of Grounds					
Security					
Salaries	69,450	3,928	73,378	73,378	-
Cleaning, Repair and Maintenance Services	39,850	1,631	41,481	41,481	-
General Supplies	33,000	(11,996)	21,004	16,377	4,627
	<u>142,300</u>	<u>(6,437)</u>	<u>135,863</u>	<u>131,236</u>	<u>4,627</u>
Total Security					
Student Transportation Services					
Salaries of Non-Instructional Aides	8,500	1,678	10,178	10,178	-
Salaries for Pupil Trans (Bet Home & Sch)-Sp. Ed.	37,500	12,672	50,172	50,172	-
Cleaning, Repair and Maintenance Services	7,000	130	7,130	7,130	-
Contr Serv(Bet Home &Sch)-Vend	3,250	(3,250)			-
Contr Serv(Bet Home &Sch)-Vend		83	83	-	83
Contr Serv(Oth. Than Bet Home &Sch)-Vend	241,550	428	241,978	223,022	18,956
Contr Serv(Sp. Ed. Stdts)-Joint Agmnts	624,500	87,641	712,141	712,141	-
Miscellaneous Purchased Services-Transportation	26,500	250	26,750	26,750	-
Transportation Supplies	6,000	(4,000)	2,000	1,167	833
Other Objects	1,000	2,234	3,234	3,176	58
	<u>955,800</u>	<u>97,866</u>	<u>1,053,666</u>	<u>1,033,736</u>	<u>19,930</u>
Total Student Transportation Services					
Unallocated Employee Benefits					
Social Security Contributions	549,166	(2,982)	546,184	444,263	101,921
Other Retirement Contributions - PERS	452,319	(4,833)	447,486	446,486	1,000
Other Retirement Contributions - Regular		6,212	6,212	6,212	-
Workmen's Compensation	130,072	(41,285)	88,787	88,787	-
Health Benefits	6,626,198	(465,357)	6,160,841	5,682,175	478,666
Tuition Reimbursements	72,500	(2,836)	69,664	57,423	12,241
Other Employee Benefits	167,674	(3,376)	164,298	129,504	34,794
	<u>7,997,929</u>	<u>(514,457)</u>	<u>7,483,472</u>	<u>6,854,850</u>	<u>628,622</u>
Total Unallocated Employee Benefits					
On Behalf TPAF Pension System Contributions-					
(Non-Budgeted)- Normal				3,730,934	(3,730,934)
(Non-Budgeted)- NCGI Premium				78,098	(78,098)
(Non-Budgeted) Post Retirement and Medical Contribution				1,727,770	(1,727,770)
(Non-Budgeted) Long Term Disability				4,103	(4,103)
Reimbursed TPAF Social Security Contributions					
(Non-Budgeted)	-	-	-	1,420,890	(1,420,890)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,961,795</u>	<u>(6,961,795)</u>
Total TPAF Pension and Social Security Contributions					
Total Undistributed Expenditures	<u>29,017,480</u>	<u>(439,071)</u>	<u>28,578,409</u>	<u>33,765,654</u>	<u>(5,187,245)</u>
Interest Earned on Current Expense Emergency	300	-	300	-	300
Total Current Expenditures	<u>49,352,432</u>	<u>(317,237)</u>	<u>49,035,195</u>	<u>53,658,977</u>	<u>(4,623,782)</u>

**GLEN ROCK PUBLIC SCHOOLS  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CAPITAL OUTLAY</b>					
Equipment					
Undistributed expenditures - Instruction		\$ 8,774	\$ 8,774	\$ 8,774	-
Admin. Info. Tech.	\$ 130,000	2,000	132,000	96,974	\$ 35,026
Operations and Plant Maintenance		498,650	498,650	112,607	386,043
General Administration		232,714	232,714	232,714	232,714
School Administration	-	6,539	6,539	6,539	-
Total Equipment	130,000	748,677	878,677	224,894	653,783
Facilities Acquisition and Construction Services					
Architectural Services		156,387	156,387	156,387	-
Assessment for Debt Service on SDA funding	15,896	-	15,896	15,896	-
Total Facilities Acquisition and Construction Services	15,896	156,387	172,283	172,283	-
Increase in Capital Reserve	301,005	-	301,005	-	301,005
Interest Deposit to Capital Reserve	250	-	250	-	250
Total Expenditures - Capital Outlay	447,151	905,064	1,352,215	397,177	955,038
Total Expenditures - General Fund	49,799,583	587,827	50,387,410	54,056,154	(3,668,744)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,731,477)	(439,008)	(2,170,485)	1,764,659	3,935,144
Other Financing Sources/Uses					
Transfer In- Community School	100,000	-	100,000	100,000	-
Transfer In Capital Projects Fund- Capital Reserve	-	-	-	34,875	34,875
Transfer to Capital Projects Fund- Capital Reserve	(725,685)	-	(725,685)	(725,685)	-
Total Other Financing Sources/Uses	(625,685)	-	(625,685)	(590,810)	34,875
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(2,357,162)	(439,008)	(2,796,170)	1,173,849	3,970,019
Fund Balance, Beginning of Year	5,635,131	-	5,635,131	5,635,131	-
Fund Balance, End of Year	\$ 3,277,969	\$ (439,008)	\$ 2,838,961	\$ 6,808,980	\$ 3,970,019
<b>Recapitulation of Fund Balance</b>					
Restricted:					
Excess Surplus				\$ 1,184,899	
Excess Surplus- Designated for Subsequent Year's Expenditures				1,141,945	
Capital Reserve				1,531,553	
Capital Reserve- Designated for Subsequent Year's Expenditures				560,000	
Emergency Reserve				209,496	
Assigned:					
Year-End Encumbrances				608,406	
Designated for Subsequent Year's Expenditures				148,819	
Unassigned:				1,423,862	
Fund Balance (Budgetary Basis)				6,808,980	
Reconciliation to Governmental Fund Statements (GAAP)					
State Aid Payments Not Recognized on a GAAP Basis				795,558	
Fund Balance per Governmental Funds (GAAP Basis)				\$ 6,013,422	

**GLEN ROCK PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State Sources	\$ 172,558	\$ 37,717	\$ 210,275	\$ 157,206	\$ (53,069)
Federal Sources	483,232	119,953	603,185	571,386	(31,799)
Local Sources					
Miscellaneous	-	5,502	5,502	5,502	-
Total Revenues	655,790	163,172	818,962	734,094	(84,868)
<b>EXPENDITURES</b>					
Instruction					
Purchased Professional/Educational Services	21,364	12,674	34,038	22,760	11,278
Purchased Professional/Technical Services	23,525	1,117	24,642	17,677	6,965
Tuition	413,016	88,894	501,910	501,910	-
General Supplies	10,161	8,650	18,811	15,617	3,194
Textbooks	13,364	467	13,831	13,831	-
Total Instruction	481,430	111,802	593,232	571,795	21,437
Support Services					
Employee Salaries and Benefits	9,951	(9,951)	-	-	-
Purchased Professional & Technical Services	10,200	300	10,500	10,500	-
Purchased Professional - Educational Services	103,511	24,198	127,709	77,981	49,728
Other Purchased Professional Services	23,828	1,489	25,317	25,317	-
Cleaning, Repair, and Maintenance Services	4,502	6,362	10,864		10,864
Miscellaneous Purchased Services		1,710	1,710	1,710	-
General Supplies	22,368	1,929	24,297	21,458	2,839
Total Support Services	174,360	26,037	200,397	136,966	63,431
Facilities Acquisition and Construction					
Instructional Equipment		2,818	2,818	2,818	-
Non-Instructional Equipment	-	22,515	22,515	22,515	-
Total Facilities Acquisition and Construction	-	25,333	25,333	25,333	-
Total Expenditures	655,790	163,172	818,962	734,094	84,868
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

**GLEN ROCK PUBLIC SCHOOLS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

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

	<b><u>General</u></b>		<b><u>Special</u></b>	
	<b><u>Fund</u></b>		<b><u>Revenue</u></b>	
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis) "revenue"				
from the budgetary comparison schedules	C-1	\$ 55,820,813	C-2	\$ 734,094
Difference - Budget to GAAP:				
State Aid and Extraordinary payment recognized for GAAP purposes, not recognized for Budgetary statements (2017/2018 State Aids).		601,622		
State Aid and Extraordinary payment not recognized for GAAP purposes, recognized for Budgetary statements (2018/2019 State Aids).		<u>(795,558)</u>		<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	B-2	<u>\$ 55,626,877</u>	B-2	<u>\$ 734,094</u>
<b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	C-1	<u>\$ 54,056,154</u>	C-2	<u>\$ 734,094</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	B-2	\$ 54,056,154	B-2	\$ 734,094

**SCHOOL LEVEL SCHEDULES**

**(General Fund)**

**NOT APPLICABLE**

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**PENSION INFORMATION**

**AND**

**OTHER POST-EMPLOYMENT BENEFITS INFORMATION**

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

**Public Employees Retirement System**

**Last Six Fiscal Years\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.04440 %	0.04457 %	0.04756 %	0.04907 %	0.04762 %	0.04834 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 8,741,950	\$ 10,375,147	\$ 14,087,333	\$ 11,014,621	\$ 8,915,916	\$ 9,238,480
District's Covered Payroll	\$ 3,138,309	\$ 3,048,612	\$ 2,983,879	\$ 3,322,003	\$ 3,245,483	\$ 3,314,276
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	278.556 %	340.324 %	472.1 %	331.6 %	274.0 %	279.0 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.11%	40.14%	47.93%	52.08%	48.72%

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

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



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

**Public Employees Retirement System**

**Last Six Fiscal Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 446,486	\$ 412,892	\$ 422,559	\$ 421,847	\$ 392,579	\$ 369,910
Contributions in Relation to the Contractually Required Contribution	<u>446,486</u>	<u>412,892</u>	<u>422,559</u>	<u>421,847</u>	<u>392,579</u>	<u>369,910</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 3,138,309	\$ 3,048,612	\$ 2,983,879	\$ 3,322,003	\$ 3,245,483	\$ 3,314,276
Contributions as a Percentage of Covered Payroll	14.23 %	13.54 %	13.01 %	11.88 %	12.54 %	11.36 %

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

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

**Teachers Pension and Annuity Fund**

**Last Six Fiscal Years\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0 %	0 %	0 %	0 %	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	0 %	0 %	0 %	0 %	0 %	0 %
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 120,813,268</u>	<u>\$ 124,192,382</u>	<u>\$ 143,289,276</u>	<u>\$ 117,213,772</u>	<u>\$ 97,818,837</u>	<u>\$ 94,792,233</u>
Total	<u>\$ 120,813,268</u>	<u>\$ 124,192,382</u>	<u>\$ 143,289,276</u>	<u>\$ 117,213,772</u>	<u>\$ 97,818,837</u>	<u>\$ 94,792,233</u>
District's Covered Payroll	\$ 20,571,812	\$ 19,759,557	\$ 19,129,191	\$ 18,765,085	\$ 17,883,876	\$ 18,064,542
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0 %	0 %	0 %	0 %	0 %	0 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	36.44%	22.33%	28.71%	33.64%	33.76%

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

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

**GLEN ROCK PUBLIC SCHOOLS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Change of Benefit Terms:** None.

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

**GLEN ROCK PUBLIC SCHOOLS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF**  
**TOTAL OPEB LIABILITY**  
**POSTEMPLOYMENT HEALTH BENEFIT PLAN**  
**Last Two Fiscal Years\***

	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>		
Service Cost	\$ 2,744,834	\$ 3,327,294
Interest on OPEB Liability	2,703,393	2,328,946
Changes of Benefit Terms		-
Differences Between Expected and Actual Experience	(4,643,546)	-
Changes of Assumptions	(7,486,361)	(9,724,100)
Gross Benefit Payments	(1,744,435)	(1,642,767)
Contribution from the Member	<u>60,290</u>	<u>60,491</u>
<b>Net Change in Total OPEB Liability</b>	(8,365,825)	(5,650,136)
<b>Total OPEB Liability - Beginning</b>	<u>73,603,599</u>	<u>79,253,735</u>
<b>Total OPEB Liability - Ending</b>	<u><u>\$ 65,237,774</u></u>	<u><u>\$ 73,603,599</u></u>
 District's Proportionate Share of OPEB Liability	 \$ -	 \$ -
State's Proportionate Share of OPEB Liability	<u>65,237,774</u>	<u>73,603,599</u>
Total OPEB Liability - Ending	<u><u>\$ 65,237,774</u></u>	<u><u>\$ 73,603,599</u></u>
 District's Covered Payroll	 <u><u>\$ 24,738,034</u></u>	 <u><u>\$ 22,808,169</u></u>
 District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	  0%	  0%

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

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

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

**GLEN ROCK PUBLIC SCHOOLS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY**  
**AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Changes in Benefit Terms:** None.

**Changes of Assumptions** Assumptions used in calculating the OPEB liability are presented in Note 4E.

**SPECIAL REVENUE FUND**

**GLEN ROCK PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	ESEA				IDEA				
	Title IIA	Title IIA Carryover	Title III	Title IV	Part B Basic	Part B Pre-School	Miscellaneous	Totals Pg 2	Grand Totals
<b>REVENUES</b>									
Intergovernmental									
State Sources								\$ 157,206	\$ 157,206
Federal Sources	\$ 25,194	\$ 715	\$ 3,642	\$ 1,988	\$ 519,024	\$ 20,823		-	571,386
Local Sources								-	
Miscellaneous	-	-	-	-	-	-	\$ 5,502	-	5,502
<b>Total Revenues</b>	<u>\$ 25,194</u>	<u>\$ 715</u>	<u>\$ 3,642</u>	<u>\$ 1,988</u>	<u>\$ 519,024</u>	<u>\$ 20,823</u>	<u>\$ 5,502</u>	<u>\$ 157,206</u>	<u>\$ 734,094</u>
<b>EXPENDITURES</b>									
Instruction:									
Tuition					\$ 481,087	\$ 20,823			\$ 501,910
Purchased Prof. Educational Services								\$ 22,760	22,760
Purchased Prof. Tech Service								17,677	17,677
General Supplies			\$ 3,642				\$ 2,684	9,291	15,617
Textbooks	-	-	-	-	-	-	-	13,831	13,831
<b>Total Instruction</b>	<u>-</u>	<u>-</u>	<u>3,642</u>	<u>-</u>	<u>481,087</u>	<u>20,823</u>	<u>2,684</u>	<u>63,559</u>	<u>571,795</u>
Support Services									
Employee Salaries and Benefits									-
Purchased Professional Educational Services					37,937			40,044	77,981
Purchased Professional and Technical Services	\$ 10,500							10,500	10,500
Other Purchased Professional Services								25,317	25,317
Miscellaneous Purchased Services								1,710	1,710
General Supplies	14,694	\$ 715	-	\$ 1,988	-	-	-	4,061	21,458
<b>Total Support Services</b>	<u>25,194</u>	<u>715</u>	<u>-</u>	<u>1,988</u>	<u>37,937</u>	<u>-</u>	<u>-</u>	<u>71,132</u>	<u>136,966</u>
Facilities Acquisition and Construction Services									
Instructional Equipment							2,818	-	2,818
Non-Instructional Equipment	-	-	-	-	-	-	-	22,515	22,515
<b>Total Facilities Acq. &amp; Construction</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,818</u>	<u>22,515</u>	<u>25,333</u>
<b>Total Expenditures</b>	<u>\$ 25,194</u>	<u>\$ 715</u>	<u>\$ 3,642</u>	<u>\$ 1,988</u>	<u>\$ 519,024</u>	<u>\$ 20,823</u>	<u>\$ 5,502</u>	<u>\$ 157,206</u>	<u>\$ 734,094</u>

(Continued)

**GLEN ROCK PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Chapter 192/193</b>			<b>Auxiliary Services</b>	<b>Non-Public</b>				<b>Page 2</b>
	<b>Supplemental</b>	<b>Corrective</b>	<b>Examination/</b>	<b>Compensatory</b>	<b>Nursing</b>	<b>Textbook</b>	<b>Security</b>	<b>Technology</b>	<b>Totals</b>
	<b>Instruction</b>	<b>Speech</b>	<b>Classification</b>	<b>Education</b>					
<b>REVENUES</b>									
Intergovernmental									
State Sources	\$ 17,287	\$ 17,677	\$ 22,760	\$ 22,757	\$ 25,317	\$ 13,831	\$ 28,286	\$ 9,291	\$ 157,206
Federal Sources									
Local Sources									
Miscellaneous	-	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 17,287</u>	<u>\$ 17,677</u>	<u>\$ 22,760</u>	<u>\$ 22,757</u>	<u>\$ 25,317</u>	<u>\$ 13,831</u>	<u>\$ 28,286</u>	<u>\$ 9,291</u>	<u>\$ 157,206</u>
<b>EXPENDITURES</b>									
Instruction:									
Purchased Prof. Educational Services			\$ 22,760						\$ 22,760
Purchased Professional/ Technical Services		\$ 17,677							17,677
General Supplies								\$ 9,291	9,291
Textbooks	-	-	-	-	-	\$ 13,831	-	-	13,831
Total Instruction	<u>-</u>	<u>17,677</u>	<u>22,760</u>	<u>-</u>	<u>-</u>	<u>13,831</u>	<u>-</u>	<u>9,291</u>	<u>63,559</u>
Support Services									
Purchased Professional Educational Services	\$ 17,287			\$ 22,757					40,044
Other Purchased Professional Services					\$ 25,317				25,317
Miscellaneous Purchased Services							\$ 1,710		1,710
General Supplies	-	-	-	-	-	-	4,061	-	4,061
Total Support Services	<u>17,287</u>	<u>-</u>	<u>-</u>	<u>22,757</u>	<u>25,317</u>	<u>-</u>	<u>5,771</u>	<u>-</u>	<u>71,132</u>
Facilities Acquisition and Construction									
Instructional Equipment									-
Non-Instructional Equipment	-	-	-	-	-	-	22,515	-	22,515
Total Facilities Acquisition and Construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,515</u>	<u>-</u>	<u>22,515</u>
Total Expenditures	<u>\$ 17,287</u>	<u>\$ 17,677</u>	<u>\$ 22,760</u>	<u>\$ 22,757</u>	<u>\$ 25,317</u>	<u>\$ 13,831</u>	<u>\$ 28,286</u>	<u>\$ 9,291</u>	<u>\$ 157,206</u>



**GLEN ROCK PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOT APPLICABLE**

## **CAPITAL PROJECTS FUND**

**GLEN ROCK PUBLIC SCHOOLS  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Transfer Out</u>	<u>Balance, June 30, 2019</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Renovations, Alterations and Improvements at Central, Coleman and Byrd Elementary Schools, and the Glen Rock Middle/High School	\$ 14,718,320		\$ 278,848		\$ 14,439,472
High School/Middle School Floor Tile Project, High School/Middle School and Byrd Boiler Replacement, High School/Middle School Nurses Office HVAC Upgrades, High School/Middle School Security Project	725,685	\$ 41,135	289,823		394,727
High School/Middle School HVAC System, Tennis Court Rehabilitation, Coleman and Byrd Floor Tile Replacement and High School/Middle School Roof Replacement/Restoration	<u>986,900</u>	<u>952,025</u>	<u>-</u>	<u>\$ 34,875</u>	<u>-</u>
	<u>\$ 16,430,905</u>	<u>\$ 993,160</u>	<u>\$ 568,671</u>	<u>\$ 34,875</u>	<u>\$ 14,834,199</u>
<b><u>Reconciliation to Fund Balance - GAAP</u></b>					
Project Balances					\$ 14,834,199
Less-					
2018/19 Referendum Authorized but Not Issued					<u>(14,718,320)</u>
Fund Balance, GAAP Basis					<u>\$ 115,879</u>
<b><u>Recapitulation of Fund Balance - GAAP</u></b>					
Year End Encumbrances					\$ 1,500,445
Available for Capital Projects					<u>(1,384,566)</u>
Total Fund Balance Restricted for Capital Projects					<u>\$ 115,879</u>

**GLEN ROCK PUBLIC SCHOOLS**  
**SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGETARY BASIS**  
**CAPITAL PROJECTS FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**EXHIBIT F-2**

**Revenues and Other Financing Sources**

Interest on Investments	\$ 124
Transfer from Capital Reserve	<u>725,685</u>
 Total Revenues and Other Financing Sources	 <u>725,809</u>

**Expenditures and Other Financing Uses**

Purchased Prof/Tech Services	232,353
Bond Sale Costs	57,895
Construction Services	277,417
Miscellaneous	1,006
Transfer Out- Unexpended Project Balance- Capital Reserve	34,875
Transfer Out- Debt Service Fund	<u>124</u>
 Total Expenditures and Other Financing Uses	 <u>603,670</u>

Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	 122,139
---	-------------

Fund Balance (Deficit), Beginning of Year	<u>(6,260)</u>
---	----------------

Fund Balance, End of Year - Budgetary Basis	<u>\$ 115,879</u>
---	-------------------

Fund Balance, End of Year - GAAP Basis	<u>\$ 115,879</u>
--	-------------------

**GLEN ROCK PUBLIC SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
HIGH SCHOOL/MIDDLE SCHOOL FLOOR TILE PROJECT, HIGH SCHOOL/MIDDLE SCHOOL AND BYRD  
BOILER REPLACEMENT, HIGH SCHOOL/MIDDLE SCHOOL NURSES OFFICE HVAC UPGRADES, HIGH  
SCHOOL/MIDDLE SCHOOL SECURITY PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	-	\$ 725,685	\$ 725,685	\$ 725,685
 Total Revenues and Other Financing Sources	 -	 725,685	 725,685	 725,685
 <b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical services	\$ 40,100	11,400	51,500	52,100
Construction Services		277,417	277,417	662,585
Miscellaneous Expenditures	1,035	1,006	2,041	11,000
Transfer Out	-	-	-	-
 Total Expenditures and Other Financing Uses	 41,135	 289,823	 330,958	 725,685
 Excess (Deficiency) of Revenues over (under) Expenditures	 \$ (41,135)	 \$ 435,862	 \$ 394,727	 \$ -

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bonds Authorization Date	N/A
Bonds Authorized	\$ -
Bonds Issued	\$ -
Original Authorized Cost	\$ 725,685
Change Orders	N/A
Revised Authorized Cost	\$ 725,685
 Change Order Percentage	N/A
Percentage Completion	60.00%
Original Target Completion Date	12/31/2019
Revised Target Completion Date	12/31/2019

**GLEN ROCK PUBLIC SCHOOLS**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND**  
**PROJECT STATUS - BUDGETARY BASIS**  
**HIGH SCHOOL/MIDDLE SCHOOL HVAC SYSTEM, TENNIS COURT REHABILITATION**  
**COLEMAN AND BYRD FLOOR TILE REPLACEMENT AND HIGH SCHOOL/MIDDLE SCHOOL**  
**ROOF REPLACEMENT/RESTORATION**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
<b>Revenues and Other Financing Sources</b>				
Transfer From Capital Reserve	\$ 986,900	-	\$ 986,900	\$ 986,900
 Total Revenues and Other Financing Sources	 986,900	 -	 986,900	 986,900
 <b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical services	49,152		49,152	50,000
Construction Services	902,873		902,873	900,000
Miscellaneous Expenditures				36,900
Transfer Out	-	\$ 34,875	34,875	-
 Total Expenditures and Other Financing Uses	 952,025	 34,875	 986,900	 986,900
 Excess (Deficiency) of Revenues over (under) Expenditures	 \$ 34,875	 \$ (34,875)	 \$ -	 \$ -

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bonds Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 986,900
Change Orders	-
Revised Authorized Cost	\$ 986,900
 Change Order Percentage	 N/A
Percentage Completion	100.00%
Original Target Completion Date	6/30/2018
Revised Target Completion Date	6/30/2018

**GLEN ROCK PUBLIC SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
RENOVATIONS, ALTERNATIONS AND IMPROVEMENTS AT CENTRAL,  
COLEMAN AND BYRD ELEMENTARY SCHOOLS AND THE GLEN ROCK  
MIDDLE/HIGH SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	-	-	-	\$ 14,718,320
Total Revenues and Other Financing Sources	-	-	-	14,718,320
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical services		\$ 220,953	\$ 220,953	\$ 1,467,823
Bond Sale Costs		57,895	57,895	60,000
Construction Services			-	12,477,441
Supplies and Equipment			-	525,000
Miscellaneous Expenditures	-	-	-	188,056
Total Expenditures and Other Financing Uses	-	278,848	278,848	14,718,320
Excess (Deficiency) of Revenues over (under) Expenditures	\$ -	\$ (278,848)	\$ (278,848)	\$ -

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bonds Authorization Date	3/12/2019
Bonds Authorized	\$ 14,718,320
Bonds Issued	\$ -
Original Authorized Cost	\$ 14,718,320
Change Orders	-
Revised Authorized Cost	\$ 14,718,320
Change Order Percentage	N/A
Percentage Completion	0.00%
Original Target Completion Date	12/31/2020
Revised Target Completion Date	12/31/2020

**PROPRIETARY FUND**



**GLEN ROCK PUBLIC SCHOOLS  
PROPRIETARY FUND  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2019**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

## **FIDUCIARY FUNDS**

## EXHIBIT H-1

**GLEN ROCK PUBLIC SCHOOLS  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF ASSETS AND LIABILITIES  
AS OF JUNE 30, 2019**

	<u>Student Activity</u>	<u>Payroll Agency</u>	<u>Agency Totals</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 363,056	\$ 526,629	\$ 889,685
Total Assets	<u>\$ 363,056</u>	<u>\$ 526,629</u>	<u>\$ 889,685</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 259,752	\$ 259,752
Accrued Salary and Wages		344	344
Reserve for Flex Spending Benefits		44,865	44,865
Due to Other Funds		221,668	221,668
Due to Student Groups	<u>\$ 363,056</u>	<u>-</u>	<u>363,056</u>
Total Liabilities	<u>\$ 363,056</u>	<u>\$ 526,629</u>	<u>\$ 889,685</u>

## EXHIBIT H-2

**COMBINING STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-8

**GLEN ROCK PUBLIC SCHOOLS  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Balance July 1, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disburse- ments</u>	<u>Balance June 30, 2019</u>
Elementary Schools	\$ 17,398	\$ 51,703	\$ 51,369	\$ 17,732
Middle / High School	322,795	634,089	611,562	345,322
Athletic Activity	<u>-</u>	<u>109,018</u>	<u>109,016</u>	<u>2</u>
 TOTAL ALL SCHOOLS	 <u>\$ 340,193</u>	 <u>\$ 794,810</u>	 <u>\$ 771,947</u>	 <u>\$ 363,056</u>

**PAYROLL 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>Balance, June 30, 2019</u>
Due to Other Funds	\$ 186,394	\$ 35,274		\$ 221,668
Reserve for Flex Spending	38,294	51,597	\$ 45,026	44,865
Accrued Salaries and Wages	1,198	16,385,954	16,386,808	344
Payroll Deductions and Withholdings	<u>22,889</u>	<u>13,245,423</u>	<u>13,008,560</u>	<u>259,752</u>
 Total	 <u>\$ 248,775</u>	 <u>\$ 29,718,248</u>	 <u>\$ 29,440,394</u>	 <u>\$ 526,629</u>

## **LONG-TERM DEBT**

**GLEN ROCK PUBLIC SCHOOLS  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**GLEN ROCK PUBLIC SCHOOLS  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITA LEASE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOT APPLICABLE**

**DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 2,410,694		\$ 2,410,694	\$ 2,410,694	
State Sources					
State Aid	<u>759,622</u>	<u>-</u>	<u>759,622</u>	<u>759,622</u>	<u>-</u>
Total Revenues	<u>3,170,316</u>	<u>-</u>	<u>3,170,316</u>	<u>3,170,316</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Redemption of Principal	1,670,000	-	1,670,000	1,670,000	
Interest	<u>1,514,938</u>	<u>-</u>	<u>1,514,938</u>	<u>1,514,937</u>	<u>\$ 1</u>
Total Expenditures	<u>3,184,938</u>	<u>-</u>	<u>3,184,938</u>	<u>3,184,937</u>	<u>1</u>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	<u>(14,622)</u>	<u>-</u>	<u>(14,622)</u>	<u>(14,621)</u>	<u>1</u>
Other Financing Sources/(Uses)					
Transfer In	<u>-</u>	<u>-</u>	<u>-</u>	<u>124</u>	<u>124</u>
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>124</u>	<u>124</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(14,622)</u>	<u>-</u>	<u>(14,622)</u>	<u>(14,497)</u>	<u>125</u>
Fund Balance, Beginning of Year	<u>14,622</u>	<u>-</u>	<u>14,622</u>	<u>14,622</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125</u>	<u>\$ 125</u>
<u>Analysis of Balance</u>					
Restricted for Debt Service				<u>\$ 125</u>	



## STATISTICAL SECTION

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

### **Contents**

### **Exhibits**

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

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

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

J-14 and J-15

#### **Operating Information**

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

J-16 to J-20

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

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

	2010	2011	2012	2013	Fiscal Year Ended June 30, 2014 (2) 2015 (Restated)		2016	2017	2018	2019
Governmental Activities										
Net Investment in Capital Assets	\$ 9,580,909	\$ 10,002,033	\$ 9,148,137	\$ 11,246,322	\$ 11,869,829	\$ 12,097,377	\$ 12,891,322	\$ 11,511,891	\$ 11,279,232	\$ 11,172,441
Restricted	1,248,379	2,297,610	3,462,618	2,860,798	2,327,742	2,110,708	1,527,503	1,995,365	1,143,855	2,207,557
Unrestricted	656,788	1,327,571	2,072,217	2,120,590	(7,361,144)	(7,519,250)	(7,714,876)	(8,479,726)	(8,483,475)	(8,375,596)
Total Governmental Activities Net Position	\$ 11,486,076	\$ 13,627,214	\$ 14,682,972	\$ 16,227,710	\$ 6,836,427	\$ 6,688,835	\$ 6,703,949	\$ 5,027,530	\$ 3,939,612	\$ 5,004,402
Business-type activities										
Net Investment in Capital Assets	\$ 50,277	\$ 45,326	\$ 1,476	\$ 15,116	\$ 12,780	\$ 21,777	\$ 17,425	\$ 22,784	\$ 20,384	\$ 13,112
Unrestricted	556,823	530,699	683,926	677,809	778,714	530,601	375,699	484,089	638,686	605,299
Total Business-Type Activities Net Position	\$ 607,100	\$ 576,025	\$ 685,402	\$ 692,925	\$ 791,494	\$ 552,378	\$ 393,124	\$ 506,873	\$ 659,070	\$ 618,411
District-wide										
Net Investment in Capital Assets	\$ 9,631,186	\$ 10,047,359	\$ 9,149,613	\$ 11,261,438	\$ 11,882,609	\$ 12,119,154	\$ 12,908,747	\$ 11,534,675	\$ 11,299,616	\$ 11,185,553
Restricted	1,248,379	2,297,610	3,462,618	2,860,798	2,327,742	2,110,708	1,527,503	1,995,365	1,143,855	2,207,557
Unrestricted	1,213,611	1,858,270	2,756,143	2,798,399	(6,582,430)	(6,988,649)	(7,339,177)	(7,995,637)	(7,844,789)	(7,770,297)
Total District Net Position	\$ 12,093,176	\$ 14,203,239	\$ 15,368,374	\$ 16,920,635	\$ 7,627,921	\$ 7,241,213	\$ 7,097,073	\$ 5,534,403	\$ 4,598,682	\$ 5,622,813

Source: District Financial Records

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

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

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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 17,658,483	\$ 17,593,987	\$ 19,487,797	\$ 19,498,092	\$ 19,560,882	\$ 22,802,265	\$ 24,119,067	\$ 27,243,362	\$ 27,821,163	\$ 27,143,778
Special Education	6,502,286	6,270,198	6,164,147	6,004,684	6,359,075	7,081,367	7,773,836	8,134,028	8,895,937	9,103,622
Other Special Education	1,027,123	767,042	629,994	660,268	603,338	711,206	688,326	1,322,079	1,349,779	1,437,758
School Sponsored Activities and Athletics	858,564	836,969	934,726	1,016,734	1,092,729	1,223,345	1,210,348	1,516,347	1,544,499	1,617,568
Support Services:										
Tuition										
Student & Instruction Related Services	5,583,667	5,434,305	6,258,524	6,788,480	7,124,795	7,770,425	8,390,007	9,176,149	9,365,201	8,557,365
Educational Media/School Library	900,408	850,298	960,506	1,004,372	945,838	1,130,931	1,197,343	1,147,445	1,118,832	994,909
General Administration	1,130,141	1,126,466	1,115,575	978,317	1,034,115	1,156,223	1,299,253	1,397,259	1,292,970	1,299,593
School Administrative Services	2,609,528	3,101,922	3,391,830	3,463,742	3,485,098	4,003,034	4,268,557	4,772,544	4,852,112	4,757,709
Central Services	1,234,575	1,298,378	1,466,634	1,437,140	1,479,608	1,451,301	1,522,395	1,633,449	1,725,118	1,441,998
Plant Operations and Maintenance	4,389,404	4,325,822	4,610,578	4,536,130	4,907,607	4,813,339	4,828,108	4,976,158	4,867,880	4,579,072
Pupil Transportation	1,012,058	912,763	859,310	899,076	905,266	894,179	856,873	793,786	957,459	1,063,883
Interest on Long-Term Debt	3,758,288	2,020,682	2,065,403	2,025,853	1,942,558	1,903,597	1,396,278	1,444,427	1,375,360	1,307,032
Total Governmental Activities Expenses	<u>46,664,525</u>	<u>44,538,832</u>	<u>47,945,024</u>	<u>48,312,888</u>	<u>49,440,909</u>	<u>54,941,212</u>	<u>57,550,391</u>	<u>63,557,033</u>	<u>65,166,310</u>	<u>63,304,287</u>
Business-Type Activities:										
Food Service	623,161	525,246	502,480	488,022	512,705	486,218	506,962	523,671	537,142	549,969
Community School	1,302,111	1,252,068	1,203,830	1,253,303	1,346,609	1,557,780	1,469,523	1,471,994	1,589,835	1,748,106
Total Business-Type Activities Expense	<u>1,925,272</u>	<u>1,777,314</u>	<u>1,706,310</u>	<u>1,741,325</u>	<u>1,859,314</u>	<u>2,043,998</u>	<u>1,976,485</u>	<u>1,995,665</u>	<u>2,126,977</u>	<u>2,298,075</u>
Total District Expenses	<u>\$ 48,589,797</u>	<u>\$ 46,316,146</u>	<u>\$ 49,651,334</u>	<u>\$ 50,054,213</u>	<u>\$ 51,300,223</u>	<u>\$ 56,985,210</u>	<u>\$ 59,526,876</u>	<u>\$ 65,552,698</u>	<u>\$ 67,293,287</u>	<u>\$ 65,602,362</u>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Regular- Tuition				\$ 39,907	\$ 35,688	\$ 32,088	\$ 28,724	\$ 28,595	\$ 58,380	\$ 128,413
School Spons. Activities/Athletics Fees								105,928	177,132	169,214
Plant Operations and Maint. Facility Rental								24,379	40,939	43,597
Capital Grants and Contributions				36,500	25,000	3,712	41,383	44,296	49,426	28,533
Operating Grants and Contributions	\$ 5,440,855	\$ 4,290,159	\$ 5,304,368	6,879,467	6,169,032	10,351,346	12,407,077	16,072,363	16,913,015	14,346,541
Total Governmental Activities Program Revenues	<u>5,440,855</u>	<u>4,290,159</u>	<u>5,304,368</u>	<u>6,955,874</u>	<u>6,229,720</u>	<u>10,387,146</u>	<u>12,477,184</u>	<u>16,275,561</u>	<u>17,238,892</u>	<u>14,716,298</u>
Business-Type Activities:										
Charges for Services										
Food Service	568,433	530,605	518,510	501,688	497,938	454,868	545,932	520,619	551,506	555,043
Community School	1,227,877	1,215,477	1,335,774	1,246,947	1,459,900	1,662,706	1,571,254	1,588,766	1,727,668	1,801,929
Total Business Type Activities Program Revenues	<u>1,796,310</u>	<u>1,746,082</u>	<u>1,854,284</u>	<u>1,748,635</u>	<u>1,957,838</u>	<u>2,117,574</u>	<u>2,117,186</u>	<u>2,109,385</u>	<u>2,279,174</u>	<u>2,356,972</u>
Total District Program Revenues	<u>\$ 7,237,165</u>	<u>\$ 6,036,241</u>	<u>\$ 7,158,652</u>	<u>\$ 8,704,509</u>	<u>\$ 8,187,558</u>	<u>\$ 12,504,720</u>	<u>\$ 14,594,370</u>	<u>\$ 18,384,946</u>	<u>\$ 19,518,066</u>	<u>\$ 17,073,270</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (41,223,670)	\$ (40,248,673)	\$ (42,640,656)	\$ (41,357,014)	\$ (43,211,189)	\$ (44,554,066)	\$ (45,073,207)	\$ (47,281,472)	\$ (47,927,418)	\$ (48,587,989)
Business-Type Activities	<u>(128,962)</u>	<u>(31,232)</u>	<u>147,974</u>	<u>7,310</u>	<u>98,524</u>	<u>73,576</u>	<u>140,701</u>	<u>113,720</u>	<u>152,197</u>	<u>58,897</u>
Total District-Wide Net Expense	<u>\$ (41,352,632)</u>	<u>\$ (40,279,905)</u>	<u>\$ (42,492,682)</u>	<u>\$ (41,349,704)</u>	<u>\$ (43,112,665)</u>	<u>\$ (44,480,490)</u>	<u>\$ (44,932,506)</u>	<u>\$ (47,167,752)</u>	<u>\$ (47,775,221)</u>	<u>\$ (48,529,092)</u>

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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property Taxes Levied for General Purposes, net	\$ 37,738,970	\$ 39,248,529	\$ 40,033,500	\$ 40,033,500	\$ 40,033,500	\$ 40,521,909	\$ 41,319,529	\$ 42,275,920	\$ 43,540,070	\$ 46,150,041
Taxes Levied for Debt Service	2,132,346	2,157,981	2,587,336	2,537,079	2,641,786	2,511,792	2,510,082	2,371,652	2,436,622	2,410,694
State Aid Restricted for Debt Service	874,878	670,441	672,837			682,918	685,570	689,999	626,313	759,622
Unrestricted Grants and Contributions						43,210	46,068	68,421	70,471	6,090
Miscellaneous Income	392,082	404,601	402,741	331,983	383,120	346,645	227,072	199,061	166,906	226,332
Loss on Disposal of Assets									(882)	
Transfers						300,000	300,000	-	-	100,000
<b>Total Governmental Activities</b>	<b>41,138,276</b>	<b>42,481,552</b>	<b>43,696,414</b>	<b>42,902,562</b>	<b>43,058,406</b>	<b>44,406,474</b>	<b>45,088,321</b>	<b>45,605,053</b>	<b>46,839,500</b>	<b>49,652,779</b>
Business-Type Activities:										
Loss on Disposal of Assets						(12,784)				
Miscellaneous Income	27,153	157	302	213	45	92	45	29		444
Transfers						(300,000)	(300,000)	-	-	(100,000)
<b>Total Business-Type Activities</b>	<b>27,153</b>	<b>157</b>	<b>302</b>	<b>213</b>	<b>45</b>	<b>(312,692)</b>	<b>(299,955)</b>	<b>29</b>	<b>-</b>	<b>(99,556)</b>
<b>Total District-Wide</b>	<b>\$ 41,165,429</b>	<b>\$ 42,481,709</b>	<b>\$ 43,696,716</b>	<b>\$ 42,902,775</b>	<b>\$ 43,058,451</b>	<b>\$ 44,093,782</b>	<b>\$ 44,788,366</b>	<b>\$ 45,605,082</b>	<b>\$ 46,839,500</b>	<b>\$ 49,553,223</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ (85,394)	\$ 2,232,879	\$ 1,055,758	\$ 1,545,548	\$ (152,783)	\$ (147,592)	\$ 15,114	\$ (1,676,419)	\$ (1,087,918)	\$ 1,064,790
Business-Type Activities	(101,809)	(31,075)	148,276	7,523	98,569	(239,116)	(159,254)	113,749	152,197	(40,659)
<b>Total District</b>	<b>\$ (187,203)</b>	<b>\$ 2,201,804</b>	<b>\$ 1,204,034</b>	<b>\$ 1,553,071</b>	<b>\$ (54,214)</b>	<b>\$ (386,708)</b>	<b>\$ (144,140)</b>	<b>\$ (1,562,670)</b>	<b>\$ (935,721)</b>	<b>\$ 1,024,131</b>

Source: District Financial Records

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

	2010	2011	2012	2013	Fiscal Year Ended June 30,		2016	2017	2018	2019
					2014	2015				
General Fund										
Reserved	\$ 3,191,654									
Unreserved	341,462									
Restricted		\$ 4,067,079	\$ 5,913,007	\$ 4,737,021	\$ 4,859,140	\$ 4,059,921	\$ 3,380,219	\$ 5,020,419	\$ 4,229,142	\$ 4,627,893
Assigned		315,728	510,896	577,242	440,959	362,962	349,721	159,263	168,856	757,225
Unassigned		603,383	541,720	581,619	588,648	604,866	609,852	584,943	635,511	628,304
Total General Fund	<u>\$ 3,533,116</u>	<u>\$ 4,986,190</u>	<u>\$ 6,965,623</u>	<u>\$ 5,895,882</u>	<u>\$ 5,888,747</u>	<u>\$ 5,027,749</u>	<u>\$ 4,339,792</u>	<u>\$ 5,764,625</u>	<u>\$ 5,033,509</u>	<u>\$ 6,013,422</u>
All Other Governmental Funds										
Reserved	\$ 16,092,535									
Unreserved	8,404,452									
Restricted		\$ 8,520,094	\$ 3,049,024	\$ 991,500	\$ 240,272	\$ 625,325	\$ 729,443	\$ (14,107)	\$ 8,362	\$ 116,004
Total All Other Governmental Funds	<u>\$ 24,496,987</u>	<u>\$ 8,520,094</u>	<u>\$ 3,049,024</u>	<u>\$ 991,500</u>	<u>\$ 240,272</u>	<u>\$ 625,325</u>	<u>\$ 729,443</u>	<u>\$ (14,107)</u>	<u>\$ 8,362</u>	<u>\$ 116,004</u>

Source: District Financial Records

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

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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Tax Levy	\$ 39,871,316	\$ 41,406,510	\$ 42,620,836	\$ 42,570,579	\$ 42,675,286	\$ 43,033,701	\$ 43,829,611	\$ 44,647,572	\$ 45,976,692	\$ 48,560,735
Tuition Charges										
Miscellaneous	398,082	396,048	402,741	372,513	421,669	387,183	262,241	382,390	459,109	573,058
State Sources	5,448,542	4,034,449	5,277,340	6,292,964	5,619,280	6,244,849	6,861,254	7,572,727	8,529,250	9,826,232
Federal Sources	858,012	910,727	646,862	585,070	546,871	566,938	578,622	557,785	565,543	571,386
<b>Total Revenue</b>	<b>46,575,952</b>	<b>46,747,734</b>	<b>48,947,779</b>	<b>49,821,126</b>	<b>49,263,106</b>	<b>50,232,671</b>	<b>51,531,728</b>	<b>53,160,474</b>	<b>55,530,594</b>	<b>59,531,411</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	17,440,552	17,417,002	18,190,510	18,313,945	18,212,373	19,042,630	19,501,867	20,244,803	21,465,914	22,866,024
Special Education Instruction	6,455,998	6,237,548	5,951,220	5,805,814	6,105,429	6,358,458	6,726,187	6,716,222	7,590,579	8,171,658
Other Instruction	1,014,282	759,343	591,386	611,099	564,264	600,723	624,058	981,102	1,041,380	1,195,140
School Sponsored Activities and Athletics	849,365	829,393	882,065	961,281	1,025,616	1,039,520	1,041,748	1,174,494	1,236,834	1,281,404
<b>Support Services:</b>										
Tuition										
Student & Inst. Related Services	5,521,487	5,385,897	5,987,005	6,532,007	6,816,480	6,902,786	7,317,688	7,602,196	7,943,800	8,017,828
Educational Media/School Library	889,083	841,583	898,123	931,080	878,847	941,358	964,494	822,769	840,913	847,879
General Administration	1,123,381	1,120,170	1,071,493	948,430	992,209	1,027,762	1,138,160	1,148,308	1,093,384	1,145,711
School Administrative Services	2,575,454	3,069,102	3,162,277	3,242,716	3,238,353	3,301,966	3,413,608	3,493,296	3,700,239	4,001,168
Central Services	1,219,903	1,286,189	1,378,946	1,354,106	1,380,704	1,353,706	1,417,785	1,474,672	1,498,576	1,283,945
Plant Operations and Maintenance	4,352,096	4,295,719	4,494,701	4,432,883	4,768,457	4,700,478	4,740,001	4,835,728	4,660,307	4,503,823
Pupil Transportation	1,011,495	912,343	856,339	895,023	900,275	889,166	850,949	785,353	943,441	1,053,158
Capital Outlay	17,902,401	15,793,847	5,641,289	5,579,501	1,793,363	1,636,477	1,472,778	121,061	1,136,693	975,285
<b>Debt Service:</b>										
Principal	875,071	1,208,898	1,257,925	1,312,259	1,371,812	1,295,000	1,350,000	1,415,000	1,484,000	1,670,000
Interest and Other Charges	3,167,153	2,114,519	2,076,137	2,028,247	1,973,287	1,918,586	1,457,978	1,664,187	1,603,181	1,530,833
Payments to Escrow Agent							660,000	-		
<b>Cost of Issuance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>64,397,721</b>	<b>61,271,553</b>	<b>52,439,416</b>	<b>52,948,391</b>	<b>50,021,469</b>	<b>51,008,616</b>	<b>52,677,301</b>	<b>52,479,191</b>	<b>56,239,241</b>	<b>58,543,856</b>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>(17,821,769)</b>	<b>(14,523,819)</b>	<b>(3,491,637)</b>	<b>(3,127,265)</b>	<b>(758,363)</b>	<b>(775,945)</b>	<b>(1,145,573)</b>	<b>681,283</b>	<b>(708,647)</b>	<b>987,555</b>
<b>Other Financing sources (uses)</b>										
Proceeds from Refunding Bonds							39,845,469	-	-	-
Payments to Escrow Agent							(39,583,735)	-	-	-
Proceeds from Borrowing										
Transfers in	515,513	643,644	26,650	3,413,709	2,289,384	2,263,228	1,713,200	724,603	986,900	860,684
Transfers out	(515,513)	(643,644)	(26,650)	(3,413,709)	(2,289,384)	(1,963,228)	(1,413,200)	(724,603)	(986,900)	(760,684)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>300,000</b>	<b>561,734</b>	<b>-</b>	<b>-</b>	<b>100,000</b>
<b>Net change in fund balances</b>	<b>\$ (17,821,769)</b>	<b>\$ (14,523,819)</b>	<b>\$ (3,491,637)</b>	<b>\$ (3,127,265)</b>	<b>\$ (758,363)</b>	<b>\$ (475,945)</b>	<b>\$ (583,839)</b>	<b>\$ 681,283</b>	<b>\$ (708,647)</b>	<b>\$ 1,087,555</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>1.88%</b>	<b>2.66%</b>	<b>2.69%</b>	<b>2.77%</b>	<b>2.84%</b>	<b>2.62%</b>	<b>2.64%</b>	<b>2.70%</b>	<b>2.69%</b>	<b>2.90%</b>

\* Noncapital expenditures are total expenditures less capital outlay.

Source: District Financial Records

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

<b>Fiscal Year Ended June 30,</b>	<b>Interest Earned</b>	<b>Tuition</b>	<b>Insurance Refund</b>	<b>Prior Year Refunds</b>	<b>Solar SREC</b>	<b>Activity Fees</b>	<b>E-Rate</b>	<b>Facility Rental</b>	<b>Laptop Initiative User Fees</b>	<b>Miscellaneous</b>	<b>Total</b>
2010	\$ 9,507		\$ 10,772	\$ 108,015						\$ 66,275	\$ 194,569
2011	7,010		5,506	201,367						29,521	243,404
2012	10,028		25,283	53,590	\$ 45,277	\$ 154,200	\$ 39,600			48,113	376,091
2013	9,429	\$ 39,097	65,866	47,366	4,820	151,800	24,370			25,352	368,100
2014	1,881	35,668	49,628	66,036	14,695	151,355	87,412			9,469	416,144
2015	3,342	32,088	26,963	46,133	11,389	136,190	86,854			34,135	377,094
2016	2,344	28,724	4,559	747	34,720	113,592	34,346			36,364	255,396
2017	2,475	28,595	25,360	77,280	20,714	105,928	14,093	\$ 24,379		65,744	364,568
2018	735	58,380	32,951		25,902	177,122		40,939	\$ 46,020	61,308	443,357
2019	9,853	85,986	50,130	17,033	9,928	169,215	19,308	43,597	42,427	119,955	567,432

Source: District Financial Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual	Total
									(County Equalized) Value	Direct School Tax Rate <sup>a</sup>
2010	\$ 12,801,000	\$ 2,098,317,800	\$ 161,034,800	\$ 26,161,400		\$ 2,298,315,000	\$ 1,865,954	\$ 2,300,180,954	\$ 2,602,698,275	\$ 1.770
2011	11,580,800	2,104,036,300	155,178,900	24,843,000		2,295,639,000	1,691,075	2,297,330,075	2,507,253,486	1.825
2012	11,677,700	2,105,596,000	153,928,000	25,970,400		2,297,172,100	1,691,075	2,298,863,175	2,490,809,889	1.856
2013	11,321,200	2,110,565,600	153,657,500	25,970,400		2,301,514,700	1,691,075	2,303,205,775	2,476,715,916	1.849
2014	9,891,200	2,120,538,000	151,245,000	24,655,400		2,306,329,600	1,762,273	2,308,091,873	2,442,816,653	1.860
2015	8,273,500	2,133,332,200	148,802,100	26,470,400		2,316,878,200	958	2,316,879,158	2,477,507,512	1.875
2016	11,232,800	2,142,483,700	145,085,700	26,076,500		2,324,878,700	938	2,324,879,638	2,532,591,324	1.906
2017	8,560,100	2,159,424,700	148,141,700	26,076,500		2,342,203,000	938	2,342,203,938	2,550,031,422	1.936
2018	7,516,800	2,181,719,500	155,313,500	26,076,500		2,370,626,300	938	2,370,627,238	2,588,612,003	1.994
2019	7,289,000	2,192,629,900	153,221,055	26,076,500		2,379,216,455	-	2,379,216,455	2,658,993,412	2.063

Source: County Abstract of Ratables

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



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

Calendar Year	<u>Overlapping Rates</u>			<u>Total Direct and Overlapping Tax Rate</u>
	<u>Total Direct School Tax Rate</u>	<u>Municipality</u>	<u>County</u>	
2010	\$ 1.770	\$ 0.527	\$ 0.222	\$ 2.519
2011	1.825	0.543	0.227	2.595
2012	1.856	0.516	0.235	2.607
2013	1.849	0.584	0.247	2.680
2014	1.860	0.604	0.246	2.710
2015	1.875	0.613	0.258	2.746
2016	1.906	0.616	0.268	2.790
2017	1.936	0.622	0.273	2.831
2018	1.994	0.627	0.266	2.887
2019	2.063	0.634	0.272	2.969

Source: County Abstract of Ratables

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

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

Taxpayer	2019		Taxpayer	2010	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Opeachy Ltd, L.P.	\$ 12,500,000	0.005253831	Opeachy Ltd, L.P.	\$ 16,532,100	0.72%
208 Glen Rock Associates	11,000,000	0.004623371	Bank of America	10,000,000	0.43%
266 Harristown Property LLC	8,750,000	0.003677681	333 Realty LLC	8,583,500	0.37%
HMOB of Glen Rock	8,315,000	0.003494848	Glen Rock Property, LLC	7,634,800	0.33%
Glen Rock Senior Housing Corp.	8,285,000	0.003482239	Financial Services, Inc.	6,375,000	0.28%
Glen Rock Mall	7,855,000	0.003301507	Joan Ree Realty LLC	5,438,100	0.24%
333 Realty LLC	7,333,000	0.003082107	SAC Family, LLC	5,369,100	0.23%
PSI Atlantic Glen Rock LLC	6,060,000	0.002547057	Rock Glen Assoc LLC	4,800,000	0.21%
201 Rock Road LLC	5,369,100	0.002256667	Leone, Jr. Sinibaldo	4,757,800	0.21%
29 Glen Rock Associates LLC	4,800,000	0.002017471	Heritage Plaza I	4,625,000	0.20%
	<u>\$ 80,267,100</u>	<u>3.37%</u>		<u>\$ 74,115,400</u>	<u>3.22%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2010	\$ 39,871,316	\$ 39,871,316	100.00%	N/A
2011	41,406,510	40,890,042	98.75%	\$ 516,468
2012	42,620,836	42,620,836	100.00%	N/A
2013	42,570,579	42,570,579	100.00%	N/A
2014	42,675,286	42,675,286	100.00%	N/A
2015	43,033,701	43,033,701	100.00%	N/A
2016	43,829,611	43,829,611	100.00%	N/A
2017	44,657,572	44,657,572	100.00%	N/A
2018	45,976,692	45,976,692	100.00%	N/A
2019	48,560,735	48,560,735	100.00%	N/A

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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population	Per Capita
	General Obligation Bonds	Intergovernmental Loans	Capital Leases			
2010	\$ 47,657,000	\$ 500,894		\$ 48,157,894	11,600	\$ 4,152
2011	46,567,000	381,996		46,948,996	11,666	4,024
2012	45,432,000	259,071		45,691,071	11,697	3,906
2013	44,247,000	131,812		44,378,812	11,744	3,779
2014	43,007,000			43,007,000	11,808	3,642
2015	41,712,000			41,712,000	11,832	3,525
2016	37,479,000			37,479,000	11,805	3,175
2017	36,064,000			36,064,000	11,846	3,044
2018	34,580,000			34,580,000	11,829	2,923
2019	32,910,000			32,910,000	11,829	2,782

Source: District financial records

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2010	\$ 47,657,000	\$ 6,309	\$ 47,650,691	2.07%	\$ 11,478
2011	46,567,000	154,958	46,412,042	2.02%	11,533
2012	45,432,000	119,302	45,312,698	1.97%	11,600
2013	44,247,000	10,692	44,236,308	1.92%	11,706
2014	43,007,000	5,628	43,001,372	1.86%	11,806
2015	41,712,000	4,287	41,707,713	1.80%	11,831
2016	37,749,000	9,991	37,739,009	1.62%	11,887
2017	36,064,000	22,972	36,041,028	1.54%	11,838
2018	34,580,000	14,622	34,565,378	1.46%	11,824
2019	32,910,000	125	32,909,875	1.38%	11,829

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

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**GLEN ROCK PUBLIC SCHOOLS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**DECEMBER 31, 2018**  
**(Unaudited)**

**Total**

Municipal Debt: (1)	
Glen Rock Board of Education	\$ 32,910,000
Borough of Glen Rock	<u>16,717,470</u>
	<u>49,627,470</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	<u>20,947,246</u>
	<u>20,947,246</u>
Total Direct and Overlapping Debt	<u><u>\$ 70,574,716</u></u>

## Source:

(1) Glen Rock's 2018 Annual Debt Statement

(A) The debt for this entity was apportioned to Glen Rock by dividing the municipality's 2018 equalized value by the total 2018 equalized value for Bergen County.

(B) The debt was computed based upon flow

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 104,417,266	\$ 103,422,137	\$ 101,043,795	\$ 99,235,108	\$ 98,270,729	\$ 97,989,183	\$ 98,702,448	\$99,815,349	\$ 101,035,603	\$ 102,760,071
Total net debt applicable to limit	48,158,249	46,949,351	45,691,426	44,669,167	43,297,355	42,002,355	40,652,355	36,354,355	34,864,000	47,628,320
Legal debt margin	<u>\$ 56,259,017</u>	<u>\$ 56,472,786</u>	<u>\$ 55,352,369</u>	<u>\$ 54,565,941</u>	<u>\$ 54,973,374</u>	<u>\$ 55,986,828</u>	<u>\$ 58,050,093</u>	<u>\$63,460,994</u>	<u>\$ 66,171,603</u>	<u>\$ 55,131,751</u>
Total net debt applicable to the limit as a percentage of debt limit	46.12%	45.40%	45.22%	45.01%	44.06%	42.86%	41.19%	36.42%	34.51%	46.35%

**Legal Debt Margin Calculation for Calendar Year 2019**

Equalized valuation basis

2016	\$ 2,511,481,798
2017	2,550,030,484
2018	<u>2,645,493,025</u>
	<u>\$ 7,707,005,307</u>

Average equalized valuation of taxable property \$ 2,569,001,769

Debt limit (4% of average equalization value) 102,760,071  
Total Net Debt Applicable to Limit 47,628,320

Legal debt margin \$ 55,131,751

Source: Annual Debt Statements

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2010	11,600	\$ 65,992	6.10%
2011	11,666	68,865	6.00%
2012	11,697	71,789	6.10%
2013	11,744	71,100	7.40%
2014	11,808	73,637	4.10%
2015	11,832	76,821	3.50%
2016	11,805	77,901	3.50%
2017	11,846	81,203	2.90%
2018	11,829	81,203 Est.	2.80%
2019	11,829 Est.	81,203 Est.	2.70%

Source: New Jersey State Department of Education



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

	2019		2010	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
Employer				

NOT AVAILABLE

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b><u>Function/Program</u></b>										
Instruction										
Regular	174	175	197	179	181	185	189	185	186	183
Special education	32	26	30	30	32	32	32	37	39	42
Support Services:										
General administration	2	2	2	2	2	2	2	2	2	2
School administrative services	9	8	8	8	8	8	8	8	8	8
Central services	1	1	1	1	1	1	1	1	1	1
Plant operations and maintenance	32	31	12	12	12	8	8	8	8	8
Food Service	-	-	-	-	-	-	-	-	-	-
Total	<u>250</u>	<u>243</u>	<u>250</u>	<u>232</u>	<u>236</u>	<u>236</u>	<u>240</u>	<u>241</u>	<u>244</u>	<u>244</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Pupil/Teacher Ratio			Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School					
2010	2,482	\$ 42,453,096	\$ 17,104	6.03%	224.60	12.0	11.1	9.82	2482	2377	-1.85%	95.78%
2011	2,439	42,154,289	17,283	1.05%					2434	2339	-1.95%	96.13%
2012	2,401	43,464,065	18,102	4.74%	206.9	84.5	55.7	66.7	2410	2316	-0.97%	96.11%
2013	2,401	44,028,384	18,338	1.30%	209	86	56	67	2375	2281	-1.46%	96.05%
2014	2,426	44,883,007	18,501	0.89%	213	89	56	68	2394	2301	0.81%	96.12%
2015	2,440	46,158,553	18,917	2.25%	217	91	56	68	2408	2338	0.59%	97.09%
2016	2,462	47,736,545	19,389	2.49%	219	94	56	69	2434	2340	1.08%	96.14%
2017	2,495	49,278,943	19,751	1.87%	222	94	55	73	2440	2433	0.25%	99.71%
2018	2,539	52,015,367	20,487	3.72%	255	95	57	73	2491	2444	2.09%	98.11%
2019	2,539	54,367,738	21,413	4.52%	225	93	58	74	2529	2456	1.53%	97.11%

Sources: District records

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

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
<b><u>Hamilton</u></b>										
Square Feet	31,080	31,080	31,080	31,080	31,080	31,080	31,080	31,080	31,080	31,080
Capacity (students)	240	240	240	240	240	240	240	240	240	240
Enrollment	272	247	247	247	256	264	271	266	272	274
<b><u>Central</u></b>										
Square Feet	43,200	43,200	43,200	43,200	43,200	43,200	43,200	43,200	43,200	43,200
Capacity (students)	344	344	344	344	344	344	344	344	344	344
Enrollment	347	328	328	328	314	307	317	333	340	345
<b><u>Coleman</u></b>										
Square Feet	36,360	36,360	36,360	36,360	36,360	36,360	36,360	36,360	36,360	36,360
Capacity (students)	308	308	308	308	308	308	308	308	308	308
Enrollment	297	283	273	273	288	273	293	291	312	308
<b><u>Byrd</u></b>										
Square Feet	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200
Capacity (students)	245	245	245	245	245	245	245	245	245	245
Enrollment	235	238	238	238	244	256	265	269	272	274
<b><u>Middle School/High School</u></b>										
Square Feet	203,402	262,098	262,098	262,098	262,098	262,098	262,098	262,098	262,098	262,098
Capacity (students)	1,451	1,451	1,451	1,451	1,451	1,451	1,451	1,451	1,451	1,451
Enrollment	1,333	1,307	1,307	1,307	1,284	1,320	1,341	1,334	1,321	1,311

Number of Schools at June 30, 2019

Elementary = 4

Middle School/High School = 1

Source: District Records

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

UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES

<u>Project # (s)</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>School Facilities</b>										
Glen Rock Senior High School	\$ 172,310	\$ 142,373	\$ 173,150	\$ 184,184	\$ 185,309	\$ 193,058	\$ 199,407	\$ 527,564	\$ 195,741	\$ 193,872
Glen Rock Middle School	155,079	128,137	155,835	165,766	164,278	173,752	179,467	178,572	176,166	174,485
Richard E. Byrd Elem.School	57,437	47,458	57,717	61,395	63,436	64,353	66,469	59,524	65,247	64,624
Central Elementary School	74,668	61,697	69,260	73,674	74,124	77,223	79,763	72,751	78,296	77,549
Clara E. Coleman Elem. School	63,180	52,204	63,488	67,534	68,780	70,788	73,116	92,593	71,771	71,087
Hamilton Elementary School	<u>51,693</u>	<u>42,711</u>	<u>57,717</u>	<u>61,395</u>	<u>61,402</u>	<u>64,351</u>	<u>66,470</u>	<u>66,138</u>	<u>65,248</u>	<u>64,624</u>
Total School Facilities	<u>\$ 574,367</u>	<u>\$ 474,580</u>	<u>\$ 577,167</u>	<u>\$ 613,948</u>	<u>\$ 617,329</u>	<u>\$ 643,525</u>	<u>\$ 664,692</u>	<u>\$ 997,142</u>	<u>\$ 652,469</u>	<u>\$ 646,241</u>

Source: District Records

**GLEN ROCK PUBLIC SCHOOLS**  
**INSURANCE SCHEDULE**  
**JUNE 30, 2019**  
**(Unaudited)**

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

Source: District records

## **SINGLE AUDIT SECTION**



**LERCH, VINCI & HIGGINS, LLP**

**CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS**

**EXHIBIT K-1**

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

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

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

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Glen Rock Public Schools as of and for the fiscal year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Glen Rock Public Schools' basic financial statements and have issued our report thereon dated December 10, 2019.

**Internal Control Over Financial Reporting**

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

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



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

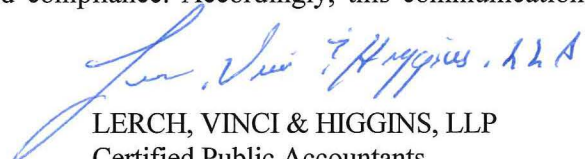
### Compliance and Other Matters

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

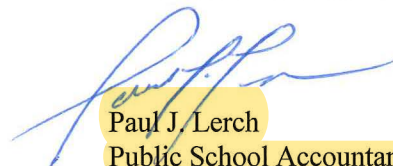
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Glen Rock Public Schools in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 10, 2019.

### Purpose of this Report

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



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



Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
December 10, 2019



**LERCH, VINCI & HIGGINS, LLP**

**EXHIBIT K-2**

**CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS**

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

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

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

**INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the Glen Rock Public Schools' compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Glen Rock Public Schools' major state programs for the fiscal year ended June 30, 2019. The Glen Rock Public Schools' major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

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

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

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

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

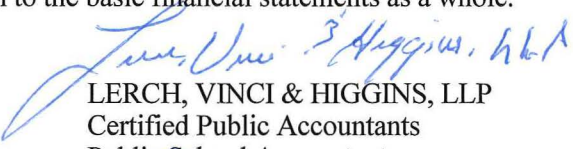
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. **We did not identify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

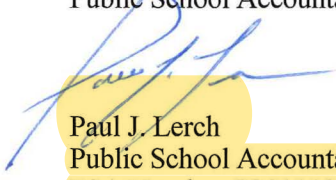
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



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

We have audited the financial statements of the Glen Rock Public Schools, as of and for the fiscal year ended June 30, 2019 and have issued our report thereon dated December 10, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

  
Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
December 10, 2019

**GLEN ROCK PUBLIC SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	FAIN Number	Grant Period	Award Amount	Balance July 1, 2018	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year's Balance	Balance June 30, 2019			Memo GAAP Receivable
										(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education													
Passed Through State Department of Education													
E.S.E.A Consolidated Grant													
Title IIA	84.367A	S367A190029	7/1/18-6/30/19	\$ 25,194	-	\$ 715	\$ 10,986	\$ 25,909		\$ (14,208)	-		\$ (14,208)
Title IIA, Carryover	84.367A	S367A180029	7/1/17-6/30/18	24,778	\$ (12,416)	(715)	13,131	-		-			-
													-
Title III Immigrant	84.365A	S365A190030	9/1/18-8/31/19	3,962	-		1,084	3,642		(2,878)	\$ 320		(2,558)
Title III Immigrant, Carryover	84.365A	S365A180030	9/1/17-8/31/18	3,192	(350)		350			-		-	-
Title III Immigrant, Carryover	84.365A	S365A170030	9/1/16-8/31/17	4,227	(2,055)		2,055			-		-	-
													-
Title IV	84.358	S358B180030	7/1/17-6/30/18	10,000	(3,056)		3,056	1,988		(1,988)	-		(1,988)
													-
I.D.E.A. Part B, Basic	84.027	H027A190100	7/1/18-6/30/19	522,429	-		426,646	519,024		(95,783)	3,405		(92,378)
I.D.E.A. Part B, Basic, Carryover	84.027	H027A180100	7/1/17-6/30/18	510,834	(30,661)		30,661			-			-
I.D.E.A. Part B, Preschool	84.173	H173A190114	7/1/18-6/30/19	23,322	-			20,823		(23,322)	2,499		(20,823)
I.D.E.A. Part B, Preschool	84.173	H173A180114	7/1/17-6/30/18	22,695	(5,386)	-	5,386	-	-	-	-	-	-
IDEA Cluster					(36,047)	-	462,693	539,847	-	(138,179)	6,224	-	(131,955)
Total Special Revenue Fund					(53,924)	-	493,355	571,386	-	(138,179)	6,224	-	(131,955)
Total Federal Financial Assistance					\$ (53,924)	\$ -	\$ 493,355	\$ 571,386	\$ -	\$ (138,179)	\$ 6,224	\$ -	\$ (131,955)

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

**GLEN ROCK PUBLIC SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

State Department of Education	Grant or State Project Number	Grant	Award Amount	Balance July 1, 2018	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balance	Balance June 30, 2019			Memorandum	
										(Accts. Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Budgetary Expenditures
<b>General Fund</b>														
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	\$ 1,150,705			\$ 1,044,340	\$ 1,150,705			\$ (106,365)			\$ 1,150,705	
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	1,058,667	(90,321)		90,321								
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	201,595			182,255	201,595			(19,340)			201,595	
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	40,164	(3,044)		3,044								
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	24,610	(2,030)		2,030								
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	23,130	(2,030)		2,030								
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	23,130	(2,030)		2,030								
<b>State Aid Public Cluster</b>							<u>1,352,300</u>							
Transportation	19-495-034-5120-014	7/1/18-6/30/19	131,824	-		119,392	131,824			(12,432)			131,824	
Transportation	18-495-034-5120-014	7/1/17-6/30/18	27,336	(2,030)		2,030								
Extraordinary Aid	19-100-034-5120-044	7/1/18-6/30/19	657,421	-			657,421			(657,421)			657,421	
Extraordinary Aid	18-100-034-5120-044	7/1/17-6/30/18	500,137	(500,137)		500,137								
On -Behalf TPAF Pension System Contr.														
(Non-Budgeted)-Normal	19-495-034-5094-002	7/1/18-6/30/19	3,730,934			3,730,934	3,730,934			-			3,730,934	
(Non-Budgeted)-NCGI Premium	19-495-034-5094-004	7/1/18-6/30/19	78,098			78,098	78,098			-			78,098	
Post Retirement Medical Contribution	19-495-034-5094-001	7/1/18-6/30/19	1,727,770			1,727,770	1,727,770			-			1,727,770	
(Non-Budgeted)- Long Term Disability	19-495-034-5094-004	7/1/18-6/30/19	4,103			4,103	4,103			-			4,103	
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	7/1/18-6/30/19	1,420,890	-	-	1,420,890	1,420,890	-	-	-	-	-	-	1,420,890
<b>Total General Fund</b>				<u>(601,622)</u>	<u>-</u>	<u>8,909,404</u>	<u>9,103,340</u>	<u>-</u>	<u>-</u>	<u>(795,558)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,103,340</u>
<b>Special Revenue Fund</b>														
New Jersey Non-Public Aid:														
Textbook	19-100-034-5120-064	7/1/18-6/30/19	13,831			13,831	13,831						13,831	
Nursing	19-100-034-5120-070	7/1/18-6/30/19	25,317			25,317	25,317						25,317	
Technology	19-100-034-5120-373	7/1/18-6/30/19	9,324			9,324	9,291					\$ 33	9,291	
Security	19-100-034-5120-509	7/1/18-6/30/19	39,150			39,150	28,286					10,864	28,286	
Security	18-100-034-5120-509	7/1/17-6/30/18	21,675	2,012					\$ 2,012					
Auxiliary Services:														
Compensatory Education	19-100-034-5120-067	7/1/18-6/30/19	33,841	-		33,841	22,757					11,084	22,757	
Compensatory Education	18-100-034-5120-067	7/1/17-6/30/18	46,064	20,729					20,729					
ESL	18-100-034-5120-067	7/1/17-6/30/18	2,710	2,710					2,710					
Home Instruction	N/A	7/1/17-6/30/18	1,101	(54)		54								
<b>Auxiliary Services: Cluster</b>							<u>22,757</u>	<u>-</u>						
Handicapped Services:														
Examination	19-100-034-5120-066	7/1/18-6/30/19	34,038	-		34,038	22,760					11,278	22,760	
Examination	18-100-034-5120-066	7/1/17-6/30/18	39,138	8,382					8,382					
Supplemental Instruction	19-100-034-5120-066	7/1/18-6/30/19	30,132	-		30,132	17,287					12,845	17,287	
Supplemental Instruction	18-100-034-5120-066	7/1/17-6/30/18	27,278	3,172					3,172					
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	24,642	-		24,642	17,677					6,965	17,677	
Corrective Speech	18-100-034-5120-066	7/1/17-6/30/18	27,677	7,589	-	-		-	7,589	-	-	-		
<b>Handicapped Services: Cluster</b>							<u>57,724</u>							
<b>Total Special Revenue Fund</b>				<u>44,540</u>	<u>-</u>	<u>210,329</u>	<u>157,206</u>	<u>-</u>	<u>44,594</u>	<u>-</u>	<u>-</u>	<u>53,069</u>	<u>-</u>	<u>157,206</u>
<b>Debt Service Fund</b>														
Debt Service Aid	19-495-034-5120-075	7/1/18-6/30/19	759,622	-	-	759,622	759,622	-	-	-	-	-	-	759,622
				<u>-</u>	<u>-</u>	<u>759,622</u>	<u>759,622</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>759,622</u>
<b>Total State Financial Assistance- Determination for Single Audit</b>				<u>\$ (557,082)</u>	<u>\$ -</u>	<u>\$ 9,879,355</u>	<u>\$ 10,020,168</u>	<u>\$ -</u>	<u>\$ 44,594</u>	<u>\$ (795,558)</u>	<u>\$ -</u>	<u>\$ 53,069</u>	<u>\$ -</u>	<u>\$ 10,020,168</u>
Less: On -Behalf TPAF Pension System Contributions							<u>5,540,905</u>							
<b>Amount Utilized to Determine Major Programs</b>							<u>\$ 4,479,263</u>							

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

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

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$193,936 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 8,909,404	\$ 8,909,404
Special Revenue Fund	\$ 571,386	157,206	728,592
Debt Service Fund	<u>-</u>	<u>759,622</u>	<u>759,622</u>
Total Financial Assistance	<u>\$ 571,386</u>	<u>\$ 9,826,232</u>	<u>\$ 10,397,618</u>

**GLEN ROCK PUBLIC SCHOOLS  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

**NOTE 5 OTHER INFORMATION**

TPAF Social Security contributions in the amount of \$1,420,890 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2019. The amount reported as TPAF Pension System Contributions in the amount of \$3,809,032, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,727,770 and TPAF Long-Term Disability Insurance in the amount of \$4,103 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2019.

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

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

**NOTE 7 DE MINIMIS INDIRECT COST RATE**

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



**GLEN ROCK PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

*Part I – Summary of Auditor's Results*

**Financial Statement Section**

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified?

\_\_\_\_\_ yes

  X   no

2) Significant deficiency(ies) identified that were  
not considered to be material weaknesses?

\_\_\_\_\_ yes

  X   none reported

Noncompliance material to the basic financial  
statements noted?

\_\_\_\_\_ yes

  X   none reported

**Federal Awards Section**

**Not Applicable**

**GLEN ROCK PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Part I – Summary of Auditor's Results**

**State Awards Section**

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

Unmodified

Internal Control over compliance:

1) Material weakness(es) identified?

\_\_\_\_\_ yes    X no

2) Significant deficiency(ies) identified that were  
not considered to be material weaknesses?

\_\_\_\_\_ yes    X none reported

Any audit findings disclosed that are required to be reported  
in accordance with N.J. OMB Circular 15-08, as amended?

\_\_\_\_\_ yes    X none reported

Identification of major programs:

State Grant/Project Number (s)

Name of State Program

495-034-5094-003

Reimbursed TPAF Social Security

495-034-5120-089

Special Education Aid

495-034-5120-084

Security Aid

495-034-5120-075

Debt Service State Aid

Dollar threshold used to distinguish between Type A and  
Type B Programs

\$ 750,000

Auditee qualified as low-risk auditee?

X yes    \_\_\_\_\_ no

**GLEN ROCK PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

***Part 2 – Schedule of Financial Statement Findings***

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

**There are none.**

**GLEN ROCK PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

**CURRENT YEAR FEDERAL AWARDS**

Not Applicable.

**CURRENT YEAR STATE AWARDS**

There are none.

**GLEN ROCK PUBLIC SCHOOLS  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**STATUS OF PRIOR YEAR FINDINGS**

There were none.