

**Glassboro Board of Education  
Comprehensive Annual Financial Report  
for the Year Ended June 30, 2020**

**SCHOOL DISTRICT  
OF  
GLASSBORO, NEW JERSEY**

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

**Comprehensive Annual Financial Report  
for the Fiscal Year Ended June 30, 2020**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

of the

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

**for the Fiscal Year Ended June 30, 2020**

Prepared by:

**Glassboro Board of Education Administration**

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## **INTRODUCTORY SECTION**



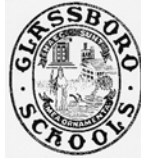
# Glassboro Public Schools

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Glassboro, New Jersey 08028

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Robert Preton  
Chief Academic Officer



Lisa Ridgway  
Business Administrator

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

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May 26, 2021

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

Dear Members of the Board,

The comprehensive annual financial report of the Glassboro Board of Education for the fiscal year ending June 30, 2020, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. 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 general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996, the Uniform Guidance, and the New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

EQUAL OPPORTUNITY EMPLOYER

## REPORTING ENTITY AND ITS SERVICES

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular and vocational as well as special education for handicapped students. The District's average daily enrollment for 2019-20 fiscal year was 1,911 students, which is 6 students less than the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Fiscal Year	Average Daily Enrollment Student Enrollment
2019-20	1,911
2018-19	1,917
2017-18	1,988
2016-17	2,099
2015-16	2,101
2014-15	2,165
2013-14	2,195
2012-13	2,181
2011-12	2,222
2010-11	2,217

## ECONOMIC CONDITIONS AND OUTLOOK

The Borough of Glassboro continues to experience development and expansion. This trend is expected to continue with the successes of the Economic Redevelopment Authority, Rowan University, and the community growth potentials. Over the past ten school years, the District's Average Daily Enrollment has decreased by 300 students as a byproduct of a shrinking housing market.

## MAJOR INITIATIVES

### District Goals

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

preventing aberrant behaviors. All our schools provide these universal supports to all students.

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

#### Rodgers Initiatives

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

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

#### Bullock Initiatives

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

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

#### Bowe Initiatives

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

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

elective to meet the social/emotional needs of our students. Additionally, we will work to vertically align our ELA, Math, Social Studies and Science curriculum so that students' have a scaffolded educational experience with the understanding that learning builds upon itself each year.

### Intermediate School Initiatives

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

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

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

### High School Initiatives

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

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

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

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

### Preparing Our Students for the Future

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

## Operations

The District is looking to continue upgrading and maintaining school structures. The last referendum, \$26m was approved in 2015. Another smaller referendum will go to voters in 2022. The goal is to obtain approval for a small referendum every five years. The Governing Body and School Board maintain an excellent working relationship. The Borough has funded various capital projects such as tennis courts, press box repairs, resurfacing of the track, bleachers, and boilers.

## **INTERNAL ACCOUNTING CONTROLS**

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

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

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

## **BUDGETARY CONTROLS**

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General Fund, the Special Revenue Fund, and the Debt Service Fund. Project-length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance as of June 30, 2020.

## **ACCOUNTING SYSTEM AND REPORTS**

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

## **DEBT ADMINISTRATION**

As of June 30, 2020, the District's outstanding debt issues included \$19,807,000 of General Obligation Bonds.

## **CASH MANAGEMENT**

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

## **RISK MANAGEMENT**

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

## **OTHER INFORMATION**

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

## **ACKNOWLEDGEMENTS**

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

Respectfully submitted,

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

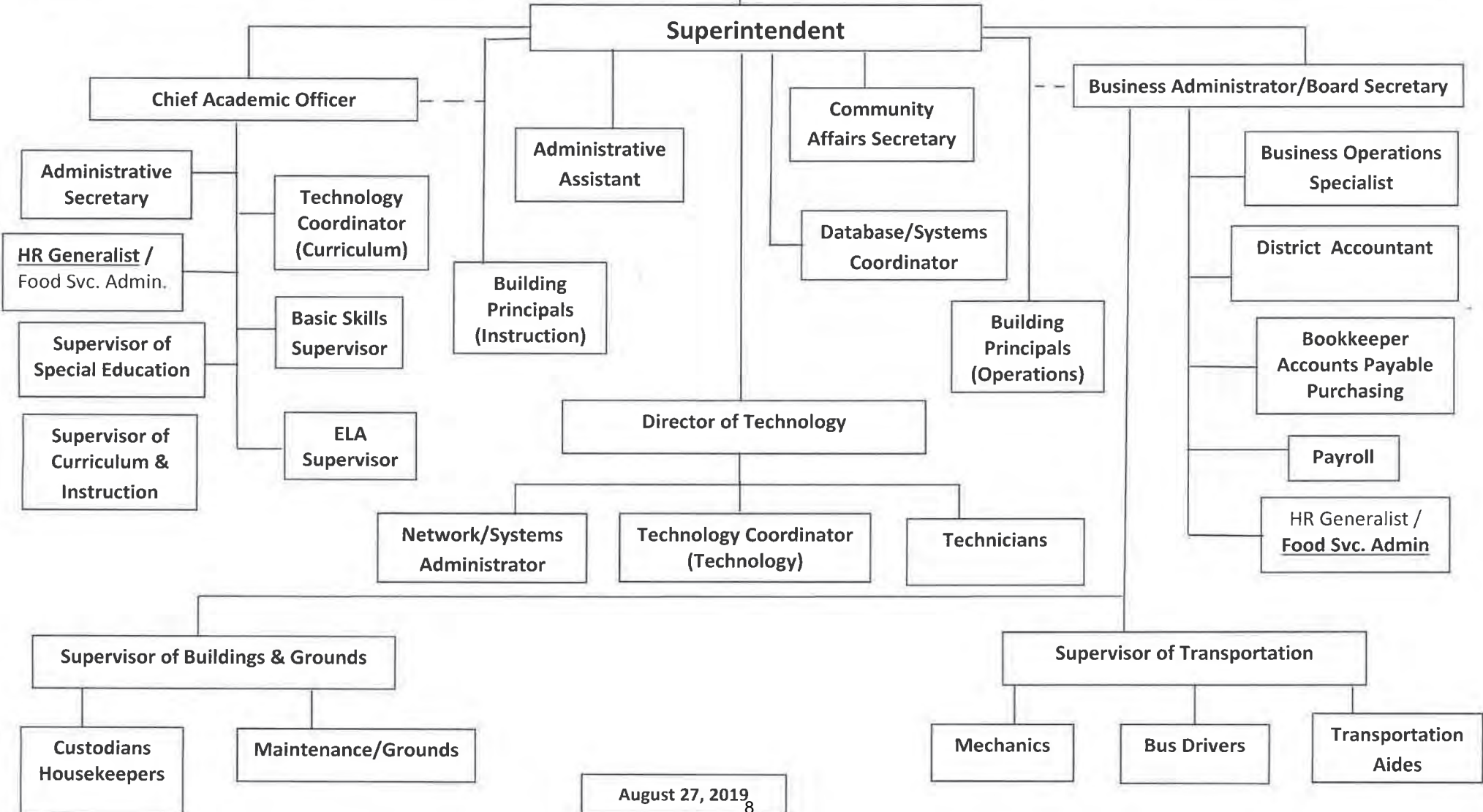
Lisa Ridgway  
Lisa Ridgway  
Business Administrator/Board Secretary

**GLASSBORO SCHOOL DISTRICT ORGANIZATIONAL CHART  
2019-2020**

**BOARD OF EDUCATION**  
(In Order of Seniority)

Peter J. Calvo President	Elizabeth Volz Vice-President	Alex Fanfarillo	Chris Esgro	Raymond Cibo	Ben Stephens	Ryan Hughes	Michele Ricci	Stacie Tattersdill
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Instruction Committee	Administration Committee	Operations Committee
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**GLASSBORO BOARD OF EDUCATION**  
**Glassboro, NJ 08028**

**ROSTER OF OFFICIALS**  
June 30, 2020

**MEMBERS OF THE BOARD OF EDUCATION**

**Term Expires**

Peter J. Calvo, President	2023
Elizabeth Volz, Vice President	2020
Ray Cibo, Jr.	2020
Chris Esgro	2023
Ryan Hughes	2021
June Longley	2023
Michelle Ricci	2021
Benjamin Stephens	2020
Stacie Tattersdill	2021

**OTHER OFFICIALS**

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



**GLASSBORO BOARD OF EDUCATION  
Glassboro, NJ 08028**

**CONSULTANTS AND ADVISORS**

**ARCHITECTS**

Fraytak Veisz Hopkins Duthie, P.C.  
1515 Lower Ferry Road  
P.O. Box 7371  
Trenton, NJ 08628

**AUDIT FIRM**

Petroni & Associates LLC  
P.O. Box 279  
Glassboro, NJ 08028

**ATTORNEY**

Parker McCay P.A.  
9000 Midlantic Drive, Suite 300  
Mt. Laurel, NJ 08054

**OFFICIAL DEPOSITORY**

Republic Bank  
100 William Dalton Drive  
Glassboro, NJ 08028

## **FINANCIAL SECTION**

# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
P.O. Box 279 • Glassboro, NJ 08028  
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

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

## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of the Governmental Activities, the Business-type Activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Glassboro School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Governmental Activities, the Business-type Activities, each major fund, and the aggregate remaining fund information of the Glassboro Board of Education as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Glassboro Board of Education's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, and the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

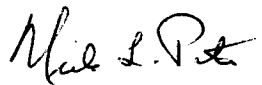
The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2021, on our consideration of the Glassboro Board of Education's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering Glassboro Board of Education's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



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

May 26, 2021

## **Required Supplementary Information – Part I**

**GLASSBORO SCHOOL DISTRICT  
GLASSBORO, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FISCAL YEAR ENDED JUNE 30, 2020  
UNAUDITED**

The discussion and analysis of Glassboro School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for FY 2020 are as follows:

- \* General revenues accounted for \$46,525,085 in revenue or 94 percent of all revenues.
- \* Program specific revenues, in the form of charges for services and grants and contributions, accounted for \$3,049,745 or 6 percent of total revenues of \$49,574,830.
- \* The School District had \$46,339,728 in expenses; only \$3,049,745 of these expenses were offset by program specific charges for services, grants, or contributions.
- \* Among Governmental Funds, the General Fund had \$43,923,141 in revenues and the General Fund's fund balance increased \$1,502,006 over 2019.

**Using this Comprehensive Annual Financial Report (CAFR)**

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

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

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

**Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and ask the question, "How did we do financially during 2020?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

## **Reporting the School District as a Whole**

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

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

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

## **Reporting the School District's Most Significant Funds**

### **Fund Financial Statements**

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

### **Governmental Funds**

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

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

### **Enterprise Fund**

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

### **Notes to the Financial Statements**

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



## The School District as a Whole

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

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

Table 1 provides a summary of the School District's net position for 2020, with comparative data from 2019.

**Table 1**  
**Summary of Net Position**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current & other assets	\$ 7,704,737	\$ 7,247,499	\$ 335,659	\$ 378,357	\$ 8,040,396	\$ 7,625,856
Capital assets	41,294,995	41,763,890	33,249	45,598	41,328,244	41,809,488
Total assets	48,999,732	49,011,389	368,908	423,955	49,368,640	49,435,344
Deferred outflows	526,100	546,155			526,100	546,155
Non-current liabilities	22,550,512	22,796,017			22,550,512	22,796,017
Other liabilities	1,645,327	2,160,541	164,622	154,450	1,809,949	2,314,991
Net pension liability	9,745,524	10,811,068			9,745,524	10,811,068
Total liabilities	33,941,363	35,767,626	164,622	154,450	34,105,985	35,922,076
Deferred inflows	3,720,939	3,684,941			3,720,939	3,684,941
Net position:						
Invested in capital assets, net of debt	19,401,342	20,497,000	33,249	45,598	19,434,591	20,542,598
Restricted	6,979,096	5,556,201			6,979,096	5,556,201
Unrestricted	(14,516,908)	(15,948,224)	171,037	223,907	(14,345,871)	(15,724,317)
Total net position	\$ 11,863,530	\$ 10,104,977	\$ 204,286	\$ 269,505	\$ 12,067,816	\$ 10,374,482

The District's combined net position was \$12,067,816 on June 30, 2020. This was an increase from the prior year. This was mainly due to a prior period adjustment capital leases and accrued interest in the amount of \$1,541,768 (See Note 20 in the Notes to the Financial Statements).

## The School District as a Whole (Continued)

Table 2 shows changes in net position for fiscal year 2020 with comparative data from 2019.

**Table 2 - Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 16,000	\$ 17,000	\$ 164,825	\$ 242,089	\$ 180,825	\$ 259,089
Operating grants & contributions	2,325,733	2,411,414	543,187	693,143	2,868,920	3,104,557
General revenues:						
Property taxes	21,297,756	22,388,803			21,297,756	22,388,803
Grants & entitlements	24,363,270	26,656,181			24,363,270	26,656,181
Other	862,716	511,979	1,343	2,145	864,059	514,124
Total revenues	<u>48,865,475</u>	<u>51,985,377</u>	<u>709,355</u>	<u>937,377</u>	<u>49,574,830</u>	<u>52,922,754</u>
Expenses:						
Instruction	15,088,097	15,363,299			15,088,097	15,363,299
Support services	28,237,829	30,970,573			28,237,829	30,970,573
Capital outlay	477,433				477,433	
Transfer to charter schools	25,629	13,512			25,629	13,512
Unallocated depreciation	1,083,416	1,039,616			1,083,416	1,039,616
Interest on debt	652,750	731,900			652,750	731,900
Food service			771,126	931,210	771,126	931,210
Other			3,448	701	3,448	701
Total expenses	<u>45,565,154</u>	<u>48,118,900</u>	<u>774,574</u>	<u>931,911</u>	<u>46,339,728</u>	<u>49,050,811</u>
Change in net position	3,300,321	3,866,477	(65,219)	5,466	3,235,102	3,871,943
Beginning net position restated	8,563,209	6,238,500	269,505	264,039	8,832,714	6,502,539
Ending net position	<u>\$ 11,863,530</u>	<u>\$ 10,104,977</u>	<u>\$ 204,286</u>	<u>\$ 269,505</u>	<u>\$ 12,067,816</u>	<u>\$ 10,374,482</u>

### Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 44 percent of revenues for governmental activities for the Glassboro School District for fiscal year 2020. The District's total revenues were \$48,865,475 for the year ended June 30, 2020. Grants and entitlements accounted for another 50 percent of revenue.

The total cost of all governmental programs and services was \$45,565,154. Instruction comprises 33 percent of District expenses.

### Business-Type Activities

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

- \* Expenditures exceeded revenues by \$65,219.
- \* Charges for services represent \$164,825 of revenue.
- \* Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$543,187.

## Statement of Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for the year 2020, with comparative data for 2019. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**Table 3**

	Total Cost of Services		Net Cost of Services	
	2020	2019	2020	2019
Instruction	\$ 15,088,097	\$ 15,363,299	\$ 13,627,831	\$ 13,866,611
Support services:				
Pupil & instructional staff	6,224,779	6,774,489	5,632,818	5,920,797
General administration, school administration & business operation	2,947,441	2,991,247	2,947,441	2,991,247
Operation & maintenance of facilities	2,743,184	3,004,266	2,743,184	3,004,266
Pupil transportation	2,344,493	2,700,819	2,344,493	2,700,819
Interest	652,750	731,900	652,750	731,900
Other	15,564,410	16,552,880	15,274,904	16,474,846
	<u>\$ 45,565,154</u>	<u>\$ 48,118,900</u>	<u>\$ 43,223,421</u>	<u>\$ 45,690,486</u>

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

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

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

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

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

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

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

## The School District's Funds

All Governmental Funds (i.e., General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$47,885,952 and expenditures were \$47,246,374.

## General Fund Budgeting Highlights

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

### General Fund Budgeting Highlights (Continued)

During the course of the fiscal 2020 year, the School District amended its General Fund budget as needed. The School District uses program-based budgeting, and the budgeting systems are designed to tightly control program budgets but provide flexibility for program management.

For the General Fund, the final budget basis revenue and other financing sources, not including non-budgeted state contributions, was \$38,013,009, which was \$481,420 more than the budgeted estimates of \$37,531,589.

The General Fund revenue exceeded the expenditures and other financing sources of the School District for the year by \$1,518,757.

### Capital Assets

At the end of the FY 2020, the School District had \$41,328,244 invested in land, building, furniture and equipment, and vehicles. Table 4 shows FY 2020 balances compared to FY 2019.

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

	FY 2020	FY 2019
Sites	\$ 235,104	\$ 235,104
Construction in progress	23,627,247	23,475,931
Site improvements	356,904	359,182
Building & building improvements	14,861,368	15,412,561
Machinery & equipment	2,247,621	2,326,710
	<u>\$ 41,328,244</u>	<u>\$ 41,809,488</u>

Overall capital assets decreased \$481,244 from FY 2019 to FY 2020. For more detailed information, please refer to the Notes to the Financial Statements.

### Debt Administration

As of June 30, 2020, the School District had \$22,286,089 of outstanding debt. Of this amount, \$955,475 is for compensated absences; \$1,523,614 is for various capital leases; \$264,423 is for an installment payment agreement, and \$19,807,000 is for serial bonds for school construction.

**Table 5**  
**Outstanding Serial Bonds at June 30,**

	FY 2020	FY 2019
Bonds of 2015	<u>\$ 19,807,000</u>	<u>\$ 20,787,000</u>

For more detailed information, please refer to Note 8 in the Notes to the Financial Statements.

### For the Future

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

### **For the Future (Continued)**

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

### **COVID-19 Pandemic**

In March 2020, the World Health Organization characterized a novel strain of coronavirus, known as COVID-19, as a pandemic. Concerns related to the spread of COVID-19 and the related containment measures intended to mitigate its impact have created substantial disruption to the global economy. As part of our response to the COVID-19 pandemic, we are following business continuity processes led by our Administrative team. Our main priority is the health and safety of our students and staff. Our actions have been driven by government mandates and guidelines. In March 2020, schools were closed due to the coronavirus pandemic. Eventually, all New Jersey schools were closed for the balance of the school year and students completed their studies via remote online instruction. In preparation for the 2020-21 school year amidst the continuing pandemic, the NJ Department of Education provided school districts with guidance to prepare a restart and recovery plan. One of the requirements of this plan, per state guidance, is the provision of some degree of in-person instruction. A family opt-out provision allowing for full time remote instruction was later added to the guidance. In response, the District has developed its return to school plan for 2020-21. The plan requires the District to adequately provide reasonable accommodations for students and staff identified as being at a higher risk for severe illness from COVID-19. These accommodations will come mainly in the form of a full-virtual model for both teachers and students. The District will also rely heavily upon social distancing, mask wearing for students and staff, along with sanitation and cleaning procedures. The District expects the COVID-19 matter to impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

### **Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Ms. Jennifer Johnson, Business Administrator/Board Secretary at Glassboro Board of Education, George Beach Administration Building, 560 Joseph Bowe Boulevard, Glassboro, New Jersey 08028. Please visit our website at: [www.glassboro schools.us](http://www.glassboro.k12.nj.us).

## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

GLASSBORO SCHOOL DISTRICT  
Statement of Net Position  
June 30, 2020

<b>ASSETS</b>	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 6,517,815	\$ 236,673	\$ 6,754,488
Receivables, net	998,541	78,078	1,076,619
Due from other funds	138,381		138,381
Restricted cash and cash equivalents	50,000		50,000
Inventory		20,908	20,908
Capital assets:			
Non-depreciable	2,597,351		2,597,351
Other capital assets, net	38,697,644	33,249	38,730,893
Total assets	<u>48,999,732</u>	<u>368,908</u>	<u>49,368,640</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pension	<u>526,100</u>		<u>526,100</u>
<b>LIABILITIES</b>			
Accounts payable	695,021	17,226	712,247
Other payables	7,775		7,775
Due to other funds		138,381	138,381
Payable to federal and state government	31,500		31,500
Accrued interest payable	298,616		298,616
Unearned revenue	612,415	9,015	621,430
Noncurrent liabilities:			
Due within one year	1,671,116		1,671,116
Due beyond one year	20,879,396		20,879,396
Net pension liability	9,745,524		9,745,524
Total liabilities	<u>33,941,363</u>	<u>164,622</u>	<u>34,105,985</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pension	<u>3,720,939</u>		<u>3,720,939</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	19,401,342	33,249	19,434,591
Restricted for:			
Capital projects	19,753		19,753
Debt service	(20,193)		(20,193)
Other purposes	6,979,536		6,979,536
Unrestricted	(14,516,908)	171,037	(14,345,871)
Total net position	<u>\$ 11,863,530</u>	<u>\$ 204,286</u>	<u>\$ 12,067,816</u>

See accompanying notes to the basic financial statements.



GLASSBORO SCHOOL DISTRICT  
Statement of Activities  
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental activities:</b>							
Instruction:							
Regular	\$ 8,964,290				\$ (8,964,290)		\$ (8,964,290)
Special education	5,057,593		\$ 1,460,266		(3,597,327)		(3,597,327)
Other special instruction	604,964				(604,964)		(604,964)
School sponsored activities	428,733				(428,733)		(428,733)
Other instruction	32,517				(32,517)		(32,517)
Support services:							
Tuition	2,508,441				(2,508,441)		(2,508,441)
Student & instructional related services	3,716,338		591,961		(3,124,377)		(3,124,377)
General administration	677,160				(677,160)		(677,160)
School administrative services	1,259,416				(1,259,416)		(1,259,416)
Central services	469,854				(469,854)		(469,854)
Administrative information technology	541,011				(541,011)		(541,011)
Plant operations & maintenance	2,743,184				(2,743,184)		(2,743,184)
Pupil transportation	2,344,493				(2,344,493)		(2,344,493)
Unallocated benefits	13,977,932	\$ 16,000	226,421		(13,735,511)		(13,735,511)
Capital outlay	477,433		47,085		(430,348)		(430,348)
Transfer to Charter Schools	25,629				(25,629)		(25,629)
Interest on long-term debt	652,750				(652,750)		(652,750)
Unallocated depreciation	1,083,416				(1,083,416)		(1,083,416)
<b>Total governmental activities</b>	<b>45,565,154</b>	<b>16,000</b>	<b>2,325,733</b>		<b>(43,223,421)</b>		<b>(43,223,421)</b>
<b>Business-type activities:</b>							
Food service	771,126	144,793	543,187			\$ (83,146)	(83,146)
Other	3,448	20,032				16,584	16,584
<b>Total business-type activities</b>	<b>774,574</b>	<b>164,825</b>	<b>543,187</b>			<b>(66,562)</b>	<b>(66,562)</b>
<b>Total primary government</b>	<b>\$ 46,339,728</b>	<b>\$ 180,825</b>	<b>\$ 2,868,920</b>		<b>\$ (43,223,421)</b>	<b>\$ (66,562)</b>	<b>\$ (43,289,983)</b>
<b>General revenues:</b>							
Taxes:							
Property taxes, levied for general purposes					\$ 20,335,186		\$ 20,335,186
Taxes levied for debt service					962,570		962,570
Federal and state aid not restricted					24,363,270		24,363,270
Tuition received					328,738		328,738
Transportation fees					84,967		84,967
Investment earnings					69,374	\$ 1,343	70,717
Miscellaneous Income					379,637		379,637
<b>Total general revenues, special items, extraordinary items, and transfers</b>					<b>46,523,742</b>	<b>1,343</b>	<b>46,525,085</b>
<b>Change in net position</b>					<b>3,300,321</b>	<b>(65,219)</b>	<b>3,235,102</b>
<b>Net position - beginning</b>					<b>10,104,977</b>	<b>269,505</b>	<b>10,374,482</b>
<b>Prior period adjustment of Capital lease liability</b>					<b>(1,541,768)</b>		<b>(1,541,768)</b>
<b>Restated net position - beginning</b>					<b>8,563,209</b>	<b>269,505</b>	<b>8,832,714</b>
<b>Net position - end</b>					<b>\$ 11,863,530</b>	<b>\$ 204,286</b>	<b>\$ 12,067,816</b>

See accompanying notes to the basic financial statements.

## **FUND FINANCIAL STATEMENTS**

GLASSBORO SCHOOL DISTRICT  
Balance Sheet  
Governmental Funds  
June 30, 2020

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,293,389	\$ 262,116	\$ 110,456		\$ 6,665,961
Receivables from other governments	491,506	149,265			640,771
Other receivables, net	350,254	7,516			357,770
Interfund receivable	138,381	324,379	39,427	\$ 130,130	632,317
Restricted cash and cash equivalents	50,000				50,000
<b>Total assets</b>	<b>\$ 7,323,530</b>	<b>\$ 743,276</b>	<b>\$ 149,883</b>	<b>\$ 130,130</b>	<b>8,346,819</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Cash deficit				\$ 150,323	150,323
Accounts payable	\$ 475,180	\$ 219,841			695,021
Other payables	7,775				7,775
Interfund payable	363,806		\$ 130,130		493,936
Payable to state government		31,414			31,414
Payable to federal government		86			86
Unearned revenue		612,415			612,415
<b>Total liabilities</b>	<b>846,761</b>	<b>863,756</b>	<b>130,130</b>	<b>150,323</b>	<b>1,990,970</b>
Fund balances:					
Restricted for:					
Excess surplus - designated for subsequent year's expenditures	2,703,299				2,703,299
Excess surplus	210,036				210,036
School bus advertising 50% fuel offset - prior year	8,147				8,147
School bus advertising 50% fuel offset - current year	8,146				8,146
Capital projects			19,753		19,753
Emergency reserves	50,000				50,000
Assigned to:					
Debt service fund				(20,193)	(20,193)
Designated for subsequent year's expenditures	3,830,049				3,830,049
Year-end encumbrances	169,859				169,859
Unassigned:					
General fund	(502,767)				(502,767)
Special revenue fund		(120,480)			(120,480)
<b>Total fund balances</b>	<b>6,476,769</b>	<b>(120,480)</b>	<b>19,753</b>	<b>(20,193)</b>	<b>6,355,849</b>
<b>Total liabilities and fund balances</b>	<b>\$ 7,323,530</b>	<b>\$ 743,276</b>	<b>\$ 149,883</b>	<b>\$ 130,130</b>	
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 assets is \$63,599,873 and the accumulated depreciation is \$22,304,878 (See Note 7).					
					41,294,995
Interest on long-term debt in the Statement of Activities is accrued, regardless of when due.					
					(298,616)
Internal Service Funds are used by management to charge the cost of certain activities to individual funds. Assets and liabilities of the internal service fund are included in Governmental Activities in the Statement of Net Position.					
					2,177
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported as liabilities in the funds (See Note 8).					
					(22,550,512)
Net pension liability adjustment					
					(12,940,363)
Net position of Governmental Activities					
					<b>\$ 11,863,530</b>

See accompanying notes to the basic financial statements.

GLASSBORO SCHOOL DISTRICT  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2020

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 20,335,186			\$ 962,570	\$ 21,297,756
Tuition charges	328,738				328,738
Transportation fees	84,967				84,967
Interest earned	67,362		\$ 1,987		69,349
Miscellaneous	379,637	\$ 42,071			421,708
	21,195,890	42,071	1,987	962,570	22,202,518
State sources	22,626,675	515,847		672,521	23,815,043
Federal sources	100,576	1,767,815			1,868,391
<b>Total revenues</b>	<b>43,923,141</b>	<b>2,325,733</b>	<b>1,987</b>	<b>1,635,091</b>	<b>47,885,952</b>
<b>EXPENDITURES:</b>					
Current:					
Regular instruction	9,301,209				9,301,209
Special education instruction	3,174,013	1,883,580			5,057,593
Other special instruction	604,964				604,964
School sponsored activities	428,733				428,733
Other instruction	32,517				32,517
Support:					
Tuition	2,508,441				2,508,441
Student & instruction related services	3,562,717	591,961			4,154,678
General administration	677,160				677,160
School administrative services	1,344,667				1,344,667
Central services	469,854				469,854
Administrative information technology	559,712				559,712
Plant operations and maintenance	2,743,184				2,743,184
Pupil transportation	2,344,493				2,344,493
Employee benefits	13,822,681	226,421			14,049,102
Debt Service:					
Interest				666,225	666,225
Principal				980,000	980,000
Capital outlay	1,099,812	47,085	151,316		1,298,213
Transfer to charter schools	25,629				25,629
<b>Total expenditures</b>	<b>42,699,786</b>	<b>2,749,047</b>	<b>151,316</b>	<b>1,646,225</b>	<b>47,246,374</b>
Excess (deficiency) of revenues over expenditures	1,223,355	(423,314)	(149,329)	(11,134)	639,578
<b>Other financing sources (uses):</b>					
Capital leases/installment agreement (non-budgeted)	631,053				631,053
Transfers in		352,402		1,987	354,389
Transfers out	(352,402)		(1,987)		(354,389)
<b>Total other financing sources (uses)</b>	<b>278,651</b>	<b>352,402</b>	<b>(1,987)</b>	<b>1,987</b>	<b>631,053</b>
<b>Net change in fund balances</b>	<b>1,502,006</b>	<b>(70,912)</b>	<b>(151,316)</b>	<b>(9,147)</b>	<b>1,270,631</b>
Fund balance - July 1	4,974,763	(49,568)	171,069	(11,046)	5,085,218
<b>Fund balance - June 30</b>	<b>\$ 6,476,769</b>	<b>\$ (120,480)</b>	<b>\$ 19,753</b>	<b>\$ (20,193)</b>	<b>\$ 6,355,849</b>

See accompanying notes to the basic financial statements.

GLASSBORO SCHOOL DISTRICT  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
 of Governmental Funds to the Statement of Activities  
 For the Year Ended June 30, 2020

Total net change in fund balances - Governmental Funds (from B-2)		\$ 1,270,631
<p>Amounts reported for Governmental Activities in the Statement of Activities (A-2) are different because:</p> <p>Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation expense	\$ (1,083,416)	
Capital outlays	614,521	
		(468,895)
<p>Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities.</p>		
Bond principal		980,000
Capital lease obligation principal		552,583
<p>Proceeds from debt issues are a financing source in the Governmental Funds. They are not revenue in the Statement of Activities; issuing debt increases long-term liabilities in the Statement of Net Position.</p>		
Capital lease proceeds		(366,630)
Installment payment agreement		(264,423)
<p>Internal Service Funds are used by Management to charge the costs of certain activities to individual funds. Net revenue (expense) of Internal Service Funds is reported with Governmental Activities.</p>		
		437
<p>Interest on long-term debt in the Statement of Activities differs from the amounts reported in the Governmental Funds because interest is recorded as an expenditure in the funds when it is due, and thus requires that use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The net change in the accrued interest was an increase.</p>		
		13,475
<p>In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.</p>		
		573,653
<p>Pension contributions are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments.</p>		
		1,009,490
Change in net position of Governmental Activities		\$ 3,300,321

See accompanying notes to the basic financial statements.

GLASSBORO SCHOOL DISTRICT  
Statement of Net Position  
Proprietary Funds  
June 30, 2020

	Business-type Activities Enterprise Funds			Totals	Governmental Activities - Internal Service Fund
	Food Service	Professional Development	Technology Fund		
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 181,965	\$ 4,540	\$ 50,168	\$ 236,673	\$ 2,177
Receivables, net	78,078			78,078	
Inventory	20,908			20,908	
Total current assets	<u>280,951</u>	<u>4,540</u>	<u>50,168</u>	<u>335,659</u>	<u>2,177</u>
Noncurrent assets:					
Furniture, machinery & equipment	470,523			470,523	
Less: accumulated depreciation	(437,274)			(437,274)	
Total noncurrent assets	<u>33,249</u>			<u>33,249</u>	
Total assets	<u>314,200</u>	<u>4,540</u>	<u>50,168</u>	<u>368,908</u>	<u>2,177</u>
<b>LIABILITIES</b>					
Interfund payable - general fund	138,381			138,381	
Accounts payable	17,226			17,226	
Unearned revenue	9,015			9,015	
Total liabilities	<u>164,622</u>			<u>164,622</u>	
<b>NET POSITION</b>					
Investment in capital assets, net of related debt	33,249			33,249	
Unrestricted	116,329	4,540	50,168	171,037	2,177
Total net position	<u>\$ 149,578</u>	<u>\$ 4,540</u>	<u>\$ 50,168</u>	<u>\$ 204,286</u>	<u>\$ 2,177</u>

See accompanying notes to the basic financial statements.

GLASSBORO SCHOOL DISTRICT  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended June 30, 2020

	Business-type Activities Enterprise Funds			Totals	Governmental Activities - Internal Service Fund
	Food Service	Professional Development	Technology Fund		
Operating revenues:					
Charges for services:					
Daily sales - program meals	\$ 80,176			\$ 80,176	
Daily sales - non-program meals	54,713			54,713	
Special functions/miscellaneous	9,904			9,904	
Professional development fees		\$ 4,015	\$ 16,017	20,032	
Workers' compensation contributions					\$ 16,000
Total operating revenues	144,793	4,015	16,017	164,825	16,000
Operating expenses:					
Cost of sales - program meals	273,997			273,997	
Cost of sales - non-program meals	19,657			19,657	
Salaries	271,813			271,813	
Employee benefits	69,960			69,960	
Purchased professional/technical services	12,000	1,894		13,894	
Purchased property services	2,831			2,831	
Other purchased services	40,325			40,325	
Insurance	4,487			4,487	
Supplies and materials	58,323	945	609	59,877	
Miscellaneous expenditures	7,109			7,109	
Claims expense					15,588
Depreciation	10,624			10,624	
Total operating expenses	771,126	2,839	609	774,574	15,588
Operating income (loss)	(626,333)	1,176	15,408	(609,749)	412
Non-operating revenues (expenses):					
Interest earned	1,343			1,343	25
State sources:					
State school lunch program	7,484			7,484	
Federal sources:					
School breakfast program	123,745			123,745	
National school lunch program	266,992			266,992	
Summer food service	80,027			80,027	
Summer food service - admin.	6,746			6,746	
Food distribution program	59,918			59,918	
Loss on disposal of assets	(1,725)			(1,725)	
Total non-operating revenues (expenses)	544,530			544,530	25
Change in net position	(81,803)	1,176	15,408	(65,219)	437
Total net position - beginning	231,381	3,364	34,760	269,505	1,740
Total net position - ending	\$ 149,578	\$ 4,540	\$ 50,168	\$ 204,286	\$ 2,177

See accompanying notes to the basic financial statements.

GLASSBORO SCHOOL DISTRICT  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2020

	Business-type Activities Enterprise Funds			Totals	Governmental Activities - Internal Service Fund
	Food Service	Professional Development	Technology Fund		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts from customers	\$ 134,112	\$ 4,015	\$ 16,017	\$ 154,144	
Receipts for internal service activities					\$ 16,000
Payments to employees	(271,813)			(271,813)	
Payments for employee benefits	(69,960)			(69,960)	
Payments to suppliers	(348,083)	(2,839)	(609)	(351,531)	
Payment for claims					(15,588)
	<u>(555,744)</u>	<u>1,176</u>	<u>15,408</u>	<u>(539,160)</u>	<u>412</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>					
State sources	7,232			7,232	
Federal sources	551,291			551,291	
Transfer from (to) other funds	(4,487)			(4,487)	
	<u>554,036</u>			<u>554,036</u>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest earned	1,343			1,343	25
	<u>1,343</u>			<u>1,343</u>	<u>25</u>
Net cash provided by investing activities					
Net increase (decrease) in cash and cash equivalents	(365)	1,176	15,408	16,219	437
Balances - beginning of year	182,330	3,364	34,760	220,454	1,740
Balances - end of year	<u>\$ 181,965</u>	<u>\$ 4,540</u>	<u>\$ 50,168</u>	<u>\$ 236,673</u>	<u>\$ 2,177</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ (626,333)	\$ 1,176	\$ 15,408	\$ (609,749)	\$ 412
<b>Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>					
Depreciation	10,624			10,624	
Food distribution program	59,918			59,918	
(Increase) decrease in accounts receivable	(8,114)			(8,114)	
(Increase) decrease in inventory	(6,498)			(6,498)	
Increase (decrease) in accounts payable	17,226			17,226	
Increase (decrease) in deferred revenue	(2,567)			(2,567)	
Net cash provided by (used for) operating activities	<u>\$ (555,744)</u>	<u>\$ 1,176</u>	<u>\$ 15,408</u>	<u>\$ (539,160)</u>	<u>\$ 412</u>

See accompanying notes to the basic financial statements.



GLASSBORO SCHOOL DISTRICT  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2020

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Agency Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$ 391,745	\$ 36,272	\$ 489,352
Accounts receivable			31,430
Interfund receivable - Agency funds	27,004		
Total assets	\$ 418,749	\$ 36,272	\$ 520,782
<b>LIABILITIES</b>			
Payroll deductions and withholdings			\$ 18,486
Accrued salaries and wages			302,267
Due to student groups			173,025
Interfund payable - Unemployment trust			27,004
Total liabilities			\$ 520,782
<b>NET POSITION</b>			
Held in trust for unemployment claims	\$ 418,749		
Reserve for scholarships		\$ 36,272	

See accompanying notes to the basic financial statements.

GLASSBORO SCHOOL DISTRICT  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2020

	Unemployment Compensation Trust	Private Purpose Scholarship Trust
ADDITIONS:		
Contributions	\$ 37,516	\$ 1,020
Board contributions	225,000	
Interest earned	199	332
Total additions	<u>262,715</u>	<u>1,352</u>
DEDUCTIONS:		
Unemployment claims	26,165	
Scholarships awarded		4,250
Total deductions	<u>26,165</u>	<u>4,250</u>
Change in net position	236,550	(2,898)
Net position - beginning of year	182,199	39,170
Net position - end of year	<u>\$ 418,749</u>	<u>\$ 36,272</u>

See accompanying notes to the basic financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Introduction**

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

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

**A. Reporting Entity**

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

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

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

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

**B. Basic Financial Statements – District-Wide Statements**

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

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

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

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

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

**C. Basic Financial Statements - Fund Financial Statements**

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

The District reports the following Governmental Funds:

**GOVERNMENTAL FUNDS**

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

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

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**GOVERNMENTAL FUNDS (CONTINUED)**

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

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

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

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

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

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

**PROPRIETARY FUNDS**

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

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

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

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

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**FIDUCIARY FUNDS**

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

Fiduciary Funds are used to report assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or other governments, and therefore, not available to support District programs. The reporting focus is on net position. Changes in net position are reported using accounting principles similar to Proprietary Funds.

The emphasis in fund financial statements is on the Major Funds in either the Governmental or Business-type Activities categories. Non-major Funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the Governmental and Enterprise combined) for the determination of Major Funds. The Non-major Funds are combined in a column in the fund financial statements.

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

The Fiduciary Funds include Student Activity Fund, Payroll, and Payroll Agency Funds which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**D. Basis of Accounting**

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

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

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

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Basis of Accounting (Continued)**

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

**E. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office for approval and are approved as long as the District budget is within State mandated CAP's, there is no public vote on the budget. If the budget exceeds State mandated CAP's, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:23-2(g). Budget amendments/transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and, under certain circumstances, require approval by the County Superintendent of Schools. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The Capital Projects Fund presents the remaining project appropriations compared to current year expenditures.

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

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

**F. Encumbrances**

Under encumbrance accounting purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in Governmental Funds, other than Special Revenue Fund, are reported as reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.



**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

**G. Cash and Cash Equivalents**

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

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

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

**H. Inventories**

Inventories in the General Fund consist of expendable supplies held for the District's use and are carried at cost using first-in first-out method. Inventories in the Enterprise Fund are valued at cost, which approximates market, using first-in first-out method. In the fund based financial statements, commodities received from the U.S. Department of Agriculture are recorded as deferred revenue until consumed.

The value of Federal donated commodities are reflected in Schedule A (required by Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Interfund Transactions**

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

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

**J. Capital Assets**

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical costs or estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is computed using the straight-line method over the estimated useful lives:

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

Asset Class	Estimated Useful Lives
Site improvements	20
Building & improvements	20-50
Machinery & equipment	7-20

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

**K. Compensated Absences**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted in the period in which such services are rendered or in which such events take place.

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

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

**L. Deferred Revenue**

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

**M. Accrued Liabilities and Long-Term Obligations**

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

**N. Allocation of Indirect Expenses**

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

**O. Accrued Salaries and Wages**

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

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**P. Extraordinary and Special Items**

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

**Q. Use of Estimates**

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

**R. Revenues**

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

**S. Expenditures**

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

**T. Net Position**

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net positions are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**U. Fund Balance Reserves**

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

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**U. Fund Balance Reserves (Continued)**

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

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

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

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

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

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

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**V. Recent Accounting Pronouncements Adopted**

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, "Certain Asset Retirement Obligations." This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's). This Statement, originally effective for period's beginning after June 15, 2018, is postponed until June 15, 2019.

In April 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements." This Statement, originally effective for periods beginning after June 15, 2018, is postponed until June 15, 2019.

**W. Recent Effective Accounting Pronouncements Postponed by Statement 95**

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance." The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. As a result of GASB 95, the effective dates of the following statements are postponed by one year:

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, "Fiduciary Activities." 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. 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 originally effective for periods beginning after December 31, 2018, is postponed until December 15, 2019. Management has not yet determined the impact of this Statement on the financial statements.

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, "Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61." This Statement, originally effective for periods beginning after December 15, 2018, is postponed until December 15, 2019, and will not have any effect on financial reporting.

In January 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 92, "Omnibus 2020." This Statement, originally effective for periods beginning after December 15, 2020, is postponed until December 15, 2021. Management has not yet determined the impact of this Statement on the financial Statements.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, "Replacement of Interbank Offered Rate." This Statement, except for paragraph 11b originally effective for periods beginning after June 15, 2020, is postponed until June 15, 2021. The requirement in paragraph 11b originally effective for periods beginning after December 31, 2021, is postponed until December 31, 2022. Management has not yet determined the impact of this Statement on the financial statements.

**GLASSBORO SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**X. Recent Accounting Pronouncements Not Yet Effective**

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases." 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, originally effective for periods beginning after December 15, 2019, is postponed until June 15, 2021, due to the issuance of Statement No. 95. Management expects this Statement will have a significant impact on the financial statements.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Costs Incurred Before the End of a Construction Period." The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement, originally effective for periods beginning after December 15, 2019, is postponed until December 15, 2020, due to the issuance of Statement No. 95. Management does not expect this Statement will have an impact on the financial statements.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations." The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This Statement, originally effective for periods beginning after December 15, 2020, is postponed until December 15, 2021, due to the issuance of Statement No. 95. Management does not expect this Statement will have an impact on the financial statements.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement is effective for periods beginning after June 15, 2022. Management does not expect this Statement will have an impact on the financial statements.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, "Subscription-Based Information Technology Arrangements." This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement is effective for periods beginning after June 15, 2022. Management does not expect this Statement will have an impact on the financial statements.

In June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32." This Statement provides guidance on the accounting and financial reporting related to the reporting of fiduciary component units. This Statement is effective for periods beginning after June 15, 2021. Management does not expect this Statement will have a significant impact on the financial statements.

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 2: CASH AND CASH EQUIVALENTS**

Custodial Credit Risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is based on New Jersey statutes requiring cash to be deposited only in New Jersey banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA), or in qualified investments established in NJSA 18A:20-37 that are treated as cash equivalents. The carrying amount of the District's cash and cash equivalents as of June 30, 2020 and 2019, was \$7,721,857 and \$6,100,251. As of June 30, 2020 and 2019, \$0 of the District's bank balance of \$9,293,240 and \$7,067,743, respectively, was exposed to Custodial Credit Risk.

**NOTE 3: INVESTMENTS**

As of June 30, 2020 and 2019, the District did not have any investments.

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

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

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

**NOTE 4: RECEIVABLES**

Receivables as of June 30, 2020, consisted of Intergovernmental and other receivables. All receivables are considered collectible in full. A summary of the principal items of the receivables are as follows:

	Governmental Activities	Business- Type Activities
State aid	\$ 491,194	\$ 1,984
Federal aid	149,578	48,973
Other	357,769	27,121
	<u>\$ 998,541</u>	<u>\$ 78,078</u>



**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 5: INTERFUND RECEIVABLES AND PAYABLES**

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 138,381	\$ 363,806
Special Revenue Fund	324,379	
Capital Projects Fund	39,427	130,130
Debt Service Fund	130,130	
Fiduciary Fund	27,004	27,004
Enterprise Fund		138,381
	<u>\$ 659,321</u>	<u>\$ 659,321</u>

**NOTE 6: INVENTORY**

Inventory in the Food Service Fund as of June 30, 2020, consisted of the following:

Food	\$ 5,911
Food - Commodities	12,074
Supplies	2,923
	<u>\$ 20,908</u>

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 7: CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Disposals	Balance June 30, 2020
Governmental activities:				
Sites	\$ 235,104			\$ 235,104
Construction in progress	23,475,931	\$ 151,316		23,627,247
Site improvements	1,892,289	58,339		1,950,628
Building & building improvements	31,014,558			31,014,558
Machinery & equipment	6,367,470	404,866		6,772,336
Totals at historical cost	<u>62,985,352</u>	<u>614,521</u>		<u>63,599,873</u>
Less: accumulated depreciation for:				
Site improvements	1,533,107	60,617		1,593,724
Building & building improvements	15,601,997	551,193		16,153,190
Machinery & equipment	4,086,358	471,606		4,557,964
Total accumulated depreciation	<u>21,221,462</u>	<u>1,083,416</u>		<u>22,304,878</u>
Governmental activities capital assets, net	<u>\$ 41,763,890</u>	<u>\$ (468,895)</u>		<u>\$ 41,294,995</u>
Business-type activities:				
Machinery & equipment	\$ 472,248		\$ 1,725	\$ 470,523
Less: accumulated depreciation	426,650	\$ 10,624		437,274
Business-type capital assets, net	<u>\$ 45,598</u>	<u>\$ (10,624)</u>	<u>\$ 1,725</u>	<u>\$ 33,249</u>

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

**NOTE 8: GENERAL LONG-TERM DEBT**

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

Permanently funded debt as of June 30, 2020, consisted of the following:

\$23,647,000 General Obligation Bonds dated July 28, 2015, payable in annual installments through July 15, 2035. Interest is paid semi-annually at the rates of 3% to 3.75% per annum. The balance remaining as of June 30, 2020, was \$19,807,000.

**Long-Term Obligation Activity**

Changes in long-term obligations for the fiscal year ended June 30, 2020, are as follows:

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 8: GENERAL LONG-TERM DEBT (CONTINUED)**

**Long-Term Obligation Activity (Continued)**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Due Within One Year
Bonds payable	\$ 20,787,000		\$ 980,000	\$ 19,807,000	\$ 995,000
Capital leases	1,709,567	\$ 366,630	552,583	1,523,614	514,111
Installment Pay Agreement		264,423		264,423	52,885
Compensated absences	1,529,127	33,491	607,143	955,475	109,120
	<u>\$ 24,025,694</u>	<u>\$ 664,544</u>	<u>\$ 2,139,726</u>	<u>\$ 22,550,512</u>	<u>\$ 1,671,116</u>

**Bonds Payable**

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

Year Ended June 30,	Principal	Interest	Total
2021	\$ 995,000	\$ 636,600	\$ 1,631,600
2022	1,020,000	606,375	1,626,375
2023	1,040,000	575,475	1,615,475
2024	1,065,000	543,900	1,608,900
2025	1,095,000	511,500	1,606,500
2026-2030	5,975,000	2,034,306	8,009,306
2031-2035	7,050,000	952,213	8,002,213
2036	1,567,000	29,381	1,596,381
	<u>\$ 19,807,000</u>	<u>\$ 5,889,750</u>	<u>\$ 25,696,750</u>

**Bonds Authorized but Not Issued**

There were no bonds authorized but not issued as of June 30, 2020.

**Other**

Interest paid on debt issued by the District is exempt from federal income tax. Because of this, bond holders are willing to accept a lower interest rate than they would on taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this as arbitrage. Earnings in excess of the yield on the debt issue are rebated to the Federal Government based on the requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally allowable returns.

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

For the year ended June 30, 2020, it was not necessary for the Board to establish a liability for arbitrage rebate.

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 8: GENERAL LONG-TERM DEBT (CONTINUED)**

**Capital Lease Payable**

The District has entered into lease purchase agreements for the acquisition of school buses, computers, and communications network equipment. The lease agreements range from four to ten years and carry interest rates ranging from 2.49% to 6.21%, see Exhibit I-2. The following is a schedule of future minimum lease payments under capital leases, together with the net present value of the minimum lease payments, as of June 30, 2020:

Year Ended June 30,	Principal	Interest	Total
2021	\$ 514,111	\$ 65,953	\$ 580,064
2022	504,765	43,546	548,311
2023	428,739	22,019	450,758
2024	75,999	2,280	78,279
	<u>\$ 1,523,614</u>	<u>\$ 133,798</u>	<u>\$ 1,657,412</u>

**Installment Payment Agreement**

The District has entered into an installment payment agreement for the acquisition for software licenses. The agreement is for five years with 0% interest. The following is a schedule of future installment payments as of June 30, 2020:

Year Ended June 30,	Principal	Interest	Total
2021	\$ 52,885		\$ 52,885
2022	52,885		52,885
2023	52,885		52,885
2024	52,885		52,885
2025	52,885		52,885
	<u>\$ 264,423</u>	<u>None</u>	<u>\$ 264,423</u>

**NOTE 9: PENSION FUNDS**

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

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 9: PENSION FUNDS (CONTINUED)**

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

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

**Funding Policy** - The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The TPAF and the PERS provide for employee contributions of 7.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The District's contributions to the PERS for the years ending June 30, 2020, 2019, and 2018, were \$528,743, \$548,620, and \$536,266, respectively, equal to the required contributions for each year which includes long-term disability amounts which are not included in the GASB 68 calculation. The School District's employer share of the TPAF for the years ending June 30, 2020, 2019, and 2018, were \$4,794,610, \$4,321,082, and \$3,788,210, respectively, and paid by the State of New Jersey on behalf of the Board.

The District's total payroll for the years ended June 30, 2020, 2019, and 2018, were \$22,265,634, \$22,283,898, and \$22,463,923, respectively. Covered payroll was \$4,088,093, \$4,283,559, and \$4,227,313 for PERS and \$16,817,120, \$16,689,816, and \$16,930,083 for the TPAF, for the same years.

Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board for the years ending June 30, 2020, 2019, and 2018, \$1,132,273, \$1,227,822, and \$1,144,525, for the employer's share of Social Security contributions for the TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 27.

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 9: PENSION FUNDS (CONTINUED)**

**Funding Policy (Continued)**

For the year ended June 30, 2019, The District recognized pension expense of (\$483,389). As of June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to the PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ 106,148
Changes of assumptions		3,141,108
Net difference between projected and actual earning on pension plan investments		265,371
Changes in proportion and differences between District contributions and proportionate share of contributions		208,314
Employer contributions subsequent to the measurement date	\$ 526,100	
	\$ 526,100	\$ 3,720,941

\$526,100 reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date (i.e., for the school year ending June 30, 2020, the plan measurement date is June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2021	\$ (878,928)
2022	(1,388,041)
2023	(1,032,910)
2024	(397,016)
2025	(24,046)
	\$ (3,720,941)

Additional Information – Collective balances as of June 30, 2019 and 2018, are as follows:

	June 30, 2019	June 30, 2018
Collective deferred outflows of resources	\$ 3,149,522,616	\$ 4,684,852,302
Collective deferred inflows of resources	7,645,087,574	7,646,736,226
Collective net pension liability	18,018,482,972	19,689,501,539
District's proportion	0.0540862609%	0.0549077800%

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 9: PENSION FUNDS (CONTINUED)**

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right, under the current law, to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contributes amounts for each pay period to Prudential Financial, not later than the fifth business day after the date on which the employee is paid for that pay period. The School District's contributions for the years ending June 30, 2020, 2019, and 2018, were \$29,567, \$27,504, and \$24,046 for covered employees.

**NOTE 10: POSTEMPLOYMENT BENEFITS**

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 year of service or on a disability retirement. Under the provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of 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. In Fiscal Year 2019, the State paid PRM benefits for 153,893 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2019, the State contributed \$1.908 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's "pay-as-you-go" contributions have remained consistent with Fiscal Year 2018 amounts. The State has appropriated \$1.612 billion in Fiscal Year 2020 as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 10: POSTEMPLOYMENT BENEFITS (CONTINUED)**

Year 2019 total State OPEB liability to provide these benefits is \$76 billion, a decrease of \$14.5 billion or 16 percent from the \$90.5 billion liability recorded in Fiscal Year 2018.

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

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

**Total Non-Employer OPEB Liability**

The State of New Jersey, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability in the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the Board of Education/Board of Trustees. The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2020, was \$76,991,075. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability. Note that actual numbers will be published in the NJ State's CAFR at: <http://www.state.nj.us/treasury/pensions/gasb-notice.shtml>.

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2019, actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.50%
Salary increases	Differs by pension group (e.g. - PERS, TPAF) See Actuarial Assumptions in the Notes to Required Supplementary Information - Note 4
Discount rate	3.50%

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

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.



**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 10: POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Total Non-Employer OPEB Liability (Continued)**

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018, for the TPAF, PERS, and PFRS, respectively.

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

	Total OPEB Liability	
	June 30, 2018	June 30, 2019
Balance at beginning of measurement period	\$ 53,639,841,858	\$ 46,110,832,982
Changes for the year:		
Service cost	1,984,642,729	1,734,404,850
Interest	1,970,236,232	1,827,787,206
Changes of benefit terms	-	-
Differences between expected and actual experience	(5,002,065,740)	(7,323,140,818)
Changes in assumptions or other inputs	(5,291,448,855)	622,184,027
Contributions - Member	42,614,005	37,971,171
Benefit payments	(1,232,987,247)	(1,280,958,373)
Net changes	(7,529,008,876)	(4,381,751,937)
Balance at end of measurement period	\$ 46,110,832,982	\$ 41,729,081,045

There were no changes in benefit terms from 2017 to 2018 and 2019.

Changes in assumptions and other inputs reflect a change in the discount rate from 3.58% in 2017 to 3.87% in 2018 to 3.50% in 2019.

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

The State's proportionate share of the total non-employer OPEB liability as of June 30, 2019, associated with the School District using a discount rate of 3.50%, as well as using a discount rate that is 1-percent-point lower or 1-percent-point higher than the current discount rate.

	2.50%	3.50%	4.50%
Total OPEB Liability (School Retirees)	\$ 90,956,884	\$ 76,991,075	\$ 65,897,402

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

**Trend Rates** - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2019, associated with the School District, using a healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 10: POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Cost Trend Rates (Continued)**

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability (School Retirees)	\$ 63,437,214	\$ 76,991,075	\$ 94,933,604

Additional information – Collective balances as of June 30, 2019 and 2018, are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Collective deferred outflows of resources	\$ 1,921,145,183	\$ 1,377,313,892
Collective deferred inflows of resources	20,887,639,826	16,189,378,926
Collective OPEB Expense	<u>1,015,664,874</u>	<u>2,129,660,368</u>
District's proportion	0.18%	0.19%

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

For the fiscal year ended June 30, 2020, the Board of Education recognized \$963,498 in OPEB expense and revenue, in the Government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense associated with the School District. This expense and revenue were based on the OPEB Plan's June 30, 2019, measurement date.

In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. As of June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		\$ (10,484,965,300)
Changes of assumptions or other inputs		<u>(8,481,529,343)</u>
Total	<u>None</u>	<u>\$ (18,966,494,643)</u>

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

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 10: POSTEMPLOYMENT BENEFITS (CONTINUED)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to OPEB (Continued)**

<u>Year Ended June 30,</u>	
2020	\$ (2,546,527,182)
2021	(2,546,527,182)
2022	(2,546,527,182)
2023	(2,546,527,182)
2024	(2,546,527,182)
Thereafter	<u>(6,233,858,733)</u>
	<u>\$ (18,966,494,643)</u>

**NOTE 11: DEFERRED COMPENSATION**

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

AXA Equitable Tax Shelter  
Metropolitan Life Insurance

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

**NOTE 12: COMPENSATED ABSENCES**

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

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

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

**NOTE 13: LABOR CONTRACTS**

As of June 30, 2020, the District's teachers, school nurses, LDT-C, social workers, guidance counselors, psychologists, support professionals, and administrators are organized and represented by unions as follows:

Glassboro Education Association (GEA) expired June 30, 2020  
Glassboro Principals and Supervisors Association (GPSA) expired June 30, 2020  
Glassboro Educational Support Professional Association (GESPA) expired June 30, 2019

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 14: RISK MANAGEMENT**

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

**Property and Liability Insurance:**

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

**New Jersey Unemployment Compensation Insurance:**

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

Year Ended June 30,	District Contribution	Employee Contribution	Amount Reimbursed	Ending Balance
FY 2020	\$ 225,000	\$ 37,516	\$ 26,165	\$ 418,749
FY 2019	None	39,681	35,614	182,199
FY 2018	None	37,432	27,873	177,521

**NOTE 15: CAPITAL RESERVE ACCOUNT**

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

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

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

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 16: FUND BALANCE APPROPRIATED**

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

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

Specific classifications of fund balance are summarized below:

**Restricted Fund Balance**

General Fund –The District also has \$8,147 for school bus advertising 50% fuel offset – prior year, \$8,146 for school bus advertising 50% fuel offset – current year, and \$50,000 for emergency reserves.

Excess Surplus - As of June 30, 2020, excess surplus created in FY 2019 of \$2,703,299 will be utilized for expenditures in the 2020-2021 budget, while excess surplus created in FY 2020 of \$210,036 is restricted and will be utilized for budget expenditures in 2021-2022.

Capital Projects Fund – The Capital Projects Fund balance as of June 30, 2020, was \$19,753.

**Assigned Fund Balance** - As of June 30, 2020, the District had \$3,999,908 of assigned fund balance. The balance consisted of \$169,859 of encumbrances outstanding for purchase orders and contracts signed by the District, but not completed, as of the close of the fiscal year and \$3,830,049 that the District has appropriated and included as anticipated revenue for the year ending June 30, 2021.

Debt Service Fund – The Debt Service Fund balance as of June 30, 2020, was a deficit of \$20,193.

**Unassigned Fund Balance** – As of June 30, 2020, a deficit of \$502,767 of fund balance was unassigned.

Special Revenue Fund – As of June 30, 2020, the fund balance was a deficit of \$120,480.

**NOTE 17: CALCULATION OF EXCESS SURPLUS**

The designation of Reserve Fund Balance - Excess surplus is a required calculation pursuant NJSA 18A:7F-7, as amended. New Jersey School Districts are required to reserve General Fund, fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance as of June 30, 2020, is \$2,913,335.

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 18: DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$502,767 in the General Fund and \$120,480 in the Special Revenue Fund as of June 30, 2020, as reported in the fund statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, and liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the state is recording the June state aid payment(s) in the subsequent fiscal year, the School District cannot recognize the June state aid payment(s) on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate that the District is facing financial difficulties.

Pursuant to NJSA 18A:22-44.2, any negative unassigned general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP statements of \$502,767 is less than the last state aid payments.

The deficit fund balance of \$20,193 in the Debt Service Fund was due to an error in budgeting interest expense in the prior year and will be corrected in the budget for the year ended June 30, 2021.

**NOTE 19: TAX ABATEMENTS**

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

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

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 19: TAX ABATEMENT PROGRAMS (CONTINUED)**

The Borough of Glassboro's tax abatements for the year ended December 31, 2019, were as follows;

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

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

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

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

For the fiscal year ended December 31, 2019, the Borough abated property taxes totaling \$8,675,201.37 offset by ground leases in the amount of \$3,825,081.30, for a net effective tax abatement of \$4,850,120.07. The following agreements were in effect as of December 31, 2019, under the provisions of the aforementioned statutes:

- A 12.91% net effective abatement to a developer for construction and operation of an 884-bed student housing facility. The net effective abatement amounted to \$113,636.51.
- A 49.16% net effective abatement to a developer for construction and operation of a three-bay, six and one-half level, approximately 1,194 space parking garage. The net effective abatement amounted to \$184,881.60.
- A 50.36% effective abatement (no ground lease) to a developer for construction and operation of a 129 Room Courtyard by Marriott Hotel and Conference Area. The abatement amounted to \$299,722.75.
- A 31.62% net effective abatement to a developer for construction and operation of a mixed-use building consisting of a 280 bed student housing facility with administrative housing/office space for Rowan University's honors program and retail space. The net effective abatement amounted to \$221,297.89.
- A 11.08% net effective abatement to a developer for construction and operation of a five-story building including classrooms, office space, and an 41.06% net effective abatement for the retail space. The net effective abatement amounted to \$59,017.10.
- A 65.38% net effective abatement to a developer for construction and operation mixed use building consisting of 119 student apartments, 59 market rate apartments, medical office space, and 65.38% net effective abatement for retail space. The net effective abatement amounted to \$1,283,229.68.

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 19: TAX ABATEMENT PROGRAMS (CONTINUED)**

- A 66.55% effective abatement (no ground lease) to a developer for construction and operation of affordable senior housing and affordable housing for developmentally disabled and their families. The abatement amounted to \$46,126.49.
- A 14.82% effective abatement (no ground lease) to a developer for construction and operation of an 80-unit affordable housing project. The abatement amounted to \$9,995.10.
- An 84.69% effective abatement (no ground lease) to a developer for construction and operation of 41 units of residential housing for physically disabled persons. The abatement amounted to \$99,560.63.
- A 65.12% net effective abatement to a developer for construction and operation of 123 student apartments and 37 market rate apartments; a 65.12% net effective abatement for 30,000 sq. ft. of classroom space; a 86.71% net effective abatement for 75,644 sq. ft. of retail space; and a 80.62% net effective abatement for a parking garage containing 865 spaces. The net effective abatement amounted to \$1,666,527.47.
- A 98.52 % effective abatement (no ground lease) to a developer for construction and operation of 30 units of residential housing for low-income homeless youth and youth aging out of foster care. The abatement amounted to \$82,857.98.
- A 53.27% net effective abatement to a developer for construction and operation of 120 student apartments and 20 market rate apartments and a 92.93% net effective abatement for 18,386 sq. ft. of retail space. The net effective abatement amounted to \$790,266.88.

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

- An average abatement of 44.88% to multiple entities to construct dwellings, as defined in the statute. The total of all such abatements amounted to \$1,455,199.29.
- An average abatement of 100.00% to numerous entities to construct commercial or industrial structures, as defined in the statute. The total of all such abatements amounted to \$48,025.07.

**NOTE 20: RESTATEMENT OF PRIOR YEAR BALANCES**

Net position has been restated to reflect capital leases not recorded in the prior year. This resulted in the following restatement of net position as of June 30, 2019.



**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 20: RESTATEMENT OF PRIOR YEAR BALANCES (CONTINUED)**

Net position - as of June 30, 2019	\$ 10,104,977
Restatement of capital leases	(1,229,677)
Restatement of accrued interest	(312,091)
	<u>                    </u>
Net position - as of June 30, 2019, as restated	<u><u>\$ 8,563,209</u></u>

**NOTE 21: ECONOMIC DEPENDENCY**

The District is heavily reliant on state aid and local tax levy to fund the District's operations. State sources accounted for approximately 51.5% of the District's 2019-2020 General Fund revenue, while local tax levy accounted for approximately 46.3%.

**NOTE 22: CONTINGENT LIABILITIES**

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

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

**NOTE 23: SUBSEQUENT EVENTS**

The Board approved two four-year leases for laptops and Chromebooks from Dell. The capital lease is for \$364,730.75 and \$335,374.44 at a rate of 4.804%. The lease/purchase agreement is with Dell Financial Services. The following is a schedule of the future minimum lease payments under the capital leases:

Year Ended June 30,	Principal	Interest	Total
2021	\$ 187,530		\$ 187,530
2022	162,907	\$ 24,623	187,530
2023	170,733	16,797	187,530
2024	178,935	8,596	187,531
	<u>\$ 700,105</u>	<u>\$ 50,016</u>	<u>\$ 750,121</u>

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2020 and May 26, 2021, the date that the financial statements were issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the collection of certain anticipated revenues, such as interest, food service revenues, and other fees. Other financial impact could occur though such potential impact is unknown at this time.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

## **BUDGETARY COMPARISON SCHEDULES**

GLASSBORO SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 20,335,186		\$ 20,335,186	\$ 20,335,186	
Other local government units - restricted	10,000		10,000		\$ (10,000)
Tuition from other LEA's within the state	225,000		225,000	166,181	(58,819)
Tuition other				162,557	162,557
Transportation fees from other LEA's within the state	175,000		175,000	84,967	(90,033)
Interest on investments	30,000		30,000	67,362	37,362
Rents and royalties	10,000		10,000	7,933	(2,067)
Miscellaneous	60,000		60,000	355,411	295,411
Advertising fees - school buses	11,000		11,000	16,293	5,293
Total - local sources	<u>20,856,186</u>		<u>20,856,186</u>	<u>21,195,890</u>	<u>339,704</u>
State sources:					
School choice aid	142,688		142,688	142,688	
Extraordinary aid	225,000		225,000	363,246	138,246
Categorical special education aid	92,586		92,586	92,586	
Equalization aid	14,597,332		14,597,332	14,597,332	
Emergency aid		\$ 1,511,644	1,511,644	1,511,644	
Reimbursed nonpublic school transportation costs				9,047	9,047
TPAF - post-retirement medical (on-behalf non-budgeted)				1,215,645	1,215,645
Teachers' pension & annuity fund (on-behalf non-budgeted)				3,276,833	3,276,833
TPAF - long-term disability insurance (on-behalf non-budgeted)				2,132	2,132
Reimbursed TPAF social security contributions (non-budgeted)				1,132,273	1,132,273
Total - state sources	<u>15,057,606</u>	<u>1,511,644</u>	<u>16,569,250</u>	<u>22,343,426</u>	<u>5,774,176</u>
Federal sources:					
Medicaid reimbursement	106,153		106,153	100,576	(5,577)
Total - federal sources	<u>106,153</u>		<u>106,153</u>	<u>100,576</u>	<u>(5,577)</u>
Total revenues	<u>\$ 36,019,945</u>	<u>\$ 1,511,644</u>	<u>\$ 37,531,589</u>	<u>\$ 43,639,892</u>	<u>\$ 6,108,303</u>

GLASSBORO SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Current expense:					
Regular programs - instruction:					
Preschool/Kindergarten - salaries of teachers	\$ 609,777	\$ 121,479	\$ 731,256	\$ 650,920	\$ 80,336
Grades 1-5 - salaries of teachers	2,686,502	194,086	2,880,588	2,715,897	164,691
Grades 6-8 - salaries of teachers	1,742,573	88,393	1,830,966	1,809,410	21,556
Grades 9-12 - salaries of teachers	3,042,516	(48,868)	2,993,648	2,897,869	95,779
Regular programs - home instruction:					
Salaries of teachers	18,000		18,000	2,764	15,236
Purchased professional - educational services	15,320	(1,000)	14,320	3,548	10,772
Regular programs - undistributed instruction:					
Other salaries for instruction	88,618	3,439	92,057	92,056	1
Purchased professional - educational services	383,000	(18,409)	364,591	338,678	25,913
Other purchased services (400-500 series)	267,891	61,621	329,512	247,515	81,997
General supplies	674,481	(97,659)	576,822	490,004	86,818
Textbooks	74,000	5,000	79,000	51,759	27,241
Other objects		1,429	1,429	789	640
Total regular programs - instruction	<u>9,602,678</u>	<u>309,511</u>	<u>9,912,189</u>	<u>9,301,209</u>	<u>610,980</u>
Special education instruction:					
Learning and/or language disabilities:					
Salaries of teachers	101,980	52,553	154,533	107,930	46,603
Other salaries for instruction	49,684		49,684	44,639	5,045
Purchased professional - educational services	8,000		8,000	2,638	5,362
Other purchased services (400-500 series)	9,000		9,000	1,409	7,591
General supplies	10,000	(748)	9,252	2,680	6,572
Other objects	1,000		1,000		1,000
Total learning and/or language disabilities	<u>179,664</u>	<u>51,805</u>	<u>231,469</u>	<u>159,296</u>	<u>72,173</u>

GLASSBORO SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Multiple disabilities:					
Salaries of teachers	294,969	1,354	296,323	290,759	5,564
Other salaries for instruction	95,904	(1,776)	94,128	71,546	22,582
Purchased professional - educational services	6,000	(2,450)	3,550	3,256	294
Other purchased services (400-500 series)	3,000	3,800	6,800	6,332	468
General supplies	11,000	(1,487)	9,513	7,343	2,170
Total multiple disabilities	410,873	(559)	410,314	379,236	31,078
Resource room/resource center:					
Salaries of teachers	2,233,189	10,306	2,243,495	2,217,112	26,383
Other salaries for instruction	93,630	15,939	109,569	98,747	10,822
Purchased professional - educational services	55,000		55,000	20,392	34,608
Other purchased services (400-500 series)	6,500		6,500	729	5,771
General supplies	28,182		28,182	17,013	11,169
Total resource room/resource center	2,416,501	26,245	2,442,746	2,353,993	88,753
Autism:					
Salaries of teachers	54,590		54,590	43,567	11,023
Other salaries for instruction	79,935		79,935	51,607	28,328
Purchased professional - educational services	1,500		1,500		1,500
Other purchased services (400-500 series)	3,000	(500)	2,500		2,500
General supplies	3,000	(745)	2,255		2,255
Total autism	142,025	(1,245)	140,780	95,174	45,606
Preschool disabilities - part time:					
Salaries of teachers	86,823	551	87,374	87,373	1
Other salaries for instruction	21,625	2,703	24,328	24,328	
Purchased professional - educational services	3,000	(1,141)	1,859	241	1,618
Other purchased services (400-500 series)	3,000		3,000	509	2,491
General supplies	4,915		4,915	2,702	2,213
Total preschool disabilities - part time	119,363	2,113	121,476	115,153	6,323

GLASSBORO SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Home instruction:					
Salaries of teachers	40,000	11,036	51,036	51,036	
Purchased professional - educational services	20,000	125	20,125	20,125	
Total home instruction	60,000	11,161	71,161	71,161	
Total special education - instruction	3,328,426	89,520	3,417,946	3,174,013	243,933
Basic skills/remedial - instruction:					
Salaries of teachers	452,056	(22,087)	429,969	335,229	94,740
Purchased professional - educational services	3,000		3,000	1,628	1,372
Total basic skills/remedial - instruction	455,056	(22,087)	432,969	336,857	96,112
Bilingual education - instruction:					
Salaries of teachers	269,954		269,954	266,811	3,143
Purchased professional - educational services	3,000		3,000	603	2,397
Other purchased services (400-500 series)		476	476	93	383
General supplies	2,000		2,000	600	1,400
Total bilingual education - instruction	274,954	476	275,430	268,107	7,323
School-sponsored co-curricular activities - inst.:					
Salaries	98,000		98,000	93,340	4,660
School-sponsored co-curricular athletics - inst.:					
Salaries	234,404		234,404	221,537	12,867
Purchased services (300-500 series)	112,887	(10,087)	102,800	63,377	39,423
Supplies and materials	41,200	10,087	51,287	44,999	6,288
Other objects	6,400		6,400	5,480	920
Total school-sponsored co-curricular athletics - inst.	394,891		394,891	335,393	59,498
Summer school - instruction:					
Salaries of teachers	6,500	11,810	18,310	17,927	383
Other purchased services	12,000		12,000	9,750	2,250
Total summer school - instruction	18,500	11,810	30,310	27,677	2,633
Summer school - support:					
Salaries	4,500	340	4,840	4,840	
Total summer school	23,000	12,150	35,150	32,517	2,633
Total instruction and at-risk programs	14,177,005	389,570	14,566,575	13,541,436	1,025,139

GLASSBORO SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - instruction:					
Tuition to other LEA's within the state - regular	92,480	25,750	118,230	109,942	8,288
Tuition to other LEA's within the state - special	90,000	(72,956)	17,044	4,444	12,600
Tuition to county voc. school district - regular	144,075		144,075	137,019	7,056
Tuition to CSSD & regional day schools	406,649	273,097	679,746	505,484	174,262
Tuition to private schools for the disabled - within state	1,870,019	71,555	1,941,574	1,751,552	190,022
Tuition - state facilities		9,187	9,187		9,187
Total undistributed expenditures - instruction	2,603,223	306,633	2,909,856	2,508,441	401,415
Undistributed expenditures - attendance and social work:					
Salaries	97,765	(6,860)	90,905	90,905	
Purchased professional and technical services	10,000	(1,606)	8,394	8,394	
Other purchased services (400-500 series)		10,243	10,243	10,243	
Supplies and materials	1,100	(600)	500	500	
Total undistributed expenditures - attendance and social work	108,865	1,177	110,042	110,042	
Undistributed expenditures - health services:					
Salaries	400,704	50,350	451,054	428,751	22,303
Purchased professional and technical services	18,500	1,221	19,721	19,721	
Other purchased services (400-500 series)	2,000	(2,000)			
Supplies and materials	11,800	11,123	22,923	9,033	13,890
Other objects	500	(213)	287	287	
Total undistributed expenditures - health services	433,504	60,481	493,985	457,792	36,193
Undistributed expenditures - speech, OT, PT & related services:					
Salaries	292,276		292,276	288,745	3,531
Purchased professional - educational services	65,149	(11,362)	53,787	50,273	3,514
Supplies and materials	7,000	(1,863)	5,137	3,749	1,388
Total undistributed expenditures - speech, OT, PT & related services	364,425	(13,225)	351,200	342,767	8,433



GLASSBORO SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - other supp. serv. students - extra. serv.:					
Salaries	301,054	(1,902)	299,152	258,378	40,774
Purchased professional - educational services	158,000	59,459	217,459	94,831	122,628
Total undistributed expenditures - other supp. serv. students - extra. serv.	459,054	57,557	516,611	353,209	163,402
Undistributed expenditures - guidance:					
Salaries of other professional staff	631,421	48,887	680,308	663,601	16,707
Salaries of secretarial and clerical assistants	103,762	(4,280)	99,482	95,834	3,648
Purchased professional - educational services	3,125		3,125	2,376	749
Purchased professional and technical services	40,000	11,134	51,134	51,134	
Other purchased services (400-500 series)	500	1,600	2,100	1,934	166
Supplies and materials	3,991		3,991	2,386	1,605
Other objects	1,605		1,605	110	1,495
Total undistributed expenditures - guidance	784,404	57,341	841,745	817,375	24,370
Undistributed expenditures - child study team:					
Salaries of other professional staff	740,481	(939)	739,542	727,269	12,273
Salaries of secretarial and clerical assistants	138,637		138,637	128,220	10,417
Purchased professional - educational services	19,350	(1,000)	18,350	11,827	6,523
Purchased professional and technical services	16,200		16,200	16,008	192
Other purchased services (400-500 series)	3,600	2,000	5,600	2,148	3,452
Supplies and materials	6,500	1,000	7,500	6,337	1,163
Other objects	1,000		1,000	845	155
Total undistributed expenditures - child study team	925,768	1,061	926,829	892,654	34,175
Undistributed expenditures - improvement of inst. services:					
Salaries of supervisors of instruction	374,224		374,224	316,655	57,569
Salaries of other professional staff	22,500	(683)	21,817	17,358	4,459
Salaries of secretaries and clerical assistants	43,308	683	43,991	43,991	
Purchased professional - technical services	25,000	(2,000)	23,000	17,711	5,289
Other purchased services (400-500 series)	2,500	1,912	4,412	3,289	1,123
Supplies and materials	11,500	2,266	13,766	12,138	1,628
Other objects	2,500	734	3,234	3,234	
Total undistributed expenditures - improvement of inst. services	481,532	2,912	484,444	414,376	70,068

GLASSBORO SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - edu. media serv./sch. library:					
Salaries	72,485	56,864	129,349	67,032	62,317
Salaries of technical coordinators	94,323	38,776	133,099	90,635	42,464
Purchased professional and technical services	8,000		8,000	6,293	1,707
Supplies and materials	3,630		3,630	1,433	2,197
Total Undistributed expenditures - edu. media serv./sch. library	178,438	95,640	274,078	165,393	108,685
Undistributed expenditures - instructional staff training					
Salaries of professional staff	1,000		1,000	549	451
Purchased professional - educational services	7,500		7,500	6,311	1,189
Other purchased services (400-500 series)	2,950	52	3,002	2,249	753
Supplies and materials	500		500		500
Total undistributed expenditures - instructional staff training	11,950	52	12,002	9,109	2,893
Undistributed expenditures - supp. serv. - general administration:					
Salaries	232,808	1,390	234,198	233,953	245
Legal services	110,000	(9,328)	100,672	87,863	12,809
Audit fees	36,500		36,500	36,100	400
Other purchased professional services	25,000	17,500	42,500	42,499	1
Communications/telephone	86,000	(25,824)	60,176	55,095	5,081
BOE other purchased services	1,800	(1,800)			
Other purchased services (400-500 series)	175,543	19,810	195,353	194,448	905
General supplies	4,674	(1,000)	3,674	2,136	1,538
Miscellaneous expenditures	16,500	(3,748)	12,752	10,287	2,465
BOE membership dues and fees	15,000		15,000	14,779	221
Total undistributed expenditures - supp. serv. - general administration	703,825	(3,000)	700,825	677,160	23,665
Undistributed expenditures - supp. serv. - school administration:					
Salaries of principals/assistant principals/program directors	947,695	17,677	965,372	951,263	14,109
Salaries of secretarial and clerical assistants	376,516	(8,444)	368,072	336,191	31,881
Purchased professional and technical services	10,000	(1,606)	8,394	8,394	
Other purchased services (400-500 series)	11,000		11,000	7,777	3,223
Supplies and materials	18,600	(70)	18,530	17,174	1,356
Other objects	24,250	5,270	29,520	23,868	5,652
Total undist. expend. - supp. serv. - school administration	1,388,061	12,827	1,400,888	1,344,667	56,221

GLASSBORO SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - central services					
Salaries	408,287	(9,233)	399,054	394,933	4,121
Purchased professional services	24,500		24,500	11,540	12,960
Purchased technical services	42,750		42,750	38,748	4,002
Miscellaneous purchased services (400-500 series)	23,600		23,600	14,218	9,382
Supplies and materials	10,500		10,500	8,300	2,200
Other objects	6,250		6,250	2,115	4,135
Total undistributed expenditures - central services	515,887	(9,233)	506,654	469,854	36,800
Undistributed expenditures - admin. info. tech.					
Salaries	346,731	(6,312)	340,419	339,138	1,281
Purchased technical services	5,000	(1,000)	4,000	3,000	1,000
Other purchased services (400-500 series)	179,749	20,098	199,847	199,847	
Supplies and materials	25,670	(7,969)	17,701	16,882	819
Other objects	850		850	845	5
Total undistributed expenditures - admin. info. tech.	558,000	4,817	562,817	559,712	3,105
Undistributed expenditures - required maintenance for school facilities:					
Salaries	118,666	(15,905)	102,761	102,758	3
Cleaning, repair, and maintenance services	128,392	8,960	137,352	120,264	17,088
General supplies	35,850	43,700	79,550	29,238	50,312
Total undistributed expenditures - required maintenance for school facilities	282,908	36,755	319,663	252,260	67,403
Undistributed expenditures - custodial services:					
Salaries	1,198,704	(39,243)	1,159,461	1,086,367	73,094
Salaries of non-instructional aides	110,047	(6,419)	103,628	95,965	7,663
Unused vacation payment to terminated/retired staff	13,691	(11,519)	2,172		2,172
Purchased professional and technical services	3,000	(1,000)	2,000	175	1,825
Cleaning, repair and maintenance services	24,250	9,095	33,345	27,924	5,421
Other purchased property services	61,000	(2,000)	59,000	44,829	14,171
Insurance	139,608	9,200	148,808	148,564	244
Miscellaneous purchased services	9,000	(2,368)	6,632	1,166	5,466
General supplies	58,800	31,279	90,079	66,464	23,615
Energy (natural gas)	259,500	(34,906)	224,594	154,249	70,345
Energy (electricity)	578,000	26,136	604,136	574,640	29,496
Energy (oil)	500		500		500
Energy (gasoline)	15,205	(10)	15,195	5,660	9,535
Other objects	1,000	2,493	3,493	2,672	821
Total undistributed expenditures - custodial services	2,472,305	(19,262)	2,453,043	2,208,675	244,368

GLASSBORO SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - care and upkeep of grounds:					
Salaries	140,945		140,945	120,732	20,213
Cleaning, repair, and maintenance services	17,500		17,500	11,079	6,421
General supplies	9,000		9,000	5,620	3,380
Total undistributed expenditures - care and upkeep of grounds	167,445		167,445	137,431	30,014
Undistributed expenditures - security:					
Purchased professional and technical services	145,500		145,500	144,000	1,500
General supplies	4,000		4,000	818	3,182
Total undistributed expenditures - security	149,500		149,500	144,818	4,682
Total undistributed expenditures - oper. & maint. of plant services	3,072,158	17,493	3,089,651	2,743,184	346,467
Undistributed expenditures - student transportation services:					
Salaries of non-instructional aides	225,371	21,632	247,003	245,281	1,722
Salaries for pupils trans. (bet. home & school) - regular	877,368	(34,694)	842,674	739,162	103,512
Salaries for pupils trans. (bet. home & school) - special	285,962	12,093	298,055	193,487	104,568
Salaries for pupils trans. (other than bet. home & school)	83,600	28,254	111,854	78,285	33,569
Salaries for pupils trans. (bet. home & school) - nonpublic school	66,901	83	66,984	66,893	91
Management fee - ESC & CSA trans. program	33,500		33,500	28,216	5,284
Other purchased professional/technical services	23,400	4,148	27,548	10,728	16,820
Cleaning, repair, and maintenance services	20,000	(13,748)	6,252	3,960	2,292
Contract services - aid in lieu of payments - nonpublic schools	101,400	15,870	117,270	79,222	38,048
Contract services - aid in lieu of payments - charter schools	5,500	(3,000)	2,500	667	1,833
Contract services - aid in lieu of payments - choice schools	12,000	3,000	15,000	9,304	5,696
Contract services (bet. home & school) joint agreements	5,000		5,000	1,172	3,828
Contract services (special ed. students) joint agreements	66,000	(26,686)	39,314	39,314	
Contract services (regular students) ESC's & CTSA's	78,000	173,508	251,508	251,157	351
Contract services (special ed. students) ESC's & CTSA's	351,642	(100,000)	251,642	249,867	1,775
Miscellaneous purchased services - transportation	227,015	13,771	240,786	177,450	63,336
General supplies	3,000	(25)	2,975	2,237	738
Transportation supplies	242,374	16,625	258,999	164,408	94,591
Fuel costs funded by advertising revenue	3,000	(3,000)			
Other objects	8,690	(4,000)	4,690	3,683	1,007
Total undistributed expenditures - student transportation services:	2,719,723	103,831	2,823,554	2,344,493	479,061

GLASSBORO SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unallocated benefits - employee benefits:					
Group insurance	39,879		39,879	31,151	8,728
Social security contributions	535,510	4,657	540,167	496,851	43,316
Other retirement contributions - PERS	590,189	24,464	614,653	528,923	85,730
Other retirement contributions - regular	35,000	811	35,811	35,764	47
Unemployment compensation	15,000	210,000	225,000	225,000	
Workmen's compensation	456,250	(18,269)	437,981	388,334	49,647
Health benefits	5,930,500	112,306	6,042,806	5,997,998	44,808
Tuition reimbursement	60,000		60,000	34,607	25,393
Other employee benefits	187,500	152	187,652	97,613	90,039
Unused sick payment to terminated/retired staff	60,000		60,000	59,557	443
Total unallocated benefits - employee benefits	<u>7,909,828</u>	<u>334,121</u>	<u>8,243,949</u>	<u>7,895,798</u>	<u>348,151</u>
On-behalf contributions:					
On-behalf TPAF pensions contributions (non-budgeted)				3,276,833	(3,276,833)
On-behalf TPAF OPEB (post-retirement medical) contributions (non-budgeted)				1,215,645	(1,215,645)
On-behalf TPAF long-term disability insurance (non-budgeted)				2,132	(2,132)
Reimbursed TPAF social security contributions (non-budgeted)				1,132,273	(1,132,273)
Total on-behalf contributions				<u>5,626,883</u>	<u>(5,626,883)</u>
Total personal services - employee benefits	<u>7,909,828</u>	<u>334,121</u>	<u>8,243,949</u>	<u>13,522,681</u>	<u>(5,278,732)</u>
Total undistributed expenditures	<u>23,218,645</u>	<u>1,030,485</u>	<u>24,249,130</u>	<u>27,732,909</u>	<u>(3,483,779)</u>
Total general current expense	<u>37,395,650</u>	<u>1,420,055</u>	<u>38,815,705</u>	<u>41,274,345</u>	<u>(2,458,640)</u>
Capital outlay:					
Equipment:					
Preschool	25,000		25,000	21,983	3,017
Kindergarten	9,000	(1,074)	7,926	7,914	12
Grades 1 to 5	21,000	(823)	20,177	19,127	1,050
Grades 6 to 8	21,000		21,000	19,127	1,873
Grades 9 to 12	12,800	34,572	47,372	44,466	2,906

GLASSBORO SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-sponsored and other instructional program	6,800		6,800	5,890	910
Undistributed - central services	10,800		10,800	9,894	906
Undistributed - admin. info. tech.	34,000		34,000	33,927	73
School buses - regular	120,297		120,297	117,205	3,092
School buses - special	70,357		70,357	65,251	5,106
Total equipment	<u>331,054</u>	<u>32,675</u>	<u>363,729</u>	<u>344,784</u>	<u>18,945</u>
Facilities acquisition and construction services:					
Architectural/engineering services	10,411	1,600	12,011	2,055	9,956
Construction services	425,000	48,400	473,400		473,400
Assessment for debt service	121,920		121,920	121,920	
Total facilities acquisition and construction services	<u>557,331</u>	<u>50,000</u>	<u>607,331</u>	<u>123,975</u>	<u>483,356</u>
Assets acquired under capital leases (non-budgeted):					
Undistributed expenditures:					
School buses				366,630	(366,630)
Computer software				264,423	(264,423)
Total assets acquired under capital leases (non-budgeted)				<u>631,053</u>	<u>(631,053)</u>
Total capital outlay	<u>888,385</u>	<u>82,675</u>	<u>971,060</u>	<u>1,099,812</u>	<u>(128,752)</u>
Transfer to charter schools	<u>16,715</u>	<u>8,914</u>	<u>25,629</u>	<u>25,629</u>	
Total expenditures	<u>38,300,750</u>	<u>1,511,644</u>	<u>39,812,394</u>	<u>42,399,786</u>	<u>(2,587,392)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,280,805)</u>		<u>(2,280,805)</u>	<u>1,240,106</u>	<u>3,520,911</u>
Other financing sources:					
Operating transfer out:					
Transfer to special revenue fund - preschool program	(352,402)		(352,402)	(352,402)	
Capital leases (non-budgeted)				631,053	631,053
Total other financing sources	<u>(352,402)</u>		<u>(352,402)</u>	<u>278,651</u>	<u>631,053</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>(2,633,207)</u>		<u>(2,633,207)</u>	<u>1,518,757</u>	<u>4,151,964</u>
Fund balance - July 1	<u>6,354,250</u>		<u>6,354,250</u>	<u>6,354,250</u>	
Fund balance - June 30	<u>\$ 3,721,043</u>		<u>\$ 3,721,043</u>	<u>\$ 7,873,007</u>	<u>\$ 4,151,964</u>

GLASSBORO SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation:					
Restricted fund balance:					
Excess surplus designated for subsequent year's expenditures				\$ 2,703,299	
Excess surplus - current year				210,036	
School bus advertising 50% fuel offset reserve - current year				8,146	
School bus advertising 50% fuel offset reserve - prior year				8,147	
Emergency reserve				50,000	
Assigned fund balance:					
Designated for subsequent year's expenditures				3,830,049	
Year-end encumbrances				169,859	
Unassigned fund balance				893,471	
				<u>7,873,007</u>	
Reconciliation to Governmental Fund statements (GAAP):					
Last state aid payments not recognized on GAAP basis				(1,396,238)	
Fund balance per Governmental Funds (GAAP)				<u>\$ 6,476,769</u>	

GLASSBORO SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Federal sources	\$ 2,125,521	\$ 536,421	\$ 2,661,942	\$ 1,777,814	\$ 884,128
State sources	1,204,798	31,414	1,236,212	612,451	623,761
Other sources	2,000	59,375	61,375	47,569	13,806
<b>Total Revenues</b>	<b>3,332,319</b>	<b>627,210</b>	<b>3,959,529</b>	<b>2,437,834</b>	<b>1,521,695</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	981,130	245,167	1,226,297	1,053,025	173,272
Other salaries for instruction	149,558	(14,380)	135,178	108,036	27,142
Purchased professional - educational services	3,000	31,123	34,123	28,790	5,333
Tuition	550,000	68,301	618,301	618,301	
Other purchased services (400-500 series)	8,000	182,160	190,160	495	189,665
General supplies	95,285	28,336	123,621	108,481	15,140
Other objects		5,143	5,143	2,143	3,000
<b>Total instruction</b>	<b>1,786,973</b>	<b>545,850</b>	<b>2,332,823</b>	<b>1,919,271</b>	<b>413,552</b>
Support services:					
Salaries of program directors	118,300	116,778	235,078	100,965	134,113
Salaries of other professional staff	31,862	1,000	32,862	32,762	100
Salaries of secretaries and clerical assistants	70,173	29,500	99,673	49,675	49,998
Other salaries	14,400		14,400		14,400
Salaries of community parent involvement specialist	64,823		64,823	36,904	27,919
Salaries of master teachers	89,773		89,773	43,879	45,894
Salaries of non-instructional staff	451,152	(174,957)	276,195	256,173	20,022
Personal services - employee benefits	957,731	(335,089)	622,642	226,421	396,221
Purchased professional services	82,004	98,363	180,367	30,360	150,007
Other purchased services (400-500 series)	4,500	239,107	243,607	36,418	207,189
Contracted services transportation field trips	2,500		2,500		2,500
Supplies and materials	10,530	57,513	68,043	10,323	57,720
<b>Total support services</b>	<b>1,897,748</b>	<b>32,215</b>	<b>1,929,963</b>	<b>823,880</b>	<b>1,106,083</b>
Facilities acquisition & construction services:					
Instructional equipment		39,983	39,983	37,923	2,060
Non-instructional equipment		9,162	9,162	9,162	
<b>Total facilities acquisition &amp; construction services:</b>		<b>49,145</b>	<b>49,145</b>	<b>47,085</b>	<b>2,060</b>
<b>Total expenditures</b>	<b>3,684,721</b>	<b>627,210</b>	<b>4,311,931</b>	<b>2,790,236</b>	<b>1,521,695</b>
Other financing sources:					
Transfer in from general fund	352,402		352,402	352,402	
<b>Total outflows</b>	<b>\$ 3,332,319</b>	<b>\$ 627,210</b>	<b>\$ 3,959,529</b>	<b>\$ 2,437,834</b>	<b>\$ 1,521,695</b>



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

GLASSBORO SCHOOL DISTRICT  
 Required Supplementary Information  
 Budget-to-GAAP Reconciliation  
 Note to RSI  
 For the Fiscal Year Ended June 30, 2020

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

	General Fund	Special Revenue Fund
Sources/inflows of resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	\$ 43,939,892	\$ 2,437,834
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(41,189)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,379,487	49,568
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the following year.	(1,396,238)	(120,480)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds.	\$ 43,923,141	\$ 2,325,733
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 42,699,786	\$ 2,790,236
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(41,189)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds.	\$ 42,699,786	\$ 2,749,047

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

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

	Fiscal Year Ended					
	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
District's proportion of the net pension liability (asset)	0.0700880510%	0.0619752576%	0.0619752576%	0.0573548035%	0.0549077800%	0.0540862609%
District's proportionate share of the net pension liability (asset)	\$ 13,122,541	\$ 13,912,203	\$ 17,841,575	\$ 13,351,281	\$ 10,811,068	\$ 9,745,524
District's covered - employee payroll	4,254,028	4,200,232	3,991,597	3,821,084	3,888,415	3,546,881
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	308.47%	331.22%	446.98%	349.41%	278.03%	274.76%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.13%	48.10%	53.59%	56.27%
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019

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

	Fiscal Year Ended					
	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Contractually required contribution	\$ 577,802	\$ 532,821	\$ 535,170	\$ 531,331	\$ 546,155	\$ 526,100
Contributions in relation to the contractually required contribution	577,802	532,821	535,170	531,331	546,155	526,100
Contribution deficiency (excess)	None	None	None	None	None	None
District's covered - employee payroll	\$ 4,254,028	\$ 4,200,232	\$ 3,991,597	\$ 3,821,084	\$ 3,888,415	\$ 3,546,881
Contributions as a percentage of covered-employee payroll	13.58%	12.69%	13.41%	13.91%	14.05%	14.83%
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019

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

	Fiscal Year Ended					
	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
District's proportion of the net pension liability (asset)	0.1453687585%	0.1488889207%	0.1541352623%	0.1504045439%	0.1525108923%	0.1479825817%
District's proportionate share of the net pension liability (asset)	\$ 77,694,870	\$ 94,104,156	\$ 121,252,611	\$ 101,408,167	\$ 97,024,154	\$ 90,818,307
District's covered - employee payroll	15,438,884	15,441,481	15,761,097	15,689,744	15,424,275	15,302,745
District's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll	503.24%	609.42%	769.32%	646.33%	629.04%	593.48%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019

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

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

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

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



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

Last Three Fiscal Years

	Fiscal Year Ended		
	2018	2019	2020
Total OPEB liability			
Service cost	\$ 3,765,830	\$ 3,129,832	\$ 2,669,474
Interest	3,214,084	3,719,720	3,422,124
Changes of benefit terms			
Differences between expected and actual experience		(9,626,328)	(14,848,406)
Changes of assumptions or other inputs	(12,959,812)	(9,971,439)	1,147,943
Member contributions	86,896	80,304	70,058
Benefit payments	(2,359,865)	(2,323,495)	(2,363,396)
Net change in total OPEB liability	(8,252,867)	(14,991,406)	(9,902,203)
Total OPEB liability - beginning	110,137,551	101,884,684	86,893,278
Total OPEB liability - ending	<u>\$ 101,884,684</u>	<u>\$ 86,893,278</u>	<u>\$ 76,991,075</u>
Covered employee payroll	\$ 21,157,395	\$ 19,312,690	\$ 18,849,626
Total OPEB liability as a percentage of covered employee payroll	481.56%	449.93%	408.45%

**Notes to Schedule:***Changes of benefit terms:*

There were no changes in benefit terms during the year.

*Changes of assumptions:*

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

	3.58%	3.87%	3.50%
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**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART III**

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2020**

**NOTES RELATED TO PENSIONS**

**NOTE 1: CONTRIBUTIONS**

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

**NOTE 2: ACTUARIAL ASSUMPTIONS**

The total pension liability for the June 30, 2019, measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The actuarial valuation used the following actuarial assumptions:

Inflation rate	2.75%
Salary increases:	
Through 2026	2.00 – 6.00% based on age
Thereafter	3.00 – 7.00% based on age
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

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

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2020**

**NOTES RELATED TO OTHER POSTEMPLOYMENT BENEFITS**

**NOTE 3: CONTRIBUTIONS**

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

**NOTE 4: ACTUARIAL ASSUMPTIONS**

The total nonemployer OPEB liability as of June 30, 2019, was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The total nonemployer OPEB liability as of June 30, 2017, was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases (TPAF):	
Through 2026	1.55 – 3.05% based on service years
Thereafter	1.55 – 3.05% based on service years
Salary increases (PERS):	
Through 2026	2.00 – 6.00% based on age
Thereafter	3.00 – 7.00% based on age

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 - June 30, 2018, for the TPAF and PERS, respectively.

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

## OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND**

GLASSBORO SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2020

	Total Brought Forward (Exhibit E-1a)	Title I	Title II Part A	Title III	Title IV	IDEA Basic	IDEA Preschool	Total
<b>REVENUES:</b>								
Federal sources	\$ 390,274	\$ 680,270	\$ 52,531	\$ 4,051	\$ 32,387	\$ 590,582	\$ 27,719	\$ 1,777,814
State sources	612,451							612,451
Other sources	47,569							47,569
<b>Total revenues</b>	<b>\$ 1,050,294</b>	<b>\$ 680,270</b>	<b>\$ 52,531</b>	<b>\$ 4,051</b>	<b>\$ 32,387</b>	<b>\$ 590,582</b>	<b>\$ 27,719</b>	<b>\$ 2,437,834</b>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of teachers	\$ 553,206	\$ 499,264		\$ 555				\$ 1,053,025
Other salaries for instruction	108,036							108,036
Purchased professional - educational services	2,279	26,511						28,790
Tuition						\$ 590,582	\$ 27,719	618,301
Other purchased services (400-500 series)	495							495
General supplies	108,481							108,481
Other objects	2,143							2,143
<b>Total instruction</b>	<b>774,640</b>	<b>525,775</b>		<b>555</b>		<b>590,582</b>	<b>27,719</b>	<b>1,919,271</b>
Support services:								
Salaries of program directors	61,869	1,739	\$ 16,003		\$ 21,354			100,965
Salaries of other professional staff	31,862		900					32,762
Salaries of secretarial and clerical asst.	49,675							49,675
Salaries of community parent involvement specialist	36,904							36,904
Salaries of master teachers	43,879							43,879
Salaries of non-instructional staff	256,173							256,173
Personal services - employees benefits	75,365	146,734	1,293	43	2,986			226,421
Purchased professional services	13,210		13,550		3,600			30,360
Other purchased services (400-500 series)	7,733		20,785	3,453	4,447			36,418
Supplies and materials	4,301	6,022						10,323
<b>Total support services</b>	<b>580,971</b>	<b>154,495</b>	<b>52,531</b>	<b>3,496</b>	<b>32,387</b>			<b>823,880</b>
Facilities acquisition & construction services:								
Instructional equipment	37,923							37,923
Non-instructional equipment	9,162							9,162
<b>Total facilities acquisition &amp; construction services:</b>	<b>47,085</b>							<b>47,085</b>
<b>Total expenditures</b>	<b>1,402,696</b>	<b>680,270</b>	<b>52,531</b>	<b>4,051</b>	<b>32,387</b>	<b>590,582</b>	<b>27,719</b>	<b>2,790,236</b>
Other financing sources								
Transfer in from general fund	352,402							352,402
<b>Total outflows</b>	<b>\$ 1,050,294</b>	<b>\$ 680,270</b>	<b>\$ 52,531</b>	<b>\$ 4,051</b>	<b>\$ 32,387</b>	<b>\$ 590,582</b>	<b>\$ 27,719</b>	<b>\$ 2,437,834</b>

GLASSBORO SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2020

	Preschool Education Aid (Exhibit E-2)	School Improvement	Perkins Basic Entitlement	NJSBAIG Safety Grant	Youth Services/ STEAM Grant	PTO Donation	Total Carried Forward
<b>REVENUES:</b>							
Federal sources		\$ 370,107	\$ 20,167				\$ 390,274
State sources	\$ 612,451						612,451
Other sources				\$ 5,498	\$ 20,088	\$ 21,983	47,569
<b>Total revenues</b>	<b>\$ 612,451</b>	<b>\$ 370,107</b>	<b>\$ 20,167</b>	<b>\$ 5,498</b>	<b>\$ 20,088</b>	<b>\$ 21,983</b>	<b>\$ 1,050,294</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of teachers	\$ 521,087	\$ 14,174			\$ 17,945		\$ 553,206
Other salaries for instruction	108,036						108,036
Purchased professional - educational services	2,279						2,279
Other purchased services (400-500 series)		495					495
General supplies	95,269	248	\$ 12,964				108,481
Other objects					2,143		2,143
<b>Total instruction</b>	<b>726,671</b>	<b>14,917</b>	<b>12,964</b>		<b>20,088</b>		<b>774,640</b>
Support services:							
Salaries of program directors	61,869						61,869
Salaries of other professional staff	31,862						31,862
Salaries of secretarial and clerical asst.	49,675						49,675
Salaries of community parent involvement specialist	36,904						36,904
Salaries of master teachers	43,879						43,879
Salaries of non-instructional staff		256,173					256,173
Personal services - employees benefits		75,365					75,365
Purchased professional - educational services		7,712		\$ 5,498			13,210
Other purchased services (400-500 series)	2,427		5,306				7,733
Supplies and materials	2,404		1,897				4,301
<b>Total support services</b>	<b>229,020</b>	<b>339,250</b>	<b>7,203</b>	<b>5,498</b>			<b>580,971</b>
Facilities acquisition & construction services:							
Instructional equipment		15,940				\$ 21,983	37,923
Non-instructional equipment	9,162						9,162
<b>Total facilities acquisition &amp; construction services:</b>	<b>9,162</b>	<b>15,940</b>				<b>21,983</b>	<b>47,085</b>
<b>Total expenditures</b>	<b>964,853</b>	<b>370,107</b>	<b>20,167</b>	<b>5,498</b>	<b>20,088</b>	<b>21,983</b>	<b>1,402,696</b>
Other financing sources							
Transfer in from general fund	352,402						352,402
<b>Total outflows</b>	<b>\$ 612,451</b>	<b>\$ 370,107</b>	<b>\$ 20,167</b>	<b>\$ 5,498</b>	<b>\$ 20,088</b>	<b>\$ 21,983</b>	<b>\$ 1,050,294</b>



GLASSBORO SCHOOL DISTRICT  
Special Revenue Fund  
Preschool Education Aid Schedules(s) of Expenditures -  
Budgetary Basis  
For the Fiscal Year Ended June 30, 2020

DISTRICT-WIDE TOTAL

	Total		Variance
	Budgeted	Actual	
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of teachers	\$ 570,890	\$ 521,087	\$ 49,803
Other salaries for instruction	135,178	108,036	27,142
Purchased professional - educational services	3,000	2,279	721
Other purchased services (400-500 series)	1,835		1,835
General supplies	95,285	95,269	16
<b>Total instruction</b>	<b>806,188</b>	<b>726,671</b>	<b>79,517</b>
Support services:			
Salaries of program directors	61,869	61,869	
Salaries of other professional staff	31,862	31,862	
Salaries of secretarial and clerical asst.	99,673	49,675	49,998
Other salaries	14,400		14,400
Salaries of community parent involvement specialist	64,823	36,904	27,919
Salaries of master teachers	89,773	43,879	45,894
Personal services - employees benefits	335,716		335,716
Other purchased professional services	28,204		28,204
Miscellaneous purchased services	4,500	2,427	2,073
Contracted services transportation field trips	2,500		2,500
Supplies and materials	8,530	2,404	6,126
<b>Total support services</b>	<b>741,850</b>	<b>229,020</b>	<b>512,830</b>
Facilities acquisition & construction services:			
Non-instructional equipment	9,162	9,162	
	9,162	9,162	
<b>Total expenditures</b>	<b>\$ 1,557,200</b>	<b>\$ 964,853</b>	<b>\$ 592,347</b>

CALCULATION OF BUDGET & CARRYOVER

Total revised 2018-19 Preschool Education Aid Allocation	\$ 1,204,798
Add: Actual Preschool Education Aid Carryover (June 30, 2019)	
Add: Budgeted Transfer from General Fund 2019-20	352,402
<b>Total Preschool Education Aid Funds available for 2018-19 Budget</b>	<b>1,557,200</b>
Less: 2019-20 Budgeted Preschool Education Aid (including prior year budgeted carryover)	(1,557,200)
<b>Available &amp; Unbudgeted Preschool Education Aid Funds June 30, 2020</b>	
Add: June 30, 2020 Unexpended Preschool Education Aid	592,347
<b>Total Actual Preschool Education Aid Carryover</b>	<b>\$ 592,347</b>
<b>2019-2020 Preschool Education Aid Carryover Budgeted in 2020-2021</b>	<b>\$ 392,501</b>

## **CAPITAL PROJECTS FUND**

GLASSBORO SCHOOL DISTRICT  
 Capital Projects Fund  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ended June 30, 2020

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations June 30, 2020</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Various improvements to facilities	3/10/2015	\$ 23,647,000	\$ 23,475,931	\$ 151,316	\$ 19,753

GLASSBORO SCHOOL DISTRICT  
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budgetary Basis  
 For the Year Ended June 30, 2020

**Revenues and other financing sources:**

Interest earned on investments	<u>\$ 1,987</u>
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**Expenditures and other financing uses:**

Purchased professional and technical services	111,316
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Construction services	<u>40,000</u>
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Total expenditures	<u>151,316</u>
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## Other financing sources (uses):

Transfer to debt service fund	<u>(1,987)</u>
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Excess (deficiency) of revenues over (under) expenditures	<u>(151,316)</u>
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Fund balance - beginning	<u>171,069</u>
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Fund balance - ending	<u><u>\$ 19,753</u></u>
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GLASSBORO SCHOOL DISTRICT  
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
 Roof Replacement to Elementary School  
 From Inception and for the Year Ended June 30, 2020

	Current Period	Totals	Revised Authorized Costs
Revenues and other financing sources:			
Bond proceeds and transfers		\$ 23,647,000	\$ 23,647,000
Total revenues		<u>23,647,000</u>	<u>23,647,000</u>
Expenditures and other financing uses:			
Legal fees		41,981	42,214
Purchased professional and technical services	\$ 111,316	2,958,189	2,967,403
Construction services	40,000	20,578,086	20,588,392
Supplies and materials		48,991	48,991
Total expenditures	<u>151,316</u>	<u>23,627,247</u>	<u>23,647,000</u>
Excess (deficiency) of revenues over (under) expenses	<u>\$ (151,316)</u>	<u>\$ 19,753</u>	
Additional project information:			
Bond authorization/referendum date		03/10/15	
Bonds authorized		\$ 23,647,000	
Bonds issued		23,647,000	
Original project authorized cost		23,647,000	
Percentage completion		100%	
Original target completion date		09/30/17	
Revised target completion date		11/30/18	

## **PROPRIETARY FUNDS**

GLASSBORO SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Net Position  
For the Fiscal Year Ended June 30, 2020

	Food Service Fund	Professional Development Fund	Technology Fund	Total Enterprise Fund
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 181,965	\$ 4,540	\$ 50,168	\$ 236,673
Accounts receivable				-
State	1,984			1,984
Federal	48,973			48,973
Other	27,121			27,121
Inventory	20,908			20,908
Total current assets	<u>280,951</u>	<u>4,540</u>	<u>50,168</u>	<u>335,659</u>
Noncurrent assets:				
Furniture, machinery, and equipment	470,523			470,523
Less: accumulated depreciation	(437,274)			(437,274)
Total noncurrent assets	<u>33,249</u>			<u>33,249</u>
Total assets	<u>314,200</u>	<u>4,540</u>	<u>50,168</u>	<u>368,908</u>
<b>LIABILITIES</b>				
Interfund payable - general fund	138,381			138,381
Accounts payable	17,226			17,226
Deferred revenue	9,015			9,015
Total liabilities	<u>164,622</u>			<u>164,622</u>
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	33,249			33,249
Unrestricted	116,329	4,540	50,168	171,037
Total net position	<u>\$ 149,578</u>	<u>\$ 4,540</u>	<u>\$ 50,168</u>	<u>\$ 204,286</u>

GLASSBORO SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Revenues, Expenses,  
and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2020

	Food Service Fund	Professional Development Fund	Technology Fund	Total Enterprise Fund
Operating revenues:				
Charges for services:				
Daily sales - reimbursable	\$ 80,176			\$ 80,176
Daily sales - non-reimbursable	54,713			54,713
Special functions/miscellaneous	9,904			9,904
Professional development fees		\$ 4,015	\$ 16,017	20,032
Total operating revenue	<u>144,793</u>	<u>4,015</u>	<u>16,017</u>	<u>164,825</u>
Operating expenses:				
Cost of sales - reimbursable	273,997			273,997
Cost of sales - non-reimbursable	19,657			19,657
Salaries	271,813			271,813
Employee benefits	69,960			69,960
Purchased professional/technical services	12,000	1,894		13,894
Purchased property services	2,831			2,831
Other purchased services	40,325			40,325
Insurance	4,487			4,487
Supplies and materials	58,323	945	609	59,877
Miscellaneous expenditures	7,109			7,109
Depreciation	10,624			10,624
Total operating expenses	<u>771,126</u>	<u>2,839</u>	<u>609</u>	<u>774,574</u>
Operating income (loss)	<u>(626,333)</u>	<u>1,176</u>	<u>15,408</u>	<u>(609,749)</u>
Non-operating revenues (expenses):				
Interest earned	1,343			1,343
State sources:				
State school lunch program	7,484			7,484
Federal sources:				
School breakfast program	123,745			123,745
National school lunch program	266,992			266,992
Summer food service program	80,027			80,027
Summer food service program- admin.	6,746			6,746
Food distribution program commodities	59,918			59,918
Loss on disposal of assets	(1,725)			(1,725)
Total non-operating revenues (expenses)	<u>544,530</u>			<u>544,530</u>
Change in net position	(81,803)	1,176	15,408	(65,219)
Total net position - beginning	231,381	3,364	34,760	269,505
Total net position - ending	<u>\$ 149,578</u>	<u>\$ 4,540</u>	<u>\$ 50,168</u>	<u>\$ 204,286</u>



GLASSBORO SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Cash Flows  
For the Fiscal Year Ended June 30, 2020

	Food Service Fund	Professional Development Fund	Technology Fund	Total Enterprise Fund
Cash flows from operating activities:				
Receipts from customers	\$ 134,112	\$ 4,015	\$ 16,017	\$ 154,144
Payments to employees	(271,813)			(271,813)
Payments for employee benefits	(69,960)			(69,960)
Payments to suppliers	(348,083)	(2,839)	(609)	(351,531)
Net cash provided by (used for) operating activities	<u>(555,744)</u>	<u>1,176</u>	<u>15,408</u>	<u>(539,160)</u>
Cash flows from non-capital financing activities:				
State sources	7,232			7,232
Federal sources	551,291			551,291
Transfer from (to) other funds	(4,487)			(4,487)
Net cash provided by non-capital financing activities	<u>554,036</u>			<u>554,036</u>
Cash flows from investing activities				
Interest earned	1,343			1,343
Net cash provided by investing activities	<u>1,343</u>			<u>1,343</u>
Net increase (decrease) in cash and cash equivalents	(365)	1,176	15,408	16,219
Balance - beginning of year	182,330	3,364	34,760	220,454
Balance - end of year	<u>\$ 181,965</u>	<u>\$ 4,540</u>	<u>\$ 50,168</u>	<u>\$ 236,673</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (626,333)	\$ 1,176	\$ 15,408	\$ (609,749)
Adjustments to reconcile operating (loss) to net cash provided by (used for) operating activities:				
Depreciation	10,624			10,624
Food distribution program	59,918			59,918
(Increase) decrease in accounts receivable	(8,114)			(8,114)
(Increase) decrease in inventory	(6,498)			(6,498)
Increase (decrease) in accounts payable	17,226			17,226
Increase (decrease) in deferred revenue	(2,567)			(2,567)
Net cash provided by (used for) operating activities	<u>\$ (555,744)</u>	<u>\$ 1,176</u>	<u>\$ 15,408</u>	<u>\$ (539,160)</u>

## EXHIBIT G-4

GLASSBORO SCHOOL DISTRICT  
Internal Service Fund  
Combining Schedule of Net Position  
For the Fiscal Year Ended June 30, 2020

	Workmen's Compensation Fund
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,177
<b>NET POSITION</b>	
Unrestricted	\$ 2,177

## EXHIBIT G-5

GLASSBORO SCHOOL DISTRICT  
Internal Service Fund  
Combining Schedule of Revenues, Expenses,  
and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2020

	Workmen's Compensation Fund
Operating revenue:	
Workers' compensation contributions	\$ 16,000
Operating expenses:	
Claims expense	15,588
Operating income (loss)	412
Non-operating revenues (expenses):	
Interest earned	25
Net income (loss)	437
Total net position - beginning	1,740
Total net position - ending	\$ 2,177

GLASSBORO SCHOOL DISTRICT  
Internal Service Fund  
Combining Schedule of Cash Flows  
For the Fiscal Year Ended June 30, 2020

	<u>Workmen's Compensation Fund</u>
Cash flows from operating activities:	
Receipts for internal service activities	\$ 16,000
Payments for claims	(15,588)
Net cash provided by (used for) operating activities	<u>412</u>
Cash flows from investing activities:	
Interest earned	25
Net cash provided by investing activities	<u>25</u>
Balance - beginning of year	<u>1,740</u>
Balance - end of year	<u><u>\$ 2,177</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 412
Net cash provided by (used for) operating activities	<u><u>\$ 412</u></u>

## **FIDUCIARY FUNDS**

GLASSBORO SCHOOL DISTRICT  
 Student Activity Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2020

	Balance July 1, 2019	Cash Receipts	Cash Disbursements	Transfers	Balance June 30, 2020
ACTIVITIES:					
Dorothy L. Bullock School	\$ 17,019	\$ 4,833	\$ 3,158		\$ 18,694
J.H. Rodgers Memorial School	2,469	879	1,203		2,145
Thomas E. Bowe School	21,362	22,352	19,686		24,028
Intermediate School	22,841	8,525	5,745	\$ 635	26,256
High School	98,518	151,541	157,962	(635)	91,462
Special Services/Other	9,947	6,094	5,601		10,440
	<u>\$ 172,156</u>	<u>\$ 194,224</u>	<u>\$ 193,355</u>		<u>\$ 173,025</u>

GLASSBORO SCHOOL DISTRICT  
Combining Statement of Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2020

	Trust		Agency Funds	Total 2020
	Unemployment Compensation	Private Purpose		
<b>ASSETS</b>				
Cash and cash equivalents	\$ 391,745	\$ 36,272	\$ 489,352	\$ 917,369
Accounts receivable			31,430	31,430
Interfund receivable:				
Agency funds	27,004			27,004
Total assets	<u>\$ 418,749</u>	<u>\$ 36,272</u>	<u>\$ 520,782</u>	<u>975,803</u>
<b>LIABILITIES</b>				
Payroll deductions and withholdings			\$ 18,486	18,486
Accrued salaries and wages			302,267	302,267
Due to student groups			173,025	173,025
Interfund payable:				
Unemployment trust			27,004	27,004
Total liabilities			<u>\$ 520,782</u>	<u>520,782</u>
<b>NET POSITION</b>				
Held in trust for unemployment claims	\$ 418,749			418,749
Reserved for scholarships		\$ 36,272		36,272
Total net position	<u>\$ 418,749</u>	<u>\$ 36,272</u>		<u>\$ 455,021</u>

GLASSBORO SCHOOL DISTRICT  
Combining Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2020

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Total 2020
<b>ADDITIONS:</b>			
Contributions	\$ 37,516	\$ 1,020	\$ 38,536
Board Contribution	225,000		225,000
Interest earned	199	332	531
Total additions	<u>262,715</u>	<u>1,352</u>	<u>264,067</u>
<b>DEDUCTIONS:</b>			
Unemployment claims	26,165		26,165
Scholarships awarded		4,250	4,250
Total deductions	<u>26,165</u>	<u>4,250</u>	<u>30,415</u>
Change in net position	236,550	(2,898)	233,652
Net position - beginning	182,199	39,170	221,369
Net position - end	<u>\$ 418,749</u>	<u>\$ 36,272</u>	<u>\$ 455,021</u>

GLASSBORO SCHOOL DISTRICT  
Payroll Agency Fund  
Schedule of Receipts and Disbursements  
For the Fiscal Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<b>ASSETS</b>				
Cash and cash equivalents	\$ 475,904	\$ 25,290,248	\$ 25,449,825	\$ 316,327
Accounts receivable	5,766	25,664		31,430
Total assets	<u>\$ 481,670</u>	<u>\$ 25,315,912</u>	<u>\$ 25,449,825</u>	<u>\$ 347,757</u>
<b>LIABILITIES</b>				
Employees net payroll		\$ 12,934,105	\$ 12,934,105	
Accrued salaries and wages	\$ 324,592	699,416	721,741	\$ 302,267
Payroll deductions and withholding Interfund payable	5,247	11,638,100	11,624,861	18,486
Unemployment trust	151,831	37,516	162,343	27,004
General fund		6,775	6,775	
Total liabilities	<u>\$ 481,670</u>	<u>\$ 25,315,912</u>	<u>\$ 25,449,825</u>	<u>\$ 347,757</u>



## **LONG-TERM DEBT**

GLASSBORO SCHOOL DISTRICT  
Schedule of Serial Bonds  
June 30, 2020

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2019	Issued	Retired	Balance June 30, 2020
			Date	Amount					
General Bonds, Series 2015	7/28/15	\$ 23,647,000	7/15/20	\$ 995,000	3.000%				
			7/15/21	1,020,000	3.000%				
			7/15/22	1,040,000	3.000%				
			7/15/23	1,065,000	3.000%				
			7/15/24	1,095,000	3.000%				
			7/15/25	1,125,000	3.000%				
			7/15/26	1,155,000	3.000%				
			7/15/27	1,195,000	3.000%				
			7/15/28	1,230,000	3.125%				
			7/15/29	1,270,000	3.250%				
			7/15/30	1,315,000	3.500%				
			7/15/31	1,360,000	3.500%				
			7/15/32	1,405,000	3.625%				
			7/15/33	1,460,000	3.750%				
			7/15/34	1,510,000	3.750%				
			7/15/35	1,567,000	3.750%				
					\$ 20,787,000	None	\$ 980,000	\$ 19,807,000	

GLASSBORO SCHOOL DISTRICT  
Schedule of Obligations Under Capital Leases  
For the Fiscal Year Ended June 30, 2020

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance July 1, 2019	Issued	Retired	Balance June 30, 2020
			Principal	Interest					
School buses	7/22/15	7 Years	\$ 167,369	\$ 14,981	2.973%	\$ 73,746		\$ 23,869	\$ 49,877
Computer equipment	8/01/16	4 Years	204,519	7,693	2.970%	51,750		51,750	
School bus	10/30/16	5 Years	47,420	4,362	2.490%	19,482		9,541	9,941
School bus	9/15/17	5 Years	177,982	9,896	2.780%	106,736		34,607	72,129
Computer equipment	9/15/17	5 Years	160,670	8,765	2.790%	96,353		31,238	65,115
Computer equipment	7/30/2018	5 Years	1,527,691	155,901	5.109%	1,190,973		275,873	915,100
Computer equipment	8/30/2018	3 Years	60,101	4,089	6.210%	38,704		18,701	20,003
School buses	9/14/18	5 Years	167,584	11,219	3.299%	131,823		31,346	100,477
School buses	7/25/2019	5 Years	366,630	24,767	3.000%		\$ 366,630	75,658	290,972
						<u>\$ 1,709,567</u>	<u>\$ 366,630</u>	<u>\$ 552,583</u>	<u>\$ 1,523,614</u>

GLASSBORO SCHOOL DISTRICT  
Debt Service Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 962,570		\$ 962,570	\$ 962,570	
State sources:					
Debt service aid type II	672,521		672,521	672,521	
Total revenues	<u>\$ 1,635,091</u>		<u>\$ 1,635,091</u>	<u>\$ 1,635,091</u>	
EXPENDITURES:					
Regular debt service:					
Interest	666,225		666,225	666,225	
Redemption of principal	980,000		980,000	980,000	
Total expenditures	<u>1,646,225</u>		<u>1,646,225</u>	<u>1,646,225</u>	
Excess (deficiency) of revenue over (under) expenditures	(11,134)		(11,134)	(11,134)	
Other financing sources:					
Operating transfers in:					
Interest earned in capital projects fund				1987	\$ 1,987
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(11,134)		(11,134)	(9,147)	1,987
Fund balance - July 1	(11,046)		(11,046)	(11,046)	
Fund balance - June 30	<u>\$ (22,180)</u>		<u>\$ (22,180)</u>	<u>\$ (20,193)</u>	<u>\$ 1,987</u>

**STATISTICAL SECTION (UNAUDITED)**

GLASSBORO SCHOOL DISTRICT  
Statistical Section

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	120-125
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	126-129
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	130-133
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	134-135
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	136-140

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental activities:</b>										
Invested in capital assets, net of related debt	\$ 9,025,089	\$ 9,878,118	\$ 10,594,644	\$ 10,784,196	\$ 10,228,863	\$ (10,106,873)	\$ 6,628,428	\$ 17,852,025	\$ 20,497,000	\$ 19,401,342
Restricted	1,799,540	2,774,030	2,892,083	2,244,902	2,776,209	23,181,211	9,309,326	5,112,301	5,556,201	6,979,096
Unrestricted	(2,325,251)	(2,463,655)	(2,457,987)	(2,372,386)	(14,702,604)	(14,912,074)	(15,887,873)	(130,889,629)	(15,948,224)	(14,516,908)
<b>Total governmental activities net position</b>	<b>\$ 8,499,378</b>	<b>\$ 10,188,493</b>	<b>\$ 11,028,740</b>	<b>\$ 10,656,712</b>	<b>\$ (1,697,532)</b>	<b>\$ (1,837,736)</b>	<b>\$ 49,881</b>	<b>\$ (107,925,303)</b>	<b>\$ 10,104,977</b>	<b>\$ 11,863,530</b>
<b>Business-type activities:</b>										
Invested in capital assets, net of related debt	\$ 47,278	\$ 32,990	\$ 21,625	\$ 10,260						\$ 33,249
Unrestricted	154,646	190,749	212,339	237,732	\$ 224,608	\$ 231,219	\$ 246,869	\$ 264,039	\$ 269,505	171,037
<b>Total governmental activities net position</b>	<b>\$ 201,924</b>	<b>\$ 223,739</b>	<b>\$ 233,964</b>	<b>\$ 247,992</b>	<b>\$ 224,608</b>	<b>\$ 231,219</b>	<b>\$ 246,869</b>	<b>\$ 264,039</b>	<b>\$ 269,505</b>	<b>\$ 204,286</b>
<b>District-wide:</b>										
Invested in capital assets, net of related debt	\$ 9,072,367	\$ 9,911,108	\$ 10,616,269	\$ 10,794,456	\$ 10,228,863	\$ (10,106,873)	\$ 6,628,428	\$ 17,852,025	\$ 20,497,000	\$ 19,434,591
Restricted	1,799,540	2,774,030	2,892,083	2,244,902	2,776,209	23,181,211	9,309,326	5,112,301	5,556,201	6,979,096
Unrestricted	(2,170,605)	(2,272,906)	(2,245,648)	(2,134,654)	(14,477,996)	(14,680,855)	(15,641,004)	(130,625,590)	(15,678,719)	(14,345,871)
<b>Total district-wide net position</b>	<b>\$ 8,701,302</b>	<b>\$ 10,412,232</b>	<b>\$ 11,262,704</b>	<b>\$ 10,904,704</b>	<b>\$ (1,472,924)</b>	<b>\$ (1,606,517)</b>	<b>\$ 296,750</b>	<b>\$ (107,661,264)</b>	<b>\$ 10,374,482</b>	<b>\$ 12,067,816</b>

Source: District records

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses:</b>										
<b>Governmental activities:</b>										
<b>Instruction:</b>										
Regular	\$ 8,859,404	\$ 8,976,002	\$ 9,027,811	\$ 9,702,464	\$ 9,419,002	\$ 9,448,996	\$ 9,374,880	\$ 9,455,832	\$ 9,183,586	\$ 8,964,290
Special education	3,212,700	3,188,639	4,870,826	5,025,765	5,105,734	5,128,540	5,470,063	5,417,684	5,047,369	5,057,593
Other special instruction	2,162,713	1,815,288	559,694	490,921	525,918	694,969	738,469	602,058	618,120	604,964
Other instruction	383,760	403,600	492,690	444,454	452,855	477,587	490,237	494,763	514,224	461,250
<b>Support services:</b>										
Tuition	1,900,756	1,995,833	2,225,349	2,209,226	2,388,303	2,526,303	2,534,071	2,420,352	2,476,288	2,508,441
Student & instructional related services	3,611,726	3,525,899	3,799,163	3,856,111	3,801,784	3,647,240	3,066,224	4,363,359	4,298,201	3,716,338
School administration services	1,349,197	1,278,562	1,400,253	1,388,360	1,420,107	1,397,355	1,394,150	1,454,375	639,919	677,160
General & business administrative services	1,436,766	1,512,868	1,601,083	1,662,966	1,569,717	1,540,894	1,658,967	1,689,032	2,351,328	2,270,281
Plant operations & maintenance	3,032,171	2,889,225	2,849,602	3,085,931	2,948,844	2,826,276	2,909,254	2,910,593	3,004,266	2,743,184
Pupil transportation	1,806,204	2,018,285	2,081,236	2,171,642	2,135,851	2,319,113	2,406,552	2,358,150	2,700,819	2,344,493
Employee benefits	8,221,190	8,778,641	9,482,779	9,456,216	10,156,037	10,934,216	12,007,192	16,629,347	15,499,752	13,977,932
Capital outlay	83,374	244,572	210,156	1,048,753	1,437,496	1,339,004	386,701	44,746		477,433
Transfer to charter school	30,665	31,661	58,539	85,764	77,831	114,584	106,872	30,587	13,512	25,629
Interest on long-term debt	531,772	493,551	438,307	381,963	330,700	620,024	940,850	832,225	731,900	652,750
Unallocated depreciation	975,910	1,088,023	969,265	877,168	1,009,782	1,082,433	1,015,938	980,311	1,039,616	1,083,416
<b>Total governmental activities expenses</b>	<b>37,598,308</b>	<b>38,240,649</b>	<b>40,066,753</b>	<b>41,887,704</b>	<b>42,779,961</b>	<b>44,097,534</b>	<b>44,500,420</b>	<b>49,683,414</b>	<b>48,118,900</b>	<b>45,565,154</b>
<b>Business-type activities:</b>										
Food service	832,884	867,873	912,712	856,172	864,403	947,540	967,075	946,741	931,210	771,126
Professional development/technology					2,965	1,973		2,841	701	3,448
<b>Total business-type activities expenses</b>	<b>832,884</b>	<b>867,873</b>	<b>912,712</b>	<b>856,172</b>	<b>867,368</b>	<b>949,513</b>	<b>967,075</b>	<b>949,582</b>	<b>931,911</b>	<b>774,574</b>
<b>Total district-wide expenses</b>	<b>\$ 38,431,192</b>	<b>\$ 39,108,522</b>	<b>\$ 40,979,465</b>	<b>\$ 42,743,876</b>	<b>\$ 43,647,329</b>	<b>\$ 45,047,047</b>	<b>\$ 45,467,495</b>	<b>\$ 50,632,996</b>	<b>\$ 49,050,811</b>	<b>\$ 46,339,728</b>
<b>Program revenues:</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General & business administrative services	\$ 2,300	\$ 7,000	\$ 7,000	\$ 4,000	\$ 9,000	\$ 10,000	\$ 9,500	\$ 10,000	\$ 17,000	\$ 16,000
Operating grants & contributions	2,597,744	1,937,408	2,049,157	2,196,841	2,113,616	2,115,160	2,278,782	2,770,577	2,411,414	2,325,733
<b>Total governmental activities program revenues</b>	<b>2,600,044</b>	<b>1,944,408</b>	<b>2,056,157</b>	<b>2,200,841</b>	<b>2,122,616</b>	<b>2,125,160</b>	<b>2,288,282</b>	<b>2,780,577</b>	<b>2,428,414</b>	<b>2,341,733</b>
<b>Business-type activities:</b>										
<b>Charges for services:</b>										
Food service	316,140	295,552	297,364	251,268	214,261	204,762	202,660	216,222	222,669	144,793
Professional development/technology					4,600	1,875	4,594	16,115	19,420	20,032
Operating grants & contributions	532,698	592,899	624,095	617,426	624,976	749,004	775,030	733,602	693,143	543,187
<b>Total business-type activities revenues</b>	<b>848,838</b>	<b>888,451</b>	<b>921,459</b>	<b>868,694</b>	<b>843,837</b>	<b>955,641</b>	<b>982,284</b>	<b>965,939</b>	<b>935,232</b>	<b>708,012</b>
<b>Total district program revenues</b>	<b>\$ 3,448,882</b>	<b>\$ 2,832,859</b>	<b>\$ 2,977,616</b>	<b>\$ 3,069,535</b>	<b>\$ 2,966,453</b>	<b>\$ 3,080,801</b>	<b>\$ 3,270,566</b>	<b>\$ 3,746,516</b>	<b>\$ 3,363,646</b>	<b>\$ 3,049,745</b>
<b>Net (expense)/revenue:</b>										
Governmental activities	\$ (34,998,264)	\$ (36,296,241)	\$ (38,010,596)	\$ (39,686,863)	\$ (40,657,345)	\$ (41,972,374)	\$ (42,212,138)	\$ (46,902,837)	\$ (45,690,486)	\$ (43,223,421)
Business-type activities	15,954	20,578	8,747	12,522	(23,531)	6,128	15,209	16,357	3,321	(66,562)
<b>Total district-wide net expense</b>	<b>\$ (34,982,310)</b>	<b>\$ (36,275,663)</b>	<b>\$ (38,001,849)</b>	<b>\$ (39,674,341)</b>	<b>\$ (40,680,876)</b>	<b>\$ (41,966,246)</b>	<b>\$ (42,196,929)</b>	<b>\$ (46,886,480)</b>	<b>\$ (45,687,165)</b>	<b>\$ (43,289,983)</b>



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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General revenues & other changes in net position:										
Governmental activities:										
Property taxes levied for general purposes	\$ 16,977,715	\$ 16,756,877	\$ 17,377,451	\$ 17,231,596	\$ 18,066,610	\$ 18,091,942	\$ 18,708,636	\$ 19,356,049	\$ 19,651,946	\$ 20,335,186
Taxes levied for debt service	1,498,557	1,464,340	1,595,013	1,661,980	1,664,029	2,184,072	2,589,494	2,626,014	2,736,857	962,570
Other governmental units	30,233	18,371	15,334	14,836	16,474	4,375	11,630			
Unrestricted grants & contributions	17,597,793	18,955,677	19,261,387	19,497,952	20,188,084	20,805,904	22,063,617	22,679,174	26,656,181	24,363,270
Tuition received	230,822	351,180	481,604	390,457	205,525	406,818	338,838	176,501	218,600	328,738
Transportation fees	72,422	106,626	187,014	188,726	168,733	189,450	247,829	52,820	109,190	84,967
Investment earnings	3,204	35,181	37,322	30,440	1,093	86,487	54,990	41,923	100,389	69,374
Miscellaneous income	243,441	303,484	69,233	362,124	264,216	91,249	84,676	360,828	253,640	379,637
Net proceeds refunding bond issue										
Loss on retirement of asset	(2,370)	(6,657)	(158,548)	(62,459)	(197,111)	(3,100)		(12,316)	(168,454)	
Prior year payable canceled	24,366	536	2,065	4,042	18,111	17,748	45			
Prior year receivable canceled	(52,279)	(259)	(17,032)	(4,859)	(8,929)	(42,775)		(24,215)	(1,386)	
Contracts payable canceled	37,154									
Prior year adjustment - construction in progress								3,808,426		
Total governmental activities	36,661,058	37,985,356	38,850,843	39,314,835	40,386,835	41,832,170	44,099,755	49,065,204	49,556,963	46,523,742
Business-type activities:										
Investment earnings	79	1,237	1,478	1,506	147	483	441	813	2,145	1,343
Total business-type activities	79	1,237	1,478	1,506	147	483	441	813	2,145	1,343
Total district-wide	\$ 36,661,137	\$ 37,986,593	\$ 38,852,321	\$ 39,316,341	\$ 40,386,982	\$ 41,832,653	\$ 44,100,196	\$ 49,066,017	\$ 49,559,108	\$ 46,525,085
Change in net position:										
Governmental activities	\$ 1,662,794	\$ 1,689,115	\$ 840,247	\$ (372,028)	\$ (270,510)	\$ (140,204)	\$ 1,887,617	\$ 2,162,367	\$ 3,866,477	\$ 3,300,321
Business-type activities	16,033	21,815	10,225	14,028	(23,384)	6,611	15,650	17,170	5,466	(65,219)
Total district-wide	\$ 1,678,827	\$ 1,710,930	\$ 850,472	\$ (358,000)	\$ (293,894)	\$ (133,593)	\$ 1,903,267	\$ 2,179,537	\$ 3,871,943	\$ 3,235,102

Source: District records

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund:										
Restricted	\$ 1,438,703	\$ 2,609,121	\$ 2,811,345	\$ 2,184,113	\$ 2,593,225	\$ 2,960,517	\$ 3,176,674	\$ 4,241,196	\$ 5,173,125	\$ 2,979,628
Assigned	293,817	164,906	80,737	60,789	182,984	154,828	201,010	258,711	223,053	3,999,908
Unassigned	(647,620)	(735,302)	(736,820)	(729,974)	(716,048)	(675,752)	(656,918)	(590,817)	(421,415)	(502,767)
Total general fund	<u>\$ 1,084,900</u>	<u>\$ 2,038,725</u>	<u>\$ 2,155,262</u>	<u>\$ 1,514,928</u>	<u>\$ 2,060,161</u>	<u>\$ 2,439,593</u>	<u>\$ 2,720,766</u>	<u>\$ 3,909,090</u>	<u>\$ 4,974,763</u>	<u>\$ 6,476,769</u>
All other governmental funds:										
Reserved	\$ 67,020	\$ 3	\$ 1							
Unreserved, reported in:										
Special revenue fund	(39,192)	(30,740)	(38,998)	\$ (31,400)	\$ (49,991)	\$ (43,491)	\$ (49,595)	\$ (41,202)	\$ (49,568)	\$ (120,480)
Capital projects fund						19,838,574	5,627,783	524,693	171,069	19,753
Debt service fund						227,292	303,859	87,701	(11,046)	(20,193)
Total all other governmental funds	<u>\$ 27,828</u>	<u>\$ (30,737)</u>	<u>\$ (38,997)</u>	<u>\$ (31,400)</u>	<u>\$ (49,991)</u>	<u>\$ 20,022,375</u>	<u>\$ 5,882,047</u>	<u>\$ 571,192</u>	<u>\$ 110,455</u>	<u>\$ (120,920)</u>

Source: District records

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues:</b>										
Tax levy	\$ 18,476,272	\$ 18,221,217	\$ 18,972,464	\$ 18,893,576	\$ 19,730,639	\$ 20,276,014	\$ 21,298,130	\$ 21,982,063	\$ 22,388,803	\$ 21,297,756
Other local government units - restricted	30,233	18,371	15,334	14,836	16,474	4,375	11,630			
Tuition charges	230,822	351,180	481,604	390,457	205,525	406,818	338,838	176,501	218,600	328,738
Transportation fees	72,422	106,626	187,014	188,726	168,733	189,450	247,829	52,820	109,190	84,967
Interest earnings						71,599	37,425	11,134	7,985	69,349
Miscellaneous	264,153	352,455	133,814	394,217	285,823	131,178	133,439	421,039	361,385	421,708
State sources	18,050,221	18,830,097	19,660,761	19,954,973	20,603,227	21,262,694	22,501,911	23,050,634	23,791,814	23,815,043
Federal sources	2,127,808	2,049,184	1,622,496	1,738,144	1,677,958	1,633,312	1,809,282	2,369,682	1,978,655	1,868,391
<b>Total revenue</b>	<b>39,251,931</b>	<b>39,929,130</b>	<b>41,073,487</b>	<b>41,574,929</b>	<b>42,688,379</b>	<b>43,975,440</b>	<b>46,378,484</b>	<b>48,063,873</b>	<b>48,856,432</b>	<b>47,885,952</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular instruction	8,810,736	8,918,629	9,033,758	9,719,620	9,392,467	9,453,342	9,489,633	9,495,796	9,214,852	9,301,209
Special education instruction	3,212,700	3,188,639	4,870,826	5,025,765	5,105,734	5,128,540	5,470,063	5,417,684	5,047,369	5,057,593
Other special instruction	2,162,713	1,815,288	559,694	490,921	525,918	694,969	738,469	602,058	618,120	604,964
Other instruction	383,760	403,600	492,690	444,454	452,855	477,587	490,237	494,763	514,224	461,250
<b>Support services:</b>										
Tuition	1,900,756	1,995,833	2,225,349	2,209,226	2,388,303	2,526,303	2,534,071	2,420,352	2,476,288	2,508,441
Student & instruction related services	3,604,211	3,514,360	3,816,796	3,884,301	3,734,469	3,646,567	4,082,783	4,620,905	4,458,909	4,154,678
School administrative services	1,349,197	1,278,562	1,385,088	1,410,148	1,404,508	1,412,830	1,367,829	1,455,627	1,316,018	1,344,667
Other administrative services	1,472,780	1,515,592	1,601,083	1,662,966	1,569,717	1,540,894	1,658,967	1,689,032	1,671,577	1,706,726
Plant operations & maintenance	3,032,171	2,889,225	2,849,602	3,085,931	2,948,844	2,826,276	2,909,254	2,910,593	3,004,266	2,743,184
Pupil transportation	1,806,204	2,018,285	2,081,236	2,171,642	2,135,851	2,319,113	2,406,552	2,358,150	2,700,819	2,344,493
Employee benefits	8,221,190	8,778,641	9,482,779	9,456,216	10,014,666	10,648,785	10,903,409	11,666,556	12,802,319	14,049,102
Transfer to charter school	30,665	31,661	58,539	85,764	77,831	114,584	106,872	30,587	13,512	25,629
Capital outlay	1,028,091	1,092,187	799,781	1,985,799	2,375,481	4,368,170	14,830,634	5,801,513	1,057,521	1,298,213
<b>Debt service:</b>										
Principal	1,270,000	1,305,000	1,360,000	1,425,000	1,470,000	1,535,000	2,560,000	2,705,000	2,790,000	980,000
Interest	531,772	493,551	438,307	381,963	330,700	620,024	940,850	832,225	731,900	666,225
<b>Total expenditures</b>	<b>38,816,946</b>	<b>39,239,053</b>	<b>41,055,528</b>	<b>43,439,716</b>	<b>43,927,344</b>	<b>47,312,984</b>	<b>60,489,623</b>	<b>52,500,841</b>	<b>48,417,694</b>	<b>47,246,374</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>434,985</b>	<b>690,077</b>	<b>17,959</b>	<b>(1,864,787)</b>	<b>(1,238,965)</b>	<b>(3,337,544)</b>	<b>(14,111,139)</b>	<b>(4,436,968)</b>	<b>438,738</b>	<b>639,578</b>
<b>Other financing sources (uses):</b>										
Bond proceeds						23,647,000				
Capital leases (non-budgeted)	338,273	204,906	105,285	1,232,867	1,756,425	167,369	251,939	338,652	167,584	631,053
Transfers in	24,366	536	265,082	339,116	263,901	340,569	294,593	393,777	208,015	354,389
Transfers out	(52,279)	(259)	(280,049)	(339,933)	(254,719)	(365,596)	(294,593)	(393,777)	(208,015)	(354,389)
Other sources	37,154						45	(24,215)	(1,386)	
<b>Total other financing sources (uses)</b>	<b>347,514</b>	<b>205,183</b>	<b>90,318</b>	<b>1,232,050</b>	<b>1,765,607</b>	<b>23,789,342</b>	<b>251,984</b>	<b>314,437</b>	<b>166,198</b>	<b>631,053</b>
<b>Net change in fund balance</b>	<b>\$ 782,499</b>	<b>\$ 895,260</b>	<b>\$ 108,277</b>	<b>\$ (632,737)</b>	<b>\$ 526,642</b>	<b>\$ 20,451,798</b>	<b>\$ (13,859,155)</b>	<b>\$ (4,122,531)</b>	<b>\$ 604,936</b>	<b>\$ 1,270,631</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>5.01%</b>	<b>4.95%</b>	<b>4.68%</b>	<b>4.56%</b>	<b>4.53%</b>	<b>5.28%</b>	<b>8.30%</b>	<b>8.20%</b>	<b>8.03%</b>	<b>3.72%</b>

Source: District records

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

Fiscal Year Ended June 30,	Prior Year Refunds	Admission Fees	Rentals	Tuition	School Bus Advertising	Miscellaneous	Interest	Annual Totals
2011	\$ 137,436	\$ 8,475	\$ 11,766	\$ 83,534		\$ 2,176	\$ 3,202	\$ 246,589
2012	129,963	9,596	13,690	146,500		74,069	35,167	408,985
2013	36,041	11,302	16,141			5,749	37,294	106,527
2014	319,872	8,101	25,309			8,842	30,417	392,541
2015	37,548	9,882	12,115	162,242		42,429	1,092	265,308
2016	8,270	11,009	11,233	32,542	\$ 2,340	25,855	14,871	106,120
2017	29,409	9,334	10,638		9,093	26,202	17,557	102,233
2018	99,743	12,491	9,592	178,202	10,642	50,158	30,776	391,604
2019	20,108	11,509	6,866	152,088	16,293	46,776	92,368	346,008
2020	60,530	10,993	7,933		16,293	283,888		379,637

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farmland	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax Exempt Property	Public Utilities	Net Valuation Taxable	Actual (County Equalized) Value	Total Direct School Tax Rate
2011	47,616,600	883,217,800	3,198,400	181,429,800	12,319,200	57,259,700	1,185,041,500		7,816,927	1,192,858,427	1,255,462,612	1.538
2012	54,928,800	883,463,400	3,198,400	182,279,800	14,400,100	54,728,000	1,192,998,500		6,250,864	1,199,249,364	1,239,822,665	1.543
2013	47,763,500	889,836,800	3,190,200	178,235,000	13,384,900	53,769,800	1,186,180,200		5,620,182	1,191,800,382	1,197,344,427	1.581
2014	44,272,900	891,128,900	2,583,200	175,876,900	13,084,900	48,249,800	1,175,196,600		5,016,335	1,180,212,935	1,161,819,672	1.629
2015	42,946,200	892,810,800	2,637,700	177,599,700	13,084,900	48,096,500	1,177,175,800		4,858,928	1,182,034,728	1,135,423,072	1.685
2016	66,243,500	894,384,900	2,604,000	176,305,400	12,069,900	48,390,400	1,199,998,100		5,302,493	1,205,300,593	1,210,237,669	1.717
2017	59,946,600	901,323,400	2,395,800	185,555,300	13,384,900	48,390,400	1,210,996,400		5,456,328	1,216,452,728	1,230,362,922	1.771
2018	62,025,300	910,827,800	1,717,100	181,668,900	14,911,000	48,390,400	1,219,540,500		5,506,020	1,225,046,520	1,231,168,330	1.771
2019	70,856,100	922,709,300	1,717,100	179,332,700	21,536,000	47,759,000	1,243,910,200		5,704,354	1,249,614,554	1,297,724,414	1.741
2020	68,675,100	940,909,100	1,453,100	177,096,700	21,111,600	48,785,100	1,258,030,700		5,823,166	1,263,853,866	1,285,296,756	1.700

Source: Tax Assessor

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

Fiscal Year Ended June 30,	Glassboro School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Borough of Glassboro	Gloucester County	
2011	1.413	0.125	1.538	0.947	0.613	3.098
2012	1.419	0.124	1.543	0.991	0.612	3.146
2013	1.448	0.133	1.581	1.034	0.652	3.267
2014	1.486	0.143	1.629	1.033	0.651	3.313
2015	1.543	0.142	1.685	1.033	0.672	3.267
2016	1.532	0.185	1.717	1.047	0.701	3.465
2017	1.556	0.215	1.771	1.047	0.750	3.568
2018	1.559	0.212	1.771	1.047	0.733	3.551
2019	1.528	0.213	1.741	1.049	0.759	3.549
2020	1.623	0.077	1.700	1.044	0.799	3.543

Source: Municipal Tax Collector

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

	2020			2011		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Borough of Glassboro	29,606,800	1	2.34%			
Park Crest Village	19,000,000	2	1.50%	19,000,000	2	1.59%
Kranzco Realty Trust	16,000,000	3	1.27%	17,500,000	3	1.47%
LMX Doubletree Ctr.	15,552,800	4	1.23%	15,400,000	4	1.29%
Crossing at Glassboro LLC	13,000,000	5	1.03%			
Hollybush Preservation Partners LP	9,462,700	6	0.75%			
Glassboro Plaza, LLC	8,750,000	7	0.69%	8,750,000	8	0.73%
Glassboro Properties II, LLC	8,581,100	8	0.68%	15,191,800	5	1.27%
SJDCCO LLC	8,072,800	9	0.64%	7,816,927	9	0.66%
Verizon - New Jersey	7,134,466	10	0.56%			
Campus - Glassboro LLC				19,531,700	1	1.64%
DR Horton Inc. - New Jersey				10,470,000	6	0.88%
Hollybush Affordable Housing Inc.				9,168,800	7	0.77%
Doubletree Partners, LLC				5,188,800	10	0.43%
	<u>135,160,666</u>		<u>10.69%</u>	<u>128,018,027</u>		<u>10.73%</u>

Source: County Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 18,476,272	\$ 18,476,272	100.00%	
2012	18,221,217	18,221,217	100.00%	
2013	18,972,464	18,972,464	100.00%	
2014	18,893,576	18,893,576	100.00%	
2015	19,730,639	19,730,639	100.00%	
2016	20,276,014	20,276,014	100.00%	
2017	21,298,130	21,298,130	100.00%	
2018	21,982,063	21,982,063	100.00%	
2019	22,388,803	22,388,803	100.00%	
2020	21,297,756	21,297,756	100.00%	

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



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

Fiscal Year Ended June 30,	Governmental Activities				Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)			
2011	\$ 12,290,000		\$ 1,367,777		\$ 13,657,777	1.74%	732
2012	10,985,000		1,051,848		12,036,848	1.47%	639
2013	9,625,000		664,585		10,289,585	1.22%	544
2014	8,200,000		1,377,026		9,577,026	1.10%	503
2015	6,730,000		2,636,629		9,366,629	1.04%	489
2016	28,842,000		1,622,929		30,464,929	3.20%	1,543
2017	26,282,000		681,825		26,963,825	2.69%	1,352
2018	23,577,000		532,573		24,109,573	2.31%	1,206
2019	20,787,000		1,709,567		22,496,567	2.06%	1,109
2020	19,807,000		1,523,614		21,330,614	N/A	N/A

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2011	\$ 12,290,000		\$ 12,290,000	2.00%	661
2012	10,985,000		10,985,000	0.92%	589
2013	9,625,000		9,625,000	0.81%	511
2014	8,200,000		8,200,000	0.69%	434
2015	6,730,000		6,730,000	0.57%	354
2016	28,842,000		28,842,000	2.39%	1,505
2017	26,282,000		26,282,000	2.16%	1,331
2018	23,577,000		23,577,000	1.92%	1,183
2019	20,787,000		20,787,000	1.66%	1,040
2020	19,807,000		19,807,000	1.57%	N/A

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

GLASSBORO SCHOOL DISTRICT  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2020  
 Unaudited

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Glassboro Borough	\$ 35,511,539	100.00%	\$ 35,511,539
Gloucester County General Obligation Debt	227,739,500	4.77%	10,865,645
Subtotal, overlapping debt			46,377,185
Glassboro District Direct Debt			19,807,000
Total direct and overlapping debt			\$ 66,184,185

Sources: Debt outstanding data provided by each governmental unit.

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

	Equalized valuation basis
	2019
	2018
	2017
	<u>\$ 3,657,755,388</u>
Average equalized valuation of taxable property	<u>\$ 1,219,251,796</u>
Debt limit (4% of average equalized value)	\$ 48,770,072
Total net debt applicable to limit	<u>19,807,000</u>
Legal debt margin	<u>\$ 28,963,072</u>

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 48,595,183	\$ 48,638,352	\$ 47,898,764	\$ 46,827,175	\$ 45,405,144	\$ 44,962,939	\$ 45,291,638	\$ 46,198,365	\$ 47,142,645	\$ 48,770,072
Total net debt applicable to limit	12,290,000	10,985,000	9,625,000	8,200,000	6,730,000	28,842,000	26,282,000	23,577,000	20,787,000	19,807,000
Legal debt margin	<u>\$ 33,875,650</u>	<u>\$ 36,305,183</u>	<u>\$ 37,653,352</u>	<u>\$ 38,273,764</u>	<u>\$ 38,627,175</u>	<u>\$ 38,675,144</u>	<u>\$ 16,120,939</u>	<u>\$ 19,009,638</u>	<u>\$ 26,355,645</u>	<u>\$ 28,963,072</u>
Total net debt applicable to the limit as a percentage of debt limit	25.29%	22.59%	20.09%	17.51%	14.82%	64.15%	58.03%	51.03%	44.09%	40.61%

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

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

Fiscal Year Ended June 30,	Population	Personal Income	Per Capita Personal Income *	Unemployment Rate
2011	18,579	\$ 785,873,121	\$ 42,299	11.60%
2012	18,662	817,227,642	43,791	11.30%
2013	18,843	846,804,420	44,940	11.50%
2014	18,911	868,014,900	45,900	7.90%
2015	19,025	901,632,800	47,392	7.10%
2016	19,159	951,531,735	49,665	6.30%
2017	19,739	1,001,695,033	50,747	5.40%
2018	19,938	1,045,847,790	52,455	4.60%
2019	19,994	1,094,571,530	54,745	4.00%
2020	20,288	N/A	N/A	N/A

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

Source:

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

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

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

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

Employer	2020			2011		
	Employees	Rank	% of Total Municipal Employment	Employees	Rank	% of Total Municipal Employment
Amazon	4,500	1	N/A			
Rowan University	3,500	2	N/A	1,300	4	N/A
Inspira Health	2,051	3	N/A			
Jefferson Health	2,015	4	N/A			
Washington Township School District	1,550	5	N/A	1,504	2	N/A
Shop Rite	1,300	6	N/A			
County of Gloucester	1,200	7	N/A	1,500	3	N/A
US Foodservices	1,014	8	N/A	800	7	N/A
Monroe Township School District	805	9	N/A	714	8	N/A
Walmart - Turnersville	800	10	N/A			
Underwood Memorial Hospital				1,825	1	N/A
Kennedy Health Alliance				1,200	5	N/A
Missa Bay, LLC				950	6	N/A
Valero				640	9	N/A
Goodwin Pumps				640	10	N/A
	18,735			11,073		

Source: Gloucester County Department of Economic Development and Employer Directly

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

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction:										
Regular	135	138	139	136	134	140	139	138	136	134
Special education	61	60	53	53	55	60	58	55	53	52
Other instruction	5	7	9	14	10	10	11	15	14	13
Support Services:										
Student & instruction related services	38	39	41	39	41	39	39	40	39	38
General administration	2	2	3	2	2	2	2	2	2	2
School administrative services	18	17	17	18	18	24	23	17	17	17
Other administrative services	3	3	3	5	5	5	5	5	5	4
Central services	7	7	7	8	8	7	6	6	6	6
Administrative information technology	3	3	3	3	3	3	4	5	5	5
Plant operations & maintenance	44	39	39	40	40	39	40	39	39	39
Pupil transportation	28	30	29	33	30	31	30	30	30	30
Other support services	1	1	1		1	1	1	1	1	1
<b>Total</b>	<b>344.4</b>	<b>345.8</b>	<b>341.4</b>	<b>350.1</b>	<b>345.6</b>	<b>361.2</b>	<b>357.4</b>	<b>353.7</b>	<b>347.7</b>	<b>341.0</b>

Source: District Personnel Records

GLASSBORO SCHOOL DISTRICT  
Operating Statistics  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle	High				
2011	2,234	\$ 35,987,083	\$ 16,109	8.54%	182	18	26	18	2,217	2,085	4.82%	94.0%
2012	2,212	36,348,315	16,432	2.01%	183	18	12	10	2,222	2,121	0.23%	95.5%
2013	2,243	38,457,440	17,146	4.34%	197	11	6	9	2,181	2,061	-1.85%	94.5%
2014	2,209	39,646,954	17,948	4.68%	191	13	11	11	2,195	2,074	0.64%	94.5%
2015	2,274	39,751,163	17,481	-2.60%	191	13	11	11	2,165	2,056	-1.37%	95.0%
2016	2,168	40,789,790	18,814	7.63%	210	13	10	15	2,101	1,995	-2.96%	95.0%
2017	2,120	42,158,139	19,886	5.69%	208	14	11	12	2,099	1,985	-0.10%	94.6%
2018	2,033	43,162,103	21,231	6.76%	202	11	10	9	1,988	1,833	-5.29%	92.2%
2019	1,932	43,838,273	22,691	6.88%	198	11	10	9	1,917	1,807	-3.57%	94.3%
2020	1,922	44,301,936	23,050	1.58%	199	11	10	9	1,911	1,836	-0.34%	96.1%

Source: Enrollment based on annual October District count.



GLASSBORO SCHOOL DISTRICT  
 School Building Information  
 Last Ten Fiscal Years  
 Unaudited

District Building	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>Elementary</u>										
J. Harvey Rogers (1959)										
Square feet	39,192	39,192	39,192	39,192	39,192	39,192	39,192	39,192	39,192	39,192
Capacity (students)	289	289	289	289	289	289	289	289	289	289
Enrollment	338	335	326	319	338	298	300	283	269	246
Dorothy Bullock (1993)										
Square feet	87,700	87,700	87,700	87,700	87,700	87,700	87,700	87,700	87,700	87,700
Capacity (students)	580	580	580	580	580	580	580	580	580	580
Enrollment	480	479	497	503	549	523	517	458	423	435
Thomas E. Bowe (1972)										
Square feet	75,514	75,514	75,514	75,514	75,514	75,514	75,514	75,514	75,514	75,514
Capacity (students)	571	571	571	571	571	571	571	571	571	571
Enrollment	470	459	446	450	479	446	439	457	450	421
<u>Middle</u>										
Intermediate (1934)										
Square feet	60,671	60,671	60,671	60,671	60,671	60,671	60,671	60,671	60,671	60,671
Capacity (students)	466	466	466	466	466	466	466	466	466	466
Enrollment	341	315	331	292	269	274	319	291	278	297
<u>High</u>										
Glassboro High (1966)										
Square feet	113,915	113,915	113,915	113,915	113,915	113,915	113,915	113,915	113,915	113,915
Capacity (students)	765	765	765	765	765	765	765	765	765	765
Enrollment	614	624	643	631	639	569	545	523	512	523

Number of Schools at June 30  
 Elementary = 3  
 Middle = 1  
 High = 1

Source: District Office

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

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

* School Facilities	Gross Square Footage	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Administration	6,530	\$ 26,936	\$ 25,583	\$ 27,824	\$ 39,007	\$ 29,807	\$ 56,307	\$ 55,231	\$ 22,186	\$ 24,298	\$ 106,613	\$ 413,792
Elsmere	5,358	4,791	1,915									6,706
High School	113,915	70,906	100,072	81,889	106,177	64,116	58,832	60,020	57,571	73,590	85,314	758,487
Intermediate	60,671	44,128	67,500	46,429	53,973	38,477	54,782	35,100	45,903	69,755	27,264	483,311
Bowe	75,514	25,876	23,325	27,518	21,148	22,772	29,214	33,548	131,568	130,365	10,364	455,698
Bullock	87,700	44,110	73,998	52,863	34,680	42,415	34,592	35,605	32,659	36,936	2,102	389,960
Rodgers	39,192	20,114	32,504	20,920	37,248	25,691	24,402	27,167	45,704	35,111	20,603	289,464
<b>Total School Facilities</b>		<b>\$ 236,861</b>	<b>\$ 324,897</b>	<b>\$ 257,443</b>	<b>\$ 292,233</b>	<b>\$ 223,278</b>	<b>\$ 258,129</b>	<b>\$ 246,671</b>	<b>\$ 335,591</b>	<b>\$ 370,055</b>	<b>\$ 252,260</b>	<b>\$ 2,797,418</b>

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

Source: District records

GLASSBORO SCHOOL DISTRICT  
Insurance Schedule  
June 30, 2020  
Unaudited

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

Source: District records.

**SINGLE AUDIT SECTION**

# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
P.O. Box 279 • Glassboro, NJ 08028  
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MEMBER: AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

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

EXHIBIT K-1

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

### Independent Auditor's Report

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the Governmental activities, the Business-type Activities, each major fund, and the aggregate remaining fund information of the Glassboro School District, in the County of Gloucester, State of New Jersey, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Glassboro School District's basic financial statements, and have issued our report thereon dated May 26, 2021.

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2020-001 to be a material weakness.

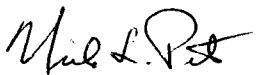
A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. The results of our tests disclosed no instances of significant deficiencies.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Glassboro School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 which are described in the accompanying schedule of findings and recommendations as items 2020-002, 2020-003, and 2020-004.

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

PETRONI & ASSOCIATES LLC



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

May 26, 2021

# PETRONI & ASSOCIATES LLC

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Nick L. Petroni, CPA, RMA

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Deanna L. Roller, CPA, RMA

EXHIBIT K-2

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL  
ASSISTANCE REQUIRED BY *UNIFORM ADMINISTRATIVE REQUIREMENTS, COST  
PRINCIPLES, AUDIT REQUIREMENTS FOR FEDERAL AWARDS (UNIFORM GUIDANCE),  
AND NEW JERSEY OMB'S CIRCULAR 15-08***

## Independent Auditor's Report

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

### ***Report on Compliance for Each Major Federal and State Program***

We have audited the Glassboro School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Glassboro School District's major Federal and State programs for the year ended June 30, 2020. The Glassboro School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal and State programs.

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

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

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

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

### ***Opinion on Each Major Federal and State Programs***

In our opinion, the Glassboro School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major Federal and State programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2020.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08 which are described in the accompanying schedule of findings and questioned costs as items 2020-005 and 2020-006. Our opinion on each major federal or state program is not modified with respect to these matters.

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

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

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

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



did not identify any deficiencies in internal controls 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 Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements Glassboro School District as of and for the year ended June 30, 2020, and have issued our report thereon dated May 26, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by Uniform Guidance and NJ OMB's Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of Management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

PETRONI & ASSOCIATES LLC



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

May 26, 2021

GLASSBORO SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2019	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2020			Cumulative Total Expenditures
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Education																
General Fund:																
Medical Assistance Program (SEMI)	93.778	2005NJ5MAP	N/A	\$ 100,576	7/1/19	6/30/20			\$ 100,263	\$ (100,576)			\$ (313)			\$ 100,576
Medical Assistance Program (SEMI)	93.778	1905NJ5MAP	N/A	113,105	7/1/18	6/30/19	(2,793)		2,793							113,105
<b>Total General Fund</b>							<u>(2,793)</u>		<u>103,056</u>	<u>(100,576)</u>			<u>(313)</u>			<u>213,681</u>
U.S. Department of Education																
Passed-through State Department of Education																
Special Revenue Fund:																
Title I, Part A	84.010A	S010A190030	NCLB173019	818,950	7/1/19	6/30/20			626,760	(680,270)			(53,510)			680,270
Title I, Part A	84.010A	S010A180030	NCLB173018	788,983	7/1/18	6/30/19	(540,139)		540,139							658,603
<b>Subtotal</b>	<b>84.010A</b>						<u>(540,139)</u>		<u>1,166,899</u>	<u>(680,270)</u>			<u>(53,510)</u>			<u>1,338,873</u>
IDEA Part B, Basic Regular	84.027	H027A190100	IDEA173019	590,582	7/1/19	6/30/20			590,582	(590,582)						590,582
IDEA Part B, Basic Regular	84.027	H027A180100	IDEA173018	594,628	7/1/18	6/30/19	(204,004)		204,004							590,867
<b>Subtotal</b>	<b>84.027</b>						<u>(204,004)</u>		<u>794,586</u>	<u>(590,582)</u>						<u>1,181,449</u>
IDEA Part B, Preschool	84.173	H173A190114	IDEA173019	27,719	7/1/19	6/30/20			27,719	(27,719)						22,164
<b>Total Special Education Cluster</b>							<u>(204,004)</u>		<u>822,305</u>	<u>(618,301)</u>						<u>1,203,613</u>
Title II Part A	84.367A	S367A190029	NCLB173019	166,055	7/1/19	6/30/20			49,205	(52,531)			(3,326)			52,531
Title II Part A	84.367A	S367A180029	NCLB173018	136,155	7/1/18	6/30/19	(58,413)		58,413							58,413
<b>Subtotal</b>	<b>84.367A</b>						<u>(58,413)</u>		<u>107,618</u>	<u>(52,531)</u>			<u>(3,326)</u>			<u>110,944</u>
Title III Consortium	84.365A	S365A190030	NCLB173019	11,389	7/1/19	6/30/20			4,016	(4,051)			(35)			4,051
Title III Consortium	84.365A	S365A180030	NCLB173018	8,138	7/1/18	6/30/19	(1,589)		1,589							1,589
<b>Subtotal</b>	<b>---</b>						<u>(1,589)</u>		<u>5,605</u>	<u>(4,051)</u>			<u>(35)</u>			<u>5,640</u>
Title IV	84.424A	S424A190031	NCLB173019	71,315	7/1/19	6/30/20			29,262	(32,387)			(3,125)			32,387
Title IV	84.424A	S424A180031	NCLB173018	45,625	7/1/18	6/30/19	(17,252)		17,252							17,252
<b>Subtotal</b>	<b>84.424A</b>						<u>(17,252)</u>		<u>46,514</u>	<u>(32,387)</u>			<u>(3,125)</u>			<u>49,639</u>
Perkins Basic Entitlement	84.048	V048A190030	19-100-034-5060-027	20,253	7/1/19	6/30/20			20,282	(20,167)				\$ 29	\$ 86	20,167
Perkins Basic Entitlement	84.048	V048A190030	18-100-034-5060-027	15,519	7/1/18	6/30/19	(6,866)		6,866							15,382
<b>Subtotal</b>	<b>84.048</b>						<u>(6,866)</u>		<u>27,148</u>	<u>(20,167)</u>				<u>29</u>	<u>86</u>	<u>35,549</u>
School Improvement Grants	84.377	S377A190031	n/a	477,900	9/1/19	8/30/20			245,147	(370,107)			(124,960)			370,107
School Improvement Grants	84.377	S377A180031	n/a	439,198	9/1/18	8/31/19	(281,442)		281,442							412,639
<b>Subtotal</b>	<b>84.377</b>						<u>(281,442)</u>		<u>526,589</u>	<u>(370,107)</u>			<u>(124,960)</u>			<u>782,746</u>
<b>Total Special Revenue Fund</b>							<u>(1,109,705)</u>		<u>2,702,678</u>	<u>(1,777,814)</u>			<u>(184,956)</u>	<u>29</u>	<u>86</u>	<u>3,527,004</u>

The accompanying notes to schedules of expenditures of awards and financial assistance are an integral part of this schedule.

GLASSBORO SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2019	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2020			Cumulative Total Expenditures
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Agriculture Passed-through State Department of Education:																
Enterprise Fund:																
School Breakfast Program	10.553	201NJ304N1099	N/A	123,745	7/1/19	6/30/20			123,745	(123,745)						123,745
School Breakfast Program	10.553	191NJ304N1099	N/A	185,621	7/1/18	6/30/19	(38,409)		38,409							185,621
Subtotal	10.553						(38,409)		162,154	(123,745)						309,366
Food Distribution Program	10.555	N/A	N/A	59,918	7/1/19	6/30/20			59,918	(47,844)			12,074			47,844
Food Distribution Program	10.555	N/A	N/A	70,690	7/1/18	6/30/19	7,241			(7,241)						70,690
National School Lunch Program	10.555	201NJ304N1099	N/A	266,992	7/1/19	6/30/20			266,992	(266,992)						266,992
National School Lunch Program	10.555	191NJ304N1099	N/A	428,040	7/1/18	6/30/19	(84,345)		84,345							428,040
Subtotal	10.555						(77,104)		411,255	(322,077)			12,074			813,566
Summer Food Service Program - Food	10.559	201NJ304N1099	N/A	5,238	7/1/19	6/30/20			5,238	(5,238)						5,238
Summer Food Service Program - Admin.	10.559	201NJ304N1099	N/A	455	7/1/19	6/30/20			455	(455)						455
COVID-19 Summer Food Service Program - Food	10.559	201NJ304N1099	N/A	74,789	7/1/19	6/30/20			29,618	(74,789)		(45,171)				74,789
COVID-19 Summer Food Service Program - Admin.	10.559	201NJ304N1099	N/A	6,291	7/1/19	6/30/20			2,489	(6,291)		(3,802)				6,291
									37,800	(86,773)		(48,973)				86,773
Total Child Nutrition Cluster							(115,513)		611,209	(532,595)		(48,973)	12,074			1,209,705
Total Enterprise Fund							(115,513)		611,209	(532,595)		(48,973)	12,074			1,209,705
Total Federal Financial Awards							\$ (1,228,011)		\$ 3,416,943	\$ (2,410,985)		\$ (234,242)	\$ 12,103	\$ 86		\$ 4,950,390

The accompanying notes to schedules of expenditures of awards and financial assistance are an integral part of this schedule.

GLASSBORO SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year ended June 30, 2020

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2019		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance June 30, 2020			MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor					Accounts Receivable	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
State Aid Public															
Equalization Aid	20-495-034-5120-078	\$ 14,597,332	7/1/19	6/30/20				\$ 14,597,332	\$ (14,597,332)					\$ 1,374,091	\$ 14,597,332
Special Education Categorical Aid	20-495-034-5120-089	92,586	7/1/19	6/30/20				92,586	(92,586)					8,715	92,586
School Choice Aid	20-495-034-5120-068	142,688	7/1/19	6/30/20				142,688	(142,688)					13,432	142,688
Extraordinary Aid	20-495-034-5120-044	363,246	7/1/19	6/30/20					(363,246)		\$ (363,246)				363,246
Extraordinary Aid	19-495-034-5120-044	324,124	7/1/18	6/30/19		\$ (324,124)		324,124							324,124
Emergency Aid	N/A	1,511,644	7/1/19	6/30/20				1,511,644	(1,511,644)						1,511,644
Reimbursement of Nonpublic Transportation	N/A	9,047	7/1/19	6/30/20					(9,047)		(9,047)				9,047
Reimbursement of Nonpublic Transportation	N/A	39,537	7/1/18	6/30/19		(39,537)		39,537							39,537
On-behalf TPAF Pension Contribution	20-495-034-5095-002	3,276,833	7/1/19	6/30/20				3,276,833	(3,276,833)						3,276,833
On-behalf TPAF Post-retirement Contribution	20-495-034-5095-001	1,215,645	7/1/19	6/30/20				1,215,645	(1,215,645)						1,215,645
On-behalf TPAF Long-term Disability Insurance	20-495-034-5095-004	2,132	7/1/19	6/30/20				2,132	(2,132)						2,132
Reimbursed TPAF Social Security Aid	20-495-034-5094-003	1,132,273	7/1/19	6/30/20				1,074,758	(1,132,273)		(57,515)				1,132,273
Reimbursed TPAF Social Security Aid	19-495-034-5094-003	1,227,822	7/1/18	6/30/19		(54,979)		54,979							1,227,822
Total General Fund						(418,640)		22,332,258	(22,343,426)		(429,808)			1,396,238	23,934,909
Special Revenue Fund:															
Preschool Education Aid	20-495-034-5120-086	1,204,798	7/1/19	6/30/20				1,204,798	(612,451)			\$ 592,347		120,480	612,451
NJ Nonpublic Aid:															
Textbook Aid	19-100-034-5120-064	3,418	7/1/18	6/30/19			\$ 285			\$ (285)					3,133
Auxiliary Services:															
Compensatory Education	20-100-034-5120-067	4,867	7/1/19	6/30/20				4,867				\$ 4,867			
Transportation	20-100-034-5120-067	1,482	7/1/19	6/30/20				1,482				1,482			
Transportation	19-100-034-5120-067	1,791	7/1/18	6/30/19			746			(746)					1,045
Handicapped Services:															
Corrective Speech	20-100-034-5120-066	11,848	7/1/19	6/30/20				11,848					11,848		
Corrective Speech	19-100-034-5120-066	12,499	7/1/18	6/30/19			4,553			(4,553)					7,946
Examination and Classification	20-100-034-5120-066	8,360	7/1/19	6/30/20				8,360					8,360		
Examination and Classification	19-100-034-5120-066	9,828	7/1/18	6/30/19			1,638			(1,638)					8,190
Supplementary Instruction	20-100-034-5120-066	4,857	7/1/19	6/30/20				4,857					4,857		
Supplementary Instruction	19-100-034-5120-066	5,154	7/1/18	6/30/19			396			(396)					4,758
Nursing Services Aid	19-100-034-5120-070	6,208	7/1/18	6/30/19			621			(621)					5,587
Technology Initiative	19-100-034-5120-373	2,304	7/1/18	6/30/19			115			(115)					2,189
Security Aid	19-100-034-5120-509	9,600	7/1/18	6/30/19			8,683			(8,683)					917
Total Special Revenue Fund							17,037	1,236,212	(612,451)	(17,037)		592,347	31,414	120,480	646,216
Debt Services Fund:															
Debt Service Aid Type II	20-100-034-5120-075	672,521	7/1/19	6/30/20				672,521	(672,521)						672,521
Total Debt Service Fund								672,521	(672,521)						672,521

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

GLASSBORO SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year ended June 30, 2020

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2019			Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance June 30, 2020			MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover (Walkover) Amount				Accounts Receivable	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Agriculture Enterprise Fund:															
National School Lunch Program (State Share)	20-100-010-3350-023	7,484	7/1/19	6/30/20			5,500	(7,484)		(1,984)				7,484	
National School Lunch Program (State Share)	19-100-010-3350-023	8,792	7/1/18	6/30/19	(1,732)		1,732							9,727	
Total Enterprise Fund					(1,732)		7,232	(7,484)		(1,984)				17,211	
Total State Financial Assistance					\$ (420,372)	\$ 17,037	\$ 24,248,223	\$ (23,635,882)	\$ (17,037)	\$ (431,792)	\$ 592,347	\$ 31,414	\$ 1,516,718	\$ 25,270,857	
Less: On-behalf TPAF Pension System Contributions:															
On-behalf TPAF Pension Contribution								\$ (3,276,833)							
On-behalf TPAF Post-retirement Contribution								(1,215,645)							
On-behalf TPAF Long-term Disability Insurance								(2,132)							
								\$ (4,494,610)							
Total for State Financial Assistance - Major Program Determination								\$ (19,141,272)							

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

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF  
AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2020**

**NOTE 1: GENERAL**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include Federal and State activity of the Board of Education, Glassboro School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All Federal and State Awards received directly from Federal and State agencies, as well as Federal Awards and State Financial Assistance passed through other government agencies, is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception for programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200 - *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB's Circular 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

The General Fund is presented in the accompanying schedules on the modified accrual basis, with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to NJSA 18A:22-44-.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of one or more June state aid payments in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The Special Revenue Fund also recognizes the one or more June state aid payments in the current budget year, consistent with NJSA 18A:22-4-.2.

GLASSBORO SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF  
AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2020

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$16,751) for the General Fund and (\$112,101) for the Special Revenue Fund. See Note A (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented:

	Federal	State	Total
General Fund	\$ 100,576	\$ 22,626,675	\$ 22,727,251
Special Revenue Fund	1,767,815	515,847	2,283,662
Debt Service Fund		672,521	672,521
Food Service Fund	537,428	7,484	544,912
Total Financial Assistance	<u>\$ 2,405,819</u>	<u>\$ 23,822,527</u>	<u>\$ 26,228,346</u>

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

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

**NOTE 5: FOOD DISTRIBUTION PROGRAM**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. Non-monetary assistance is reported in the schedule at the market value of the commodities received and disbursed. As of June 30, 2020, the School District has food commodities totaling \$12,074 in inventory.

**NOTE 6: OTHER**

The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2020. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2020.

**NOTE 7: INDIRECT COST RATE**

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

**GLASSBORO SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF  
AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2020**

**NOTE 8: ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT  
MAJOR PROGRAM DETERMINATION**

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are excluded from State single audit major program determination. The Schedule of State Financial Assistance provides a reconciliation of State Financial Assistance reported in the District's financial statements and the amounts subject to State single audit and major program determination.



**GLASSBORO SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Section I – Summary of Auditor’s Results**

**Financial Statements:**

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

1. Material weakness(es) identified?  X  Yes   No

2. Significant deficiencies identified that are not considered to be material weaknesses?   Yes  X  None reported

Noncompliance material to basic financial statements noted?   Yes  X  No

**Federal Awards**

Internal control over major programs:

1. Material weakness(es) identified?   Yes  X  No

2. Significant deficiencies identified that are not considered to be material weaknesses?   Yes  X  None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a)?   Yes  X  No

Identification of major programs:

<u>CFDA Numbers</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
84.027	H027A160100	Special Education Cluster (IDEA) IDEA Basic
84.173	H173A160114	IDEA Preschool

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

Auditee qualified as low risk auditee?  X  Yes   No

GLASSBORO SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Section I – Summary of Auditor’s Results (Continued)

State Awards

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

Auditee qualified as low risk auditee?  X  Yes   No

Internal control over major programs:

- 1. Material weakness(es) identified?   Yes  X  No
- 2. Significant deficiencies identified that are not considered to be material weaknesses?   Yes  X  None reported

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB’s Circular 15-08?  X  Yes   No

Identification of major programs:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
	State Aid Public:
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-068	School Choice
495-034-5094-003	Reimbursed TPAF Social Security

Section II – Financial Statement Findings

Finding 2020-001

Criteria or Specific Requirement - NJAC 6A:23A-16.2(b) requires each district to develop a system of accounting and reporting that makes it possible to present fairly and with full disclosure the funds and activities in conformity with GAAP and demonstrate compliance with finance-related and contractual provisions.

Condition - The general ledgers maintained for the general fund, special revenue fund, proprietary (i.e., food service), and fiduciary funds required numerous adjustments to facilitate the preparation of the financial statements in accordance with GAAP.

Context - A separate firm was hired to assist the District with the adjustments so the independent auditor could retain their independence.

Effect - Noncompliance with Administrative Code requirements

**GLASSBORO SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Section II – Financial Statement Findings (Continued)**

Cause - The Business Administrator did not have an adequate internal control structure and procedures for financial reporting.

Recommendation: The Business Administrator develop the appropriate internal control structure and procedures for financial reporting in compliance with NJAC 6A:23A-16.2.

**Finding 2020-002**

Criteria or Specific Requirement - NJAC 6A:23A-16.10(b) requires the Chief School Administrator to notify the Executive County Superintendent the amount of the deficit on a budget basis.

Condition - The Debt Service Fund has a deficit as of June 30, 2020, of \$20,193.

Context - The District utilized fund balance to balance the budget when no funds were available.

Effect - Noncompliance with Administrative Code requirements.

Cause - The District failed to project a year-end deficit in debt service fund.

Recommendation: The District adopt at a public meeting, an acceptable corrective action plan to eliminate the actual fund deficit.

**Finding 2020-003**

Criteria or Specific Requirement - Newly hired employees must be enrolled in the New Jersey pension system within one year of the compulsory enrollment date.

Condition - Two employees selected for testing were not enrolled in the pension system by their compulsory enrollment date.

Context - With the failure to timely enroll the employee into the pension system, the District becomes liable for 50% of the pension contributions that the employee would have paid had he or she been enrolled in a timely manner.

Effect - The District violated the regulatory requirements of the pension system concerning timely enrollment of newly hired employees.

Cause - The Business Administrator failed to enroll the newly hired employee within one year of the hire date.

**GLASSBORO SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Section II – Financial Statement Findings (Continued)**

Recommendation - The District develop internal control procedures to ensure newly hired employees are timely enrolled in the pension system.

**Finding 2020-004**

Criteria or Specific Requirement - NJSA18A:66-90 requires each district to submit the annual TPAF Reimbursement Form to be submitted on or before September 1 of each year.

Condition - As of the date of the audit, the TPAF reimbursement form for FY 2020 was not submitted.

Context - The District had to reconstruct the records to support the TPAF reimbursement form.

Effect - Noncompliance with State Statute.

Cause - No documentation could be found supporting the former Business Administrator's calculation.

Recommendation: The Business Administrator maintain workpapers supporting the TPAF calculation and be filed by the statutory date.

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

**FEDERAL AWARDS**

No matters reported.

**STATE AWARDS**

**State Aid Public** - Equalization Aid 495-034-5120-078, Special Education Aid 495-034-5120-089, School Choice 495-034-5120-068.

GLASSBORO SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Section III – Federal awards and State Financial Assistance Findings  
and Questioned Costs (Continued)

**Special Tests and Provisions**

**Finding 2020-005**

Criteria or Specific Requirement - NJAC 6A:23-16.10(c)3iv requires within 60 days of the December month-end, or later upon approval of the Executive County Superintendent, every district board of education shall provide to the Executive County Superintendent a copy of the School Business Administrator/Board Secretary's and Treasurer's monthly financial reports.

Condition - The Board Secretary's and Treasurer's reports for December were not submitted to the Executive County Superintendent as prescribed NJAC 6A:23-16.10c3.iv.

Context - The Executive County Superintendent has no record of the submission.

Effect - Noncompliance with Special Tests and Provisions for State Aid Public.

Cause - The Business Administrator failed to file the required reports.

Recommendation - The Board Secretary's and Treasurer's reports be submitted to the Executive County Superintendent within 60 days of the December month-end.

**Finding 2020-006**

Criteria or Specific Requirement - NJAC 6A:23A-13.3(h) requires Executive County Superintendent approval for transfers to capital outlay, excluding equipment.

Condition - A transfer was made to capital outlay for construction services, architectural and/or engineering services without approval of the Executive County Superintendent.

Context - The Executive County Superintendent has no record of the submission or approval.

Effect - Noncompliance with Special Tests and Provisions for State Aid Public.

Cause - The Business Administrator failed to submit the request for approval.

Recommendation - The Business Administrator obtain Executive County Superintendent approval for transfers to capital outlay, excluding equipment, for an "emergent circumstance" after an on-site inspection by the County Superintendent.

**GLASSBORO SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Status of Prior Year Findings**

N/A

**Findings**

N/A

**Condition**

N/A

**Current Status**

N/A